



## **SPECIAL AIR SERVICE RESOURCES TRUST**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2021**

# SPECIAL AIR SERVICE RESOURCES TRUST

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Trust Funds</b>			
Settlement capital		10,000	10,000
Reserves	10	15,846,442	12,304,183
Retained surplus		6,253,805	5,460,903
		<u>22,110,247</u>	<u>17,775,086</u>
Represented by:-			
<b>Current Assets</b>			
Cash assets	2	1,384,249	1,756,280
Receivables	3	473,200	447,249
<b>Total Current Assets</b>		<u>1,857,449</u>	<u>2,203,529</u>
<b>Non-Current Assets</b>			
Other financial assets	5	20,254,660	15,572,847
<b>Total Non-Current Assets</b>		<u>20,254,660</u>	<u>15,572,847</u>
<b>Total Assets</b>		<u>22,112,109</u>	<u>17,776,376</u>
<b>Current Liabilities</b>			
Payables		1,862	1,290
<b>Total Liabilities</b>		<u>1,862</u>	<u>1,290</u>
<b>Net Assets</b>		<u>22,110,247</u>	<u>17,775,086</u>

The above Statement should be read in conjunction with the accompanying notes.

# SPECIAL AIR SERVICE RESOURCES TRUST

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Operating Activities:			
Donations received		19,620	82,109
		<u>19,620</u>	<u>82,109</u>
Non-Operating Activities:			
Interest received		5,287	54,448
Dividends		818,155	623,245
Income managed funds		509,050	101,210
Distribution from SAS Resources Fund		107,414	-
ATO cash boost		20,908	34,838
		<u>1,460,814</u>	<u>813,741</u>
<b>Total Revenue</b>		<u>1,480,434</u>	<u>895,850</u>
<b>Expenses</b>			
Audit fees		20,270	20,609
Depreciation		-	200
Insurance		723	471
Office expenses		71	304
Portfolio management fees		104,672	93,238
Salaries		207,724	140,004
Scholarship contributions		-	20,000
Superannuation		24,197	17,784
Support services		27,388	53,625
		<u>385,045</u>	<u>346,235</u>
<b>Total Expenses</b>		<u>385,045</u>	<u>346,235</u>
<b>Net Income for the Year</b>		1,095,389	549,615
Distributions to beneficiaries	4	302,486	285,886
<b>Net Surplus/(deficit) for year from ordinary activities</b>		<u>792,903</u>	<u>263,729</u>
Other Comprehensive Income:			
Restricted capital reserve utilised		-	-
Net realised profit/(loss) on sales of financial assets		496,712	(134,718)
Movement in fair value of financial assets		3,045,547	322,265
		<u>4,335,162</u>	<u>451,276</u>
<b>Total Comprehensive Income</b>		<u>4,335,162</u>	<u>451,276</u>

The above Statement should be read in conjunction with the accompanying notes.

## SPECIAL AIR SERVICE RESOURCES TRUST

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities:			
Donations received		19,620	82,109
Investment income		1,059,649	773,598
Payments for services		(364,637)	(263,631)
Payments to beneficiaries		(302,487)	(295,411)
Interest received		7,202	56,230
Distribution from SAS Resources Fund		107,414	-
Scholarships		-	(20,000)
Net cash provided by/(used in) operating activities	7b	<u>526,761</u>	<u>332,895</u>
Cash flows from investing activities:			
Payments for investments		(6,446,276)	(7,636,344)
Proceeds from sale of investments		5,306,719	4,925,469
Transfers from/(to) medium term deposits		240,765	3,460,090
Net cash provided by/(used in) investing activities		<u>(898,792)</u>	<u>749,215</u>
Net increase/(decrease) in cash held		(372,031)	1,082,110
Cash at beginning of financial year		1,756,280	674,170
Cash at end of financial year	7a	<u>1,384,249</u>	<u>1,756,280</u>

The above Statement should be read in conjunction with the accompanying notes.

## SPECIAL AIR SERVICE RESOURCES TRUST

### STATEMENT OF CHANGES IN TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2021

	Settlement Capital \$	Reserves \$	Retained Surplus \$	Commonwealth Government Deed of Gift \$	Restricted Capital Reserve \$	Unrestricted Capital Reserve \$	Total \$
<b>Balance at 1 July 2019</b>	10,000	1,681,970	5,197,174	10,000,000	204,469	230,197	17,323,810
<b>Other comprehensive income</b>	-	322,265	-	-	-	-	322,265
<b>Surplus\ (deficit)</b>	-	-	263,729	-	-	-	263,729
<b>Net realised profit/(loss) on sales of financial assets</b>	-	-	-	-	(40,415)	(94,303)	(134,718)
<b>Balance at 30 June 2020</b>	10,000	2,004,235	5,460,903	10,000,000	164,054	135,894	17,775,086
	Settlement Capital \$	Reserves \$	Retained Surplus \$	Commonwealth Government Deed of Gift \$	Restricted Capital Reserve \$	Unrestricted Capital Reserve \$	Total \$
<b>Balance at 1 July 2020</b>	10,000	2,004,235	5,460,903	10,000,000	164,054	135,894	17,775,086
<b>Other comprehensive income</b>	-	3,045,547	-	-	-	-	3,045,547
<b>Surplus\ (deficit)</b>	-	-	792,903	-	-	-	792,903
<b>Net realised profit/(loss) on sales of financial assets</b>	-	-	-	-	149,014	347,698	496,712
<b>Balance at 30 June 2021</b>	10,000	5,049,782	6,253,806	10,000,000	313,068	483,592	22,110,248

The above Statement should be read in conjunction with the accompanying notes.

# SPECIAL AIR SERVICE RESOURCES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### **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 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 2020. 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 2022. 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.

#### **(c) Significant Accounting Policies**

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

# **SPECIAL AIR SERVICE RESOURCES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 30 JUNE 2021**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **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) Other income**

Government subsidies, including the current year COVID supplements, are recognised when there is reasonable assurance that the subsidy will be received, and all attached conditions are complied with. When the subsidy relates to an expense item, it is recognised in other income on a systemic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **d) 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.

#### **e) Income Tax**

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

#### **f) 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.

#### **g) 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 2021

#### Note 2 – Cash Assets

	2021	2020
	\$	\$
Cash at Bank	1,384,249	1,756,280

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

	2021	2020
	\$	\$
Franking Credits Recoverable	244,196	143,675
Other Receivables	229,004	62,809
Medium Term Deposit	-	240,765
	<u>473,200</u>	<u>447,249</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 in any accounting period shall not exceed 70% in aggregate of such net income of the Trust. 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

	2021	2020
	\$	\$
Other financial assets comprise:		
Investments in managed funds	4,220,466	2,423,336
Investments in listed corporations	16,034,194	13,149,511
	<u>20,254,660</u>	<u>15,572,847</u>
Fair value	<u>20,254,660</u>	<u>15,572,847</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

	2021	2020
	\$	\$
Office equipment and fittings at cost	23,078	23,078
Less Provision for depreciation	(23,078)	(23,078)
	<u>-</u>	<u>-</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 2021

#### 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:	<b>2021</b>	<b>2020</b>
	\$	\$
Cash at bank	1,384,249	1,756,280
<hr/>		
b) Reconciliation of net cash provided by operating activities		
Net surplus for year from ordinary activities	792,903	263,729
Non cash flows in surplus:		
Depreciation	0	200
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(264,929)	78,977
Increase/(Decrease) in liabilities	(1,213)	(10,011)
Net Cash Provided by/(Used in) operating activities	526,761	332,895
	<hr/>	

#### Note 8 – Related Parties

##### Trustees

Dr Grant Walsh CSM (Chairman)	Gregory Solomon
Caron Sugars (Deputy Chairman)	James McMahon
Nicholas Brasington	Dr Stefan Nidorf
Christopher Ellison	Peter Fitzpatrick
Alan Cransberg	Kerry Stokes AC
Robert Druitt	Andrew Forrest AO
LTCOL Robert Lang	Michelle Hawksley

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 2021

#### 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:

	<b>Weighted Average Effective Interest Rate 2020 %</b>	<b>Fixed Interest Maturing Within 1 Year 2020 \$</b>	<b>Non-Interest Bearing 2020 \$</b>	<b>Total 2020 \$</b>
Bank deposits	1.05 –1.28	1,756,280	-	1,756,280
Receivables		-	447,249	447,249
		1,756,280	447,249	2,203,529

	<b>Weighted Average Effective Interest Rate 2021 %</b>	<b>Fixed Interest Maturing Within 1 Year 2021 \$</b>	<b>Non-Interest Bearing 2021 \$</b>	<b>Total 2021 \$</b>
Bank deposits	0.14-1.08	1,384,249		1,384,249
Receivables			473,200	473,200
		1,384,249	473,200	1,857,449

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

#### Note 10 – Reserves

	<b>2021 \$</b>	<b>2020 \$</b>
Opening balance	12,304,183	12,116,636
Revaluation increment/(decrement)	3,045,547	322,265
Net realised profit/(loss) on sales of financial assets	496,712	(134,718)
Closing balance	15,846,442	12,304,183

#### Note 11 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2021 that have or may significantly affect the operations, results or state of affairs of the Trust.

# SPECIAL AIR SERVICE RESOURCES TRUST

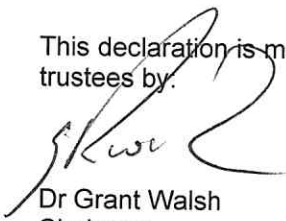
## TRUSTEE'S DECLARATION

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 2021 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.



Dr Grant Walsh  
Chairman

Dated: 19/10/21



Robert Druitt  
Treasurer

Dated: 19/10/2021



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Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## **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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, 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 2021 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 statements 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



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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.

*Ernst & Young*

Ernst & Young

A handwritten signature in blue ink, appearing to read 'D S Lewsen', is written over a light blue circular stamp.

D S Lewsen  
Partner  
Perth  
19 October 2021



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Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## **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 2021, 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*

Ernst & Young

A handwritten signature in blue ink, appearing to read 'D S Lewsen', is written over a light blue circular stamp.

D S Lewsen  
Partner  
19 October 2021