



**SPECIAL AIR SERVICE
RESOURCES FUND**

**FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2017**

SPECIAL AIR SERVICE RESOURCES FUND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Funds			
Settlement capital		100	100
Retained surplus		2,441,044	1,718,041
Reserve fund	11	48,847	3,621
		<u>2,489,991</u>	<u>1,721,762</u>
Represented by:			
Current Assets			
Cash assets	2	139,151	266,153
Receivables	3	1,176,808	885,459
Total Current Assets		<u>1,315,959</u>	<u>1,151,612</u>
Non-Current Assets			
Land – at valuation	5	550,000	-
Leasehold improvements	5	2,174	3,791
Other financial assets	4	746,442	701,216
Total Non-Current Assets		<u>1,298,616</u>	<u>705,007</u>
Total Assets		<u>2,614,575</u>	<u>1,856,619</u>
Current Liabilities			
Payables	6	124,584	134,857
Total Liabilities		<u>124,584</u>	<u>134,857</u>
Net Assets		<u>2,489,991</u>	<u>1,721,762</u>

SPECIAL AIR SERVICE RESOURCES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Operating Activities:			
Income from functions	7	300,280	417,685
Donations received		75,304	61,260
Bequest – Land		550,000	-
		<hr/> 925,584	<hr/> 478,945
Non-Operating Activities:			
Interest received		25,928	32,730
Dividends		37,584	11,571
Sundry income		100	-
		<hr/> 63,612	<hr/> 44,301
Total Revenue		<hr/> 989,196	<hr/> 523,246
Expenses			
Costs of functions	7	141,321	243,472
Audit fee		16,050	-
Chairman’s function		2,926	3,710
Depreciation – plant and equipment		2,775	6,396
Bank and merchant card charges		1,257	2,047
Functions administration		26,927	-
Printing and stationery		619	-
Office expenses		8,000	8,673
Website costs		4,485	1,280
IT review		19,152	0
Insurance		5,907	2,661
Telephone		2,005	2,359
General function costs		4,769	3,236
Total Expenses		<hr/> 236,193	<hr/> 273,834
Net Income for the Year		<hr/> 753,003	<hr/> 249,412
Distribution to beneficiaries:			
SAS Resources Trust		30,000	-
SAS Historical Association			10,000
		<hr/> 30,000	<hr/> 10,000
Net Surplus/(Deficit) for the year from ordinary activities		<hr/> 723,003	<hr/> 239,412
Other Comprehensive Income:			
Movement in fair value of financial assets		45,226	3,621
Total Comprehensive Income		<hr/> <hr/> 762,913	<hr/> <hr/> 243,033

SPECIAL AIR SERVICE RESOURCES FUND**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Cash flows from operating activities:			
Receipts from functions		270,704	386,502
Donations received		70,104	57,171
Other income		100	4,089
Payments for services		(228,101)	(266,907)
Interest received		24,064	30,375
Dividends received		29,750	8,100
Payments to beneficiaries		-	(90,000)
Net cash provided by/(used in) operating activities	8b	<u>166,621</u>	<u>129,330</u>
Cash flows from investing activities:			
Payments for investments		-	(697,597)
Transfers to/from medium term deposits		(292,465)	302,537
Purchase office equipment		(1,158)	-
Net cash provided by/(used in) investing activities		<u>293,623</u>	<u>(395,060)</u>
Cash flows from financing activities:			
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/decrease in cash held		(127,002)	(265,730)
Cash at beginning of financial year		266,153	531,883
Cash at end of financial year	8a	<u><u>139,151</u></u>	<u><u>266,153</u></u>

SPECIAL AIR SERVICE RESOURCES FUND**STATEMENT OF CHANGES IN FUNDS**

FOR THE YEAR ENDED 30 JUNE 2017

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2015	100	1,478,629	-	1,478,729
Other comprehensive income	-	-	3,621	3,621
Surplus/(deficit)	-	239,412	-	239,412
Balance at 30 June 2016	100	1,718,041	3,621	1,721,762

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2016	100	1,718,041	3,621	1,721,762
Other comprehensive income	-	0	45,226	45,226
Surplus/(deficit)	-	723,003	-	723,003
Balance at 30 June 2017	100	2,441,044	48,847	2,489,991

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies

The financial report is a special purpose financial report which has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and other mandatory professional reporting requirements. The Special Air Service Resources Fund was established by Fund Deed dated 6 March 2012.

The Fund is not a reporting entity because it is unlikely that users exist who are unable to command the compilation of reports tailored so as to satisfy specifically all of their information needs. This is a special purpose financial report that has been prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and for internal use by the Fund.

(a) Basis of Preparation

The requirements of Australian Accounting Standards do not have mandatory applicability to the Fund because it is not a "reporting entity". However, the Trustees have determined that in order for the financial report to give a true and fair view of the Fund's financial position and performance, the requirements of Accounting Standards relating to the recognition, measurement and classification of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Trustees have prepared the financial report in accordance with the recognition, measurement and classification requirements of Australian Accounting Standards and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures.

The financial report has been prepared on a historical basis, except for financial instruments which are measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

Compliance with IFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Report Standards (IFRS) because IFRS do not exclude non-reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2015. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the Fund.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Fund for the annual reporting period ended 30 June 2016. The Trustee has not early adopted any of these new or amended standards or interpretations. The Trustee has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Fund) and interpretations.

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies (continued)

(c) Significant Accounting Policies

The following is a summary of the material policies adopted by the Fund in the preparation of the financial report.

a) Revenue Recognition

Donations are recognised as revenue when the amounts are received or deposited in the bank account. Donated assets are recognised as an asset at fair value at the date of donation.

Dividend revenue is recognised when received and distributions from Managed Funds is recognised in the period to which the distribution relates.

Reimbursement of dividend imputation credits from the Australian Taxation Office is brought to account in the period in which the relevant dividends are received.

b) Fundraising Functions

Revenue from fundraising functions is disclosed in the period in which the function is held. All costs of the function are similarly disclosed in the period the function is held.

c) Property, Plant and Equipment

Depreciation has been provided on plant and equipment so as to write off its value over its estimated effective life of the asset being term of the lease agreement for the office premises.

d) Income Tax

The Fund is exempt from income tax under the provisions of Section 23jii of the Income Tax Assessment Act.

e) Financial Instrument

Financial instruments are mutually measured at cost on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequently these instruments are measured at fair value through profit and loss or fair value through other comprehensive income based on an irrevocable election on initial recognition.

When the Fund elects to recognise the assets at fair value through other comprehensive income the unrealised gains or losses arising from changes in value are to be taken directly to the reserve.

Dividends from the financial instruments are recognised in profit and loss when the right to receive payment is probable and can be reliably measured.

f) Reserves

The reserve records the revaluation of financial instruments. On de-recognition of the underlying financial instruments any cumulative gain or loss may be transferred within equity.

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 2 – Cash Assets

	2017 \$	2016 \$
Cash at bank	139,151	266,153
	<u>139,151</u>	<u>266,153</u>

The Fund Deed establishing the Fund requires the Fund to be invested in authorised trustee investments under the Trustees Act 1962.

Term deposits are considered to be cash if the maturity from acquisition date is less than 90 days.

Note 3 – Receivables

	2017 \$	2016 \$
Receivables-pre paid function expenses	42,613	58,521
Interest receivable	7,231	5,367
Medium term deposit	1,092,465	800,000
Other receivables	34,499	21,571
Total Receivable	<u>1,176,808</u>	<u>885,459</u>

Medium term deposits have a maturity from acquisition date of greater than 90 days and are not considered to be cash and cash equivalents.

Term deposits are considered to be cash if the maturity from acquisition date is less than 90 days.

Note 4 – Financial Assets

	2017 \$	2016 \$
Financial assets comprise:		
Investments in listed corporations	746,442	701,216
Fair value	<u>746,442</u>	<u>701,216</u>

The investments are held in the name of SART Holdings Pty Ltd in its capacity as trustee. The shares in this company are held under a declaration of trust for the Trust by three of the trustees.

Note 5 – Non Current Assets

a) Land

Land was valued on the basis of three appraisals obtained from independent Real Estate Agents.

b) Plant and Equipment

	2017 \$	2016 \$
Office equipment and fittings at cost	22,406	21,247
Accumulated depreciation	(20,232)	(17,456)
	<u>2,174</u>	<u>3,791</u>

SPECIAL AIR SERVICE RESOURCES FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 JUNE 2017****Note 6 – Payables**

	2017	2016
	\$	\$
Pre-paid function receipts	84,888	93,818
Accruals	0	27,402
Other payables	39,696	13,637
	<u>124,584</u>	<u>134,857</u>

Note 7 – Functions – Income and Expenses

The following fundraising functions were held during the period:

<u>Income</u>	2017	2016
	\$	\$
Western Derby Breakfast	46,630	-
Perth Charity Dinner	253,650	292,683
Melbourne Function	-	125,002
	<u>300,280</u>	<u>417,685</u>

<u>Expenses</u>	2017	2016
	\$	\$
Western Derby Breakfast	38,341	-
Perth Charity Dinner	102,980	152,084
Melbourne Function	-	91,388
	<u>141,321</u>	<u>243,472</u>

Note 8 – Cash Flow Information

	2017	2016
	\$	\$
a Cash at the end of the period as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:-		
Cash at Bank	<u>139,151</u>	<u>266,153</u>
b Reconciliation of net cash provided by operating activities:		
Net surplus for year from ordinary activities	723,003	239,412
Non cash flows in surplus:		
Bequest – Land	(550,000)	
Amortisation leasehold improvements	2,775	6,396
(Increase)/Decrease in receivables	1,116	(27,688)
Increase/(Decrease) in liabilities	(10,273)	(88,790)
Net cash provided by/(used in) Operating Activities	<u>166,621</u>	<u>129,330</u>

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 9 – Related Parties

The Trustee is SART Holdings Pty Ltd.

SART Holdings Pty Ltd Directors:

Gregory Solomon (Chairman)	Michelle Hawksley
Dr Grant Walsh CSM (Deputy Chairman)	James McMahon
Hon Peter Blaxell	Dr Stefan Nidorf
Alan Cransberg	Peter Fitzpatrick
Robert Druitt	Kerry Stokes AC
LTCOL James Kidd DSM+BAR, CSM	Andrew Forrest
Nicholas Brasington	Thomas Wallace OAM

Donations to the Fund were made by some of the Directors of the trustee company.

Note 10 – Financial Instruments

a) Interest Rate Risk

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:-

	Weighted Average Effective Interest Rate 2016 %	Fixed Interest Maturing within 1 Year 2016 \$	Non-Interest Bearing 2016 \$	Total 2016 \$
Bank Deposits	1.30 – 3.00	1,066,153	-	1,066,153
Receivables		-	85,459	85,459
Total		1,066,153	85,459	1,151,612

	Weighted Average Effective Interest Rate 2017 %	Fixed Interest Maturing within 1 Year 2017 \$	Non-Interest Bearing 2017 \$	Total 2017 \$
Bank Deposits	1.20 – 2.80	1,231,616		1,231,616
Receivables			84,343	84,343
Total		1,231,616	84,343	1,315,959

b) The net fair value of financial assets approximates the values disclosed in the financial statements.

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 11 – Financial Assets Reserve Fund

	2017	2016
	\$	\$
Opening balance	3,621	-
Revaluation increment/(decrement)	45,226	3,621
Closing balance	<u>48,847</u>	<u>3,621</u>

Note 12 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results or state of affairs of the Fund.

SPECIAL AIR SERVICE RESOURCES FUND

TRUSTEE'S DECLARATION

The Trustee has determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee declares that:

- a) The financial statements and notes, as set out in the following pages, fairly describe the Fund's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the trustees and is signed on behalf of the trustees by:-

Gregory Solomon
Chairman

Dated: 26th October 2017

Robert Druitt
Treasurer

Dated: 26th October 2017

SPECIAL AIR SERVICE RESOURCES FUND

TRUSTEE'S DECLARATION

The Trustee has determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee declares that:

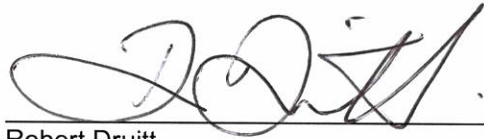
- a) The financial statements and notes, as set out in the following pages, fairly describe the Fund's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the trustees and is signed on behalf of the trustees by:-



Gregory Solomon
Chairman

Dated: 26th October 2017



Robert Druitt
Treasurer

Dated: 26th October 2017

Independent auditor's report to the Trustees of the Special Air Service Resources Fund

Qualified opinion

We have audited the financial report of the Special Air Service Resources Fund (the Fund), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Fund is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the financial position of the Fund as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for qualified opinion

Income from cash donations and fundraising activities are a significant source of revenue for the Fund. The Fund has determined that it is impracticable to establish control over the collection of this income prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the income from cash donations and fundraising activities obtained by the Fund are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Trustees' for the financial report

The Trustees are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The Trustees' responsibility also includes such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.



We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to be 'Ernst & Young', written in a cursive style.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'G H Meyerowitz', written in a cursive style.

G H Meyerowitz
Partner
Perth
26 October 2017



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Auditor's Independence Declaration to the Trustees of the Special Air Service Resources Fund

In relation to our audit of the financial report of the Special Air Service Resources Fund for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
26 October 2017



**SPECIAL AIR SERVICE
RESOURCES TRUST**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

SPECIAL AIR SERVICE RESOURCES TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Trust Funds			
Settlement capital		10,000	10,000
Reserves	10	10,574,199	9,825,810
Retained surplus		4,545,479	4,457,517
		<u>15,129,678</u>	<u>14,293,327</u>
Represented by:-			
Current Assets			
Cash assets	2	4,016,736	4,350,053
Receivables	3	1,139,317	228,040
Total Current Assets		<u>5,156,053</u>	<u>4,578,093</u>
Non-Current Assets			
Plant and equipment	6	809	3,003
Other financial assets	5	9,976,859	9,721,684
Total Non-Current Assets		<u>9,977,668</u>	<u>9,724,687</u>
Total Assets		<u>15,133,721</u>	<u>14,302,780</u>
Current Liabilities			
Payables		4,043	9,453
Total Liabilities		<u>4,043</u>	<u>9,453</u>
Net Assets		<u>15,129,678</u>	<u>14,293,327</u>

SPECIAL AIR SERVICE RESOURCES TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Operating Activities:			
Donations received		169,428	291,756
		<u>169,428</u>	<u>291,756</u>
Non-Operating Activities:			
Interest received		134,844	70,838
Dividends		346,923	298,986
Income managed funds		201,194	205,357
Distribution from SAS Resources Fund		30,000	-
		<u>712,961</u>	<u>575,181</u>
Total Revenue		<u>882,389</u>	<u>866,937</u>
Expenses			
Audit fee		-	14,300
Bank and merchant card charges		50	158
Depreciation		2,193	4,849
Scholarship Contributions		150,000	75,000
Insurance/(reversal)		562	(51)
Board expenses		-	759
Portfolio management fees		83,255	95,922
Office expenses		438	440
Salaries		173,633	158,911
Superannuation		19,053	15,204
Social Work Support		5,000	4,000
Blackhawk Commemoration Service		-	10,412
Total Expenses		<u>434,184</u>	<u>379,903</u>
Net Income for the Year		<u>448,205</u>	<u>487,033</u>
Distributions to beneficiaries	4	<u>360,243</u>	<u>293,066</u>
Net Surplus/(deficit) for year from ordinary activities		87,962	193,967
Other Comprehensive Income:			
Restricted capital reserve utilised		-	-
Realised loss on sales of financial assets		(96,263)	(110,632)
Movement in fair value of financial assets		844,653	190,818
Total Comprehensive Income		<u>836,352</u>	<u>274,153</u>

SPECIAL AIR SERVICE RESOURCES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities:			
Donations received		169,428	291,756
Investment income		468,708	504,911
Payments for services		(259,604)	(219,124)
Payments to beneficiaries		(360,243)	(293,066)
Interest received		119,211	72,122
Distribution SAS Resources Fund		-	-
Scholarships		(150,000)	(75,000)
Net cash provided by/(used in) operating activities	7b	(12,500)	281,599
Cash flows from investing activities:			
Payments for investments		(550,000)	(221,857)
Proceeds from sale of investments		1,043,215	1,432,029
Transfers from/(to) medium term deposits		(814,032)	(52,745)
Net cash provided by/(used in) investing activities		(320,817)	1,157,427
Net increase/(decrease) in cash held		(333,318)	1,439,026
Cash at beginning of financial year		4,350,053	2,911,027
Cash at end of financial year	7a	4,016,736	4,350,053

SPECIAL AIR SERVICE RESOURCES TRUST
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	Settlement Capital \$	Reserves \$	Retained surplus \$	Commonwealth Government Deed of Gift \$	Restricted Capital Reserve \$	Unrestricted Capital Reserve \$	Total \$
Balance at 1 July 2015	10,000	(274,399)	4,263,550	10,000,000	18,007	2,016	14,019,174
Other comprehensive income	-	190,818	-	-	-	-	190,818
Surplus\(\deficit)	-	-	193,967	-	-	-	193,967
Realised gain\(\loss) on investments	-	-	-	-	-	(110,632)	(110,632)
Balance at 30 June 2016	10,000	(83,581)	4,457,517	10,000,000	18,007	(108,617)	14,293,327
Balance at 1 July 2016	10,000	(83,581)	4,457,517	10,000,000	18,007	(108,617)	14,293,327
Other comprehensive income		844,653					844,653
Surplus\(\deficit)			87,962				87,962
Realised gain\(\loss) on investments						(96,263)	(96,263)
Balance at 30 June 2017	10,000	761,072	4,545,479	10,000,000	18,007	(204,880)	15,129,678

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies

The financial report is a special purpose financial report which has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and other mandatory professional reporting requirements.

The Trust is not a reporting entity because it is unlikely that users exist who are unable to command the compilation of reports tailored so as to satisfy specifically all of their information needs. This is a special purpose financial report that has been prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and for internal use by the Trust.

(a) Basis of Preparation

The requirements of Australian Accounting Standards do not have mandatory applicability to the Trust because it is not a "reporting entity". However, the Trustees have determined that in order for the financial report to give a true and fair view of the Trust's financial position and performance, the requirements of Accounting Standards relating to the recognition, measurement and classification of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Trustees have prepared the financial report in accordance with the recognition, measurement and classification requirements of Australian Accounting Standards and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures.

The financial report has been prepared on a historical basis, except for available for sale certain financial instruments which are measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

Compliance with IFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Report Standards (IFRS) because IFRS do not exclude non reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

In the current year, the Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to its operations and effective for annual reporting periods beginning 1 July 2015. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the Trust.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2016. The Trustee has not early adopted any of these new or amended standards or interpretations. The Trustee has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies (continued)

(c) Significant Accounting Policies

The following is a summary of the material policies adopted by the Trust in the preparation of the financial report.

a) Revenue Recognition

Donations are recognised as revenue when the amounts are received or deposited in the bank account. Donated assets are recognised as an asset at fair value at the date of donation.

Dividend revenue is recognised when received and distributions from Managed Trusts is recognised in the year to which the distribution relates.

Reimbursement of dividend imputation credits from the Australian Taxation Office is brought to account in the period in which the relevant dividends are received.

b) Fundraising Functions

Revenue from fundraising functions are disclosed in the year in which the function is held. All costs of the function are similarly disclosed in the year the function is held.

c) Property, Plant and Equipment

Depreciation has been provided on plant and equipment so as to write off its value over the effective working life of the assets being 20% to 40% in reducing value basis.

d) Income Tax

The Trust is exempt from income tax under the provisions of Section 23jii of the Income Tax Assessment Act.

e) Financial Instrument

Financial instruments are mutually measured at cost on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequently these instruments are measured at fair value through profit and loss or fair value through other comprehensive income based on an irrevocable election on initial recognition.

When the Trust elects to recognise the assets at fair value through other comprehensive income the unrealised gains or losses arising from changes in value are to be taken directly to the reserve.

Dividends from the financial instruments are recognised in profit and loss when the right to receive payment is probable and can be reliably measured.

f) Reserves

The reserve records the revaluation of financial instruments. On de-recognition of the underlying financial instruments any cumulative gain or loss may be transferred within equity.

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 2 – Cash Assets

	2017	2016
	\$	\$
Cash at Bank	4,016,736	4,350,053
	<u>4,016,736</u>	<u>4,350,053</u>

The Trust Deed establishing the Trust requires the Trust Fund to be invested in authorised trustee investments under the Trustees Act 1962.

Note 3 – Receivables

	2017	2016
	\$	\$
Receivables	175,285	78,040
Medium Term Deposit	964,032	150,000
	<u>1,139,317</u>	<u>228,040</u>

Medium term deposits have a maturity from acquisition date of greater than 90 days and are not considered to be cash and cash equivalents.

Term deposits are considered to be cash if the maturity from acquisition date is less than 90 days.

Note 4 – Payments to Beneficiaries

The Trust Deed directs that payments to beneficiaries from the net income of the Trust Fund in any accounting period shall not exceed 70% in aggregate of such net income of the Trust Fund. Any balance of the Distributable Net Income not utilised in any Accounting Period may be set aside for use in any subsequent Accounting Period.

Note 5 – Other Financial Assets

	2017	2016
	\$	\$
Other financial assets comprise:		
Investments in managed funds	3,073,976	3,094,370
Investments in listed corporations	6,902,883	6,627,314
	<u>9,976,859</u>	<u>9,721,684</u>
Fair value	<u>9,976,859</u>	<u>9,721,684</u>

The investments are held in the name of SART Holdings Pty Ltd. The shares in this company are held under a declaration of trust for the Trust by three of the trustees.

Note 6 – Plant and Equipment

	2017	2016
	\$	\$
Office equipment and fittings at cost	23,078	23,078
Less Provision for depreciation	(22,269)	(20,076)
	<u>809</u>	<u>3,003</u>

The office equipment and fittings are located in the office of the Trust.

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 7 – Cash Flow Information

a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:-	2017	2016
	\$	\$
Cash at bank	4,016,735	4,350,053
<hr/>		
b) Reconciliation of net cash provided by operating activities		
Net surplus for year from ordinary activities	87,962	193,967
Non cash flows in surplus:		
Depreciation	2,193	4,849
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(97,245)	83,530
Increase/(Decrease) in liabilities	(5,410)	(747)
Net Cash Provided by/(Used in) Operating Activities	(12,500)	281,599
	<hr/>	

Note 8 – Related Parties

Trustees

Gregory Solomon (Chairman)	Michelle Hawksley
Dr Grant Walsh CSM (Deputy Chairman)	James McMahan
Hon Peter Blaxell	Dr Stefan Nidorf
Alan Cransberg	Peter Fitzpatrick
Robert Druitt	Kerry Stokes AC
LTCOL James Kidd DSM+BAR, CSM	Andrew Forrest
Nicholas Brasington	Thomas Wallace OAM

Donations to the Trust were made by some of the Trustees.

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 9 – Financial Instruments

a) Interest Rate Risk

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:-

	Weighted Average Effective Interest Rate 2016 %	Fixed Interest Maturing Within 1 Year 2016 \$	Non-Interest Bearing 2016 \$	Total 2016 \$
Bank deposits	1.3 – 3.00	4,500,053		4,500,053
Receivables			78,040	78,040
		4,500,053	78,040	4,578,093

	Weighted Average Effective Interest Rate 2017 %	Fixed Interest Maturing Within 1 Year 2017 \$	Non-Interest Bearing 2017 \$	Total 2017 \$
Bank deposits	1.2 – 2.8	4,980,768		4,980,768
Receivables			175,285	175,285
		4,980,768	175,285	5,156,053

b) The net fair value of financial assets approximates the values disclosed in the financial statements.

Note 10 –Reserves

	2017 \$	2016 \$
Opening balance	9,825,810	9,745,624
Revaluation increment/(decrement)	748,389	80,186
Closing balance	10,574,199	9,825,810

Note 11 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results or state of affairs of the Trust.

SPECIAL AIR SERVICE RESOURCES TRUST

TRUSTEE'S DECLARATION

The Trustee has determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee declares that:

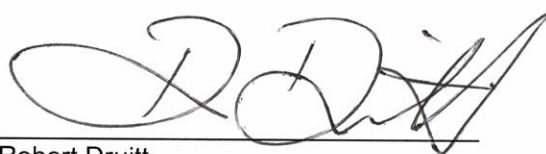
- a) The financial statements and notes, as set out in the following pages, fairly describe the Trust's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the trustees and is signed on behalf of the trustees by:-



Gregory Solomon
Chairman

Dated: 24th October 2017



Robert Druitt
Treasurer

Dated: 24th October 2017

Independent auditor's report to the Trustees of the Special Air Service Resources Trust

Qualified opinion

We have audited the financial report of the Special Air Service Resources Trust (the Trust), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Trust is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the financial position of the Trust as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for qualified opinion

Income from cash donations and fundraising activities are a significant source of revenue for the Trust. The Trust has determined that it is impracticable to establish control over the collection of this income prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the income from cash donations and fundraising activities obtained by the Trust are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Trustees' for the financial report

The Trustees are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The Trustees' responsibility also includes such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trust audit. We remain solely responsible for our audit opinion.



We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to be 'K. J.', written over the printed name 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'G H Meyerowitz', written over the printed name 'G H Meyerowitz'.

G H Meyerowitz
Partner
Perth
26 October 2017

Auditor's Independence Declaration to the Trustees of the Special Air Service Resources Trust

In relation to our audit of the financial report of the Special Air Service Resources Trust for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner

26 October 2017

**SPECIAL AIR SERVICE RESOURCES
TRUST NO 2**



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Trust Funds			
Settlement capital		10,000	10,000
Retained surplus		1,490,156	1,491,791
Reserve fund	9	55,838	6,475
		<u>1,555,994</u>	<u>1,508,266</u>
Current Assets			
Cash assets	2	71,513	78,771
Receivables	3	730,585	724,963
Total Current Assets		<u>802,098</u>	<u>803,734</u>
Non-Current Assets			
Financial assets	5	753,896	704,532
Total Non-Current Assets		<u>753,896</u>	<u>704,532</u>
Total Assets		<u>1,555,994</u>	<u>1,508,266</u>
Total Liabilities		-	-
Net Assets		<u>1,555,994</u>	<u>1,508,266</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Operating Activities:			
Donations received		5,540	26,691
		<u>5,540</u>	<u>26,691</u>
Non-Operating Activities:			
Interest received		21,054	31,401
Dividends		37,808	14,745
		<u>58,862</u>	<u>46,146</u>
Total Revenue		<u>64,402</u>	<u>72,837</u>
Expenses			
Bank and merchant card charges		50	110
Prior year donation transferred to correct trust		20,000	
Total Expenses		<u>20,050</u>	<u>110</u>
Net Income for the Period		<u>44,352</u>	<u>72,727</u>
Distributions to beneficiaries	4	45,987	36,469
Net Surplus-(Deficit) for the period from ordinary activities		<u>(1,635)</u>	<u>36,258</u>
Other comprehensive income		49,363	6,475
Total Comprehensive Income		<u><u>47,728</u></u>	<u><u>42,733</u></u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities:			
Donations received		5,540	26,691
Investment income		30,888	10,321
Payments for services		(50)	(110)
Payments to beneficiaries		(45,986)	(36,469)
Prior year donation transferred to correct Trust		(20,000)	-
Interest received		15,153	43,549
Net cash provided by/(used in) operating activities	6b	(14,455)	43,982
Cash flows from investing activities:			
Payments for investments		-	(698,057)
Transfers from/(to) medium term deposits		7,197	647,235
Net cash provided by/(used in) investing activities		7,197	(50,822)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash held		(7,258)	(6,840)
Cash at beginning of financial period		78,771	85,611
Cash at end of financial period	6a	71,513	78,771

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF CHANGES IN TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2017

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2015	10,000	1,455,533	-	1,465,533
Other comprehensive income	-	-	6,475	6,475
Surplus	-	36,258	-	36,258
Balance at 30 June 2016	<u>10,000</u>	<u>1,491,791</u>	<u>6,475</u>	<u>1,508,266</u>
Balance at 1 July 2016	10,000	1,491,791	6,475	1,508,266
Other comprehensive income	-	-	49,363	49,363
Surplus/(Deficit)	-	(1,635)	-	(1,635)
Balance at 30 June 2017	<u>10,000</u>	<u>1,490,156</u>	<u>55,838</u>	<u>1,555,994</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies

The financial report is a special purpose financial report which has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and other mandatory professional reporting requirements. The Special Air Service Resources Trust No 2 was established by Trust Deed dated 16 November 2010.

The Trust is not a reporting entity because it is unlikely that users exist who are unable to command the compilation of reports tailored so as to satisfy specifically all of their information needs. This is a special purpose financial report that has been prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and for internal use by the Trust.

(a) Basis of Preparation

The requirements of Australian Accounting Standards do not have mandatory applicability to the Trust because it is not a "reporting entity". However, the Trustees have determined that in order for the financial report to give a true and fair view of the Trust's financial position and performance, the requirements of Accounting Standards relating to the recognition, measurement and classification of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Trustees have prepared the financial report in accordance with the recognition, measurement and classification requirements of Australian Accounting Standards and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures.

The financial report has been prepared on a historical basis, except for financial instruments which are measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

Compliance with IFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Report Standards (IFRS) because IFRS do not exclude non reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

In the current year, the Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2015. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the Trust.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2016. The Trustee has not early adopted any of these new or amended standards or interpretations. The Trustee has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies (continued)

(c) Significant Accounting Policies

The following is a summary of the material policies adopted by the Trust in the preparation of the financial report.

a) Revenue Recognition

Donations are recognised as revenue when the amounts are received or deposited in the bank account. Donated assets are recognised as an asset at fair value at the date of donation.

Dividend revenue is recognised when received and distributions from Managed Trusts is recognised in the period to which the distribution relates.

Reimbursement of dividend imputation credits from the Australian Taxation Office is brought to account in the period in which the relevant dividends are received.

b) Fundraising Functions

Revenue from fundraising functions are disclosed in the period in which the function is held. All costs of the function are similarly disclosed in the period the function is held.

c) Income Tax

The Trust is exempt from income tax under the provisions of Section 23jii of the Income Tax Assessment Act.

d) Financial Instrument

Financial instruments are mutually measured at cost on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequently these instruments are measured at fair value through profit and loss or fair value through other comprehensive income based on an irrevocable election on initial recognition.

When the Trust elects to recognise the assets at fair value through other comprehensive income the unrealised gains or losses arising from changes in value are to be taken directly to the reserve.

Dividends from the financial instruments are recognised in profit and loss when the right to receive payment is probable and can be reliably measured.

e) Reserves

The reserve records the revaluation of financial instruments. On de-recognition of the underlying financial instruments any cumulative gain or loss may be transferred within equity.

SPECIAL AIR SERVICE RESOURCES TRUST NO 2
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Note 2 – Cash Assets

	2017	2016
	\$	\$
Cash at bank	71,513	78,771
	<u>71,513</u>	<u>78,771</u>

The Trust Deed establishing the Trust requires the Trust Fund to be invested in authorised trustee investments under the Trustees Act 1962.

Term deposits are considered to be cash if the maturity from acquisition date is less than 90 days.

Note 3 – Receivables

	2017	2016
	\$	\$
Receivables	22,076	9,257
Medium term deposits	708,509	715,706
Total Receivables	<u>730,585</u>	<u>724,963</u>

Note 4 – Payments to Beneficiaries

The Trust Deed directs that the Trustees may make payments to beneficiaries out of either the Net Income of the Trust or the capital of the Trust pursuant to clause 3.1 of the Deed of Trust or out of the accumulated income from previous accounting periods from time to time as the Trustees so determine.

Note 5 – Financial Assets

	2017	2016
	\$	\$
Financial assets comprise:		
Investments in listed corporations	753,896	704,532
Fair value	<u>753,896</u>	<u>704,532</u>

The investments are held in the name of SART Holdings Pty Ltd in its capacity as trustee. The shares in this company are held under a declaration of trust for the Trust by three of the trustees.

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 6 – Cash Flow Information

a) Cash at the end of the period as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:	2017	2016
	\$	\$
- Cash at Bank	71,513	78,771
	<hr/>	<hr/>
	71,513	78,771
b) Reconciliation of net cash provided by operating activities:		
Net surplus for year from ordinary activities	(1,635)	42,733
Non cash flows in surplus:		
Changes in Assets & Liabilities		
- (increase)/decrease in receivables	(12,820)	7,724
Net Cash Provided by/(used in) operating activities	<hr/>	<hr/>
	(14,455)	43,982

Note 7 – Related Parties

Trustees

Gregory Solomon (Chairman)	Michelle Hawksley
Dr Grant Walsh CSM (Deputy Chairman)	James McMahon
Hon Peter Blaxell	Dr Stefan Nidorf
Alan Cransberg	Peter Fitzpatrick
Robert Druitt	Kerry Stokes AC
LTCOL James Kidd DSM+BAR, CSM	Andrew Forrest
Nicholas Brasington	Thomas Wallace OAM

Donations to the Trust were made by some of the Trustees.

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 8 – Financial Instruments

a) Interest Rate Risk

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:-

	Weighted Average Effective Interest Rate 2016 %	Fixed Interest Maturing Within 1 Year 2016 \$	Non-Interest Bearing 2016 \$	Total 2016 \$
Bank Deposits	1.3 – 3.00	794,477	-	794,477
Total Receivables		-	9,257	9,257
Total		794,477	9,257	803,734

	Weighted Average Effective Interest Rate 2017 %	Fixed Interest Maturing Within 1 Year 2017 \$	Non-Interest Bearing 2017 \$	Total 2017 \$
Bank Deposits	0.6 - 2.8	780,022	-	780,022
Total Receivables		-	22,076	22,076
Total		780,022	22,076	802,098

b) The net fair value of financial assets approximates the values disclosed in the financial statements.

Note 9 – Financial Assets Reserves

	2017 \$	2016 \$
Opening balance	6,475	-
Revaluation increment/(decrement)	49,363	6,475
Closing balance	55,838	6,475

Note 10 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results or state of affairs of the Trust.

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

TRUSTEE'S DECLARATION

The Trustee has determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee declares that:

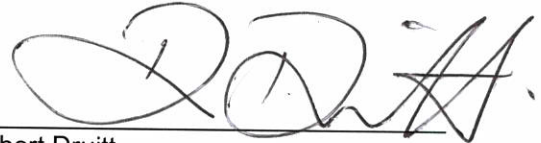
- a) The financial statements and notes, as set out in the following pages, fairly describe the Trust's financial position as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the trustees and is signed on behalf of the trustees by:-



Gregory Solomon
Chairman

Dated: 26th October 2017



Robert Druitt
Treasurer

Dated: 26th October 2017

Independent auditor's report to the Trustees of the Special Air Service Resources Trust No. 2

Qualified opinion

We have audited the financial report of the Special Air Service Resources Trust No. 2 (the Trust), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Trust is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the financial position of the Trust as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for qualified opinion

Income from cash donations and fundraising activities are a significant source of revenue for the Trust. The Trust has determined that it is impracticable to establish control over the collection of this income prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the income from cash donations and fundraising activities obtained by the Trust are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Trustees' for the financial report

The Trustees are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The Trustees' responsibility also includes such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trust audit. We remain solely responsible for our audit opinion.



We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to be 'G H Meyerowitz', written over the printed name.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'G H Meyerowitz', written over the printed name.

G H Meyerowitz
Partner
Perth
26 October 2017

Auditor's Independence Declaration to the Trustees of the Special Air Service Resources Trust No. 2

In relation to our audit of the financial report of the Special Air Service Resources Trust No. 2 for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner
26 October 2017



**SPECIAL AIR SERVICE RESOURCES
TRUST NO 3**

FINANCIAL STATEMENTS

**YEAR ENDED
30 JUNE 2017**

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
Trust Funds			
Settlement Capital		5,000	5,000
Reserve Fund	9	21,300	1,773
Retained Surplus		1,699,673	1,443,955
		<u>1,725,973</u>	<u>1,450,728</u>
Current Assets			
Cash Assets	2	154,832	342,587
Receivables	3	650,591	805,877
Total Current Assets		<u>805,423</u>	<u>1,148,464</u>
Non-current Assets			
Plant & Equipment	6	100	100
Other financial assets	5	920,450	302,164
Total Non-current Assets		<u>920,550</u>	<u>302,264</u>
Total Assets		<u>1,725,973</u>	<u>1,450,728</u>
Current Liabilities			
Payables		-	-
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>1,725,973</u>	<u>1,450,728</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Operating Activities:			
Donations received		241,140	736,344
Non-Operating Activities:			
Interest received		22,488	16,235
Dividends		24,652	4,986
Total Revenue		<u>288,280</u>	<u>757,565</u>
Expenses			
Bank and merchant card charges		50	89
Depreciation		-	29,000
Total Expenses		<u>50</u>	<u>29,089</u>
Net Income/(deficit) for the Period		<u>288,230</u>	<u>728,476</u>
Distributions to beneficiaries	4	32,512	51,480
Net Surplus/(deficit) for the period from ordinary activities		<u>255,718</u>	<u>676,996</u>
Other Comprehensive Income:			
Movement in fair value of financial assets		19,527	1,773
Total Comprehensive Income/(deficit)		<u><u>275,245</u></u>	<u><u>678,769</u></u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities:			
Donations received		241,140	736,344
Investment income		19,099	3,490
Payments for services		(50)	(89)
Payments to beneficiaries		(32,512)	(51,480)
Interest received		22,592	14,973
Net cash provided by/(used in) operating activities	7b	250,269	703,238
Cash flows from investing activities:			
Purchase of investments		(598,759)	(300,391)
Transfer to/from medium term deposits		160,735	(180,000)
Net cash outflows used in investing activities		(438,024)	(480,391)
Cash flows from financing activities:			
Net cash provided by financing activities		-	-
Net increase in cash held		(187,755)	222,847
Cash at beginning of financial year		342,587	119,740
Cash at end of financial year	7a	154,832	342,587

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF CHANGES IN TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2017

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2015	5,000	766,959	-	771,959
Other comprehensive income	-	-	1,773	1,773
Surplus/(deficit)	-	676,996	-	676,996
Balance at 30 June 2016	5,000	1,443,955	1,773	1,450,728
Balance at 1 July 2016	5,000	1,443,955	1,773	1,450,728
Other comprehensive income	-	-	19,527	19,527
Surplus/(deficit)	-	255,718	-	255,718
Balance at 30 June 2017	5,000	1,699,673	21,300	1,725,973

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies

The financial report is a special purpose financial report which has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and other mandatory professional reporting requirements. The Special Air Service Resources Trust No 3 was established by Trust Deed dated 17 May 2011.

The Trust is not a reporting entity because it is unlikely that users exist who are unable to command the compilation of reports tailored so as to satisfy specifically all of their information needs.

This is a special purpose financial report that has been prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and for internal use by the Trust.

(a) Basis of Preparation

The requirements of Australian Accounting Standards do not have mandatory applicability to the Trust because it is not a "reporting entity". However, the Trustees have determined that in order for the financial report to give a true and fair view of the Trust's financial position and performance, the requirements of Accounting Standards relating to the recognition, measurement and classification of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Trustees have prepared the financial report in accordance with the recognition, measurement and classification requirements of Australian Accounting Standards and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures.

The financial report has been prepared on a historical basis, except for financial instruments which are measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

Compliance with IFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Report Standards (IFRS) because IFRS do not exclude non reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

In the current year, the Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2015. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the Trust.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2016. The Trustee has not early adopted any of these new or amended standards or interpretations. The Trustee has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

SPECIAL AIR SERVICE RESOURCES TRUST NO 3
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Statement of Significant Accounting Policies (continued)

(c) Significant Accounting Policies

The following is a summary of the material policies adopted by the Trust in the preparation of the financial report.

a) Revenue Recognition

Donations are recognised as revenue when the amounts are received or deposited in the bank account. Donated assets are recognised as an asset at fair value at the date of donation.

Dividend revenue is recognised when received and distributions from Managed Trusts are recognised in the period to which the distribution relates.

Reimbursement of dividend imputation credits from the Australian Taxation Office is brought to account in the period in which the relevant dividends are received.

b) Fundraising Functions

Revenue from fundraising functions is disclosed in the period in which the function is held. All costs of the function are similarly disclosed in the period the function is held.

c) Plant and Equipment

Depreciation has been provided on plant and equipment so as to write off its value over its estimated working life of three years.

d) Income Tax

The Trust is exempt from income tax under the provisions of Section 23jii of the Income Tax Assessment Act.

e) Financial Instrument

Financial instruments are mutually measured at cost on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequently these instruments are measured at fair value through profit and loss or fair value through other comprehensive income based on an irrevocable election on initial recognition.

When the Trust elects to recognise the assets at fair value through other comprehensive income the unrealised gains or losses arising from changes in value are to be taken directly to the reserve.

Dividends from the financial instruments are recognised in profit and loss when the right to receive payment is probable and can be reliably measured.

f) Reserves

The reserve records the revaluation of financial instruments. On de-recognition of the underlying financial instruments any cumulative gain or loss may be transferred within equity.

SPECIAL AIR SERVICE RESOURCES TRUST NO 3
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Note 2 – Cash Assets

	2017	2016
	\$	\$
Cash at Bank	154,832	342,587
	<u>154,832</u>	<u>342,587</u>

The Trust Deed establishing the Trust requires the Trust Fund to be invested in authorised trustee investments under the Trustees Act 1962.

Note 3 – Receivables

	2017	2016
	\$	\$
Receivables	11,326	5,877
Medium Term Deposits	639,265	800,000
	<u>650,591</u>	<u>805,877</u>

Medium Term Deposits have a maturity from acquisition date greater than 90 days and are not considered to be cash and cash equivalents.

Note 4 – Payments to Beneficiaries

The Trust Deed directs that the Trustees may make payments to beneficiaries out of either the Net Income of the Trust or the capital of the Trust pursuant to clause 3.1 of the Deed of Trust or out of the accumulated income from previous accounting periods from time to time as the Trustees so determine.

Note 5 – Other Financial Assets

	2017	2016
	\$	\$
Other financial assets comprise:		
Investments in listed corporations	920,450	302,164
Fair value	<u>920,450</u>	<u>302,164</u>

The investments are held in the name of SART Holdings Pty Ltd in its capacity as trustee. The shares in this company are held under a declaration of trust for the Trust by three of the trustees.

Note 6 – Plant & Equipment

	2017	2016
	\$	\$
Alter G P 2000 Treadmill – at cost	104,500	104,500
Less provision for depreciation	(104,400)	(104,400)
	<u>100</u>	<u>100</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 7 – Cash Flow Information

	2017 \$	2016 \$
a) Cash at the end of the period as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:-		
Cash at bank	154,832	342,587
	<hr/> 154,832	<hr/> 342,587
b) Reconciliation of net cash provided by operating activities		
Net surplus/(deficit) for year from ordinary activities	255,718	676,996
Non cash flows in surplus:		
Depreciation	-	29,000
(Increase)/Decrease in receivables	(5,449)	(2,758)
Net Cash Provided by/(used in) Operating Activities	<hr/> 250,269	<hr/> 703,238

Note 8 – Related Parties

Trustees

Gregory Solomon (Chairman)	Michelle Hawksley
Dr Grant Walsh CSM (Deputy Chairman)	James McMahon
Hon Peter Blaxell	Dr Stefan Nidorf
Alan Cransberg	Peter Fitzpatrick
Robert Druitt	Kerry Stokes AC
LTCOL James Kidd DSM+BAR, CSM	Andrew Forrest
Nicholas Brasington	Thomas Wallace OAM

Donations to the Trust were made by some of the Trustees.

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 8 – Financial Instruments

a) Interest Rate Risk

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:-

	Weighted Average Effective Interest Rate 2016 %	Fixed Interest Maturing Within 1 Year 2016 \$	Non-Interest Bearing 2016 \$	Total 2016 \$
Bank Deposits	1.30 – 3.00	1,142,587	-	1,142,587
Receivables		-	5,877	5,877
Total		1,142,587	5,877	1,148,464

	Weighted Average Effective Interest Rate 2017 %	Fixed Interest Maturing Within 1 Year 2017 \$	Non-Interest Bearing 2017 \$	Total 2017 \$
Bank Deposits	0.6-2.5	794,097	-	794,097
Receivables		-	11,326	11,326
Total		794,097	11,326	805,423

b) The net fair value of financial assets approximates the values disclosed in the financial statements.

Note 9 – Financial Assets Reserves

	2017 \$	2016 \$
Opening balance	1,773	-
Revaluation increment/(decrement)	19,527	1,773
Closing balance	21,300	1,773

Note 10 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results or state of affairs of the Trust.

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

TRUSTEE'S DECLARATION

The Trustee has determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee declares that:

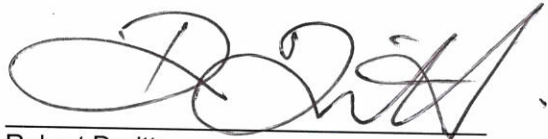
- a) The financial statements and notes, as set out in the following pages, fairly describe the Trust's financial position as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the trustees and is signed on behalf of the trustees by:-



Gregory Solomon
Chairman

Dated: 26th October 2017



Robert Druitt
Treasurer

Dated: 26th October 2017

Independent auditor's report to the Trustees of the Special Air Service Resources Trust No. 3

Qualified opinion

We have audited the financial report of the Special Air Service Resources Trust No. 3 (the Trust), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Trust is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the financial position of the Trust as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for qualified opinion

Income from cash donations and fundraising activities are a significant source of revenue for the Trust. The Trust has determined that it is impracticable to establish control over the collection of this income prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the income from cash donations and fundraising activities obtained by the Trust are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Trustees' for the financial report

The Trustees are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The Trustees' responsibility also includes such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trust audit. We remain solely responsible for our audit opinion.



We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to be 'Mc + J', written over the 'Ernst & Young' text.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'G H Meyerowitz', written over the name and title text.

G H Meyerowitz
Partner
Perth
26 October 2017

Auditor's Independence Declaration to the Trustees of the Special Air Service Resources Trust No. 3

In relation to our audit of the financial report of the Special Air Service Resources Trust No. 3 for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner
26 October 2017