



SPECIAL AIR SERVICE RESOURCES FUND



CHAIRMAN'S REPORT 2015-16

It is my pleasure to provide this annual report on the activities of the SAS Resources Fund and its three associated Trusts (collectively known as the "Trust") for the financial year ended 30th June 2016.

2016 is a significant year for both the Trust and the Special Air Service Regiment as it marks the 20th anniversary of the Blackhawk helicopter accident which occurred on 12th June 1996 during a night training exercise outside of Townsville, that resulted in the tragic loss of 18 lives including 15 members of the Regiment, and left another member as a paraplegic, and 11 children without their fathers.



As a direct result of this tragic accident, the first Trust (now known as Trust 1), which has also had its 20th anniversary, was established on 2nd October 1996 by a group of West Australian civilians.

Since 1996, as the needs of members of the Regiment and their families became better understood, two further Trusts (Trusts 2 and 3), were established along with the SAS Resources Fund as the over-arching fundraising body.

On the 20th anniversary of the accident, a very moving memorial service was held at Campbell Barracks (as well as another in Townsville), attended by many of the widows and children whose travel costs were met by Trust 1.

THE TRUSTS

Trust 1

Trust 1 provides financial support for members of the SAS Regiment and their families when a member is killed or permanently incapacitated (both physically or mentally) in the course of active service or training.

A primary focus of Trust 1 has been, and remains, to try to enable the children to experience the best possible start in life through facilitating the best available education and assisting with other vocational needs (up until the age of 25 years). The level of support provided by the Trustees is based on "a caring father" test (namely what a caring father would do in the circumstances).

During the year Trust 1 continued to provide this support to the beneficiaries of Trust 1.

Trust 2

Trust 2 was established to broaden the coverage to provision of financial support for all former members of the Regiment (and their families) who experience financial hardship. Ordinarily but not exclusively, the financial assistance under Trust 2 is not ongoing but involves a 'one-off' payment.

During the year Trust 2 provided support to several ex-members of the SAS Regiment or their families when they experienced financial difficulties that qualified them as beneficiaries. These include difficulties arising as a result of such causes as post-traumatic stress.

Trust 3

Trust 3, established to provide support to current serving members of the Regiment and their families, provides Squadron-size family functions for each Squadron of the Regiment, as well as the Personnel Welfare Respite program. This enables serving individual soldiers and their families who are in need of this relief as a result of service with the Regiment to have a respite family holiday. A number of holiday homes in WA's southwest, a villa at Cable Beach in Broome and an apartment in Falls Creek, Victoria are also available, free of charge, through the generosity of a number of individuals.

During the past 12 months, the support provided by Trust 3 has been extended to now also provide funding for members of the Regiment:

- who need to participate in a rehabilitative art programme; and
- to enable them, through funds raised under the Wanderers Education Programme, to undertake tertiary qualifications to help assist them to transition back into civilian life at the end of their military careers, thereby opening wider employment opportunities leading to greater long term security for both members of the Regiment and their families.

The SAS Resources Fund was established as the umbrella fundraising entity that manages all fundraising and distributes the proceeds between the three Trusts according to need.



FUNDRAISING ACTIVITIES

As has been the case in previous years, three fundraising events, arranged by the Fund, occurred during the past twelve months:

- **The second Melbourne MCC function - Friday 4th March** – which, along with the annual charity dinner, was once again, arranged by the hard working Dinner Committee. This event was well supported and we were honoured to have present a number of very prominent dignitaries including His Excellency, Governor General Sir Peter Cosgrove, AK MC and Lady Cosgrove, Dawn Fraser, AO MBE, Hon Tim Fischer, AC, Murray Thompson, MLA, Ben Roberts Smith, VC MG, Corporal Mark Donaldson, VC and Major General Jeff Sengleman, DSC AM CSC, Special Operations Commander Australia.
- **The Annual Charity Dinner - Friday 29th July – Hyatt Hotel in Perth** at which we were honoured to have with us a number of dignitaries headed by Her Excellency the Hon Kerry Sanderson, AC, Governor of Western Australia as well as Brigadier James Wallace, AM and Mrs Poppy Wallace; and
- **The fourteenth Western Derby Football Breakfast - Thursday 4th August – Subiaco Oval.** Once again we were honoured by the support of a number of dignitaries including Her Excellency the Hon Kerry Sanderson AC, Governor of Western Australia, The Hon Colin Barnett, MLA, Premier of Western Australia, Kevin Sheedy, AM, Adam Simpson and Eric Mackenzie representing the West Coast Eagles and Ross Lyon and Michael Walters representing the Fremantle Dockers.

All three events were well attended, enjoyable and not only raised money for the Fund but also helped to maintain its public profile.

As always we are greatly indebted to our various sponsors and also to the many people who contributed so much time and effort organizing these events that form a key part of the Fund's fundraising activities. We thank you all most sincerely for your support. In particular, I make special mention of the members of the dinner committee who once again carried a very heavy load, arranging both the Melbourne MCG Dinner and the Annual Charity Dinner.

Perpetual Scholarship – Scotch College

This year, with the help of Jon Hanlin and Nick Brasington, a perpetual scholarship for the secondary education of male beneficiaries was established with the very generous support from both a private donor and Scotch College. We thank Scotch for its generosity and all who have assisted in this significant achievement.

This brings to three the number of scholarships that the Trust has secured for the education of future beneficiaries, with Methodist Ladies College and Trinity College being the other two.

OTHER TRUST MATTERS

Beneficiaries Afternoon Tea – 12th March 2016

This year we held our first afternoon tea for beneficiaries at the Sunset premises on a sunny Saturday afternoon in March. It was attended by a number of beneficiaries, the Commanding Officer of the Regiment accompanied by his wife and children and a number of the trustees. This successful event was very professionally organized by Ms. Donna-Lee Attrill, our Administration and Beneficiary Liaison Officer.



The Fund and the three trusts were very efficiently managed and run by Chief Operating Officer Mr. Tim Hawson, our Business Manager Ms. Jo Nelson, Ms. Donna-Lee Attrill and Mrs Jackie Masters (Dinner Committee Administration) who works part-time for our dinner committee, and I thank all of them for the fine job that they are doing.

Finally, I thank all donors, trustees, committee members, staff members, other volunteers and helpers for their continued dedication, enthusiasm and support. As you all know, most do so free of charge and it is the power of this collective goodwill that drives the Fund and enables it to continue to grow into a major pillar in the provision of support of members of the SAS Regiment and their families.

GREG SOLOMON
CHAIRMAN

HOW TO DONATE TO THE SAS RESOURCES FUND

Online	www.sasresourcesfund.org.au
Direct Credit	Westpac BSB 036406 Acc No. 186903
Credit Card	Either email or phone through credit card details and we will process
Cheque	Post to SAS Resources Fund, PO Box 633, Nedlands WA 6909

P 08 9389 8897 E admin@sasresourcesfund.org.au

SAS RESOURCES FUND

FINANCIAL STATEMENTS

Year ended 30th June 2016



SPECIAL AIR SERVICE RESOURCES FUND

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Funds			
Settlement Capital		100	100
Retained Surplus		1,718,041	1,478,629
Reserve Fund	11	3,621	-
		<u>1,721,762</u>	<u>1,478,729</u>
 Represented by:			
Current Assets			
Cash Assets	2	266,153	531,881
Receivables	3	885,459	1,160,308
Total Current Assets		<u>1,151,612</u>	<u>1,692,189</u>
Non-Current Assets			
Leasehold improvements	5	3,791	10,187
Other financial assets	4	701,216	-
Total Non-Current Assets		<u>705,007</u>	<u>10,187</u>
Total Assets		<u>1,856,619</u>	<u>1,702,376</u>
 Current Liabilities			
Payables	6	134,857	223,647
Total Liabilities		<u>134,857</u>	<u>223,647</u>
Net Assets		<u>1,721,762</u>	<u>1,478,729</u>

SPECIAL AIR SERVICE RESOURCES FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Operating Activities:			
Income from functions	7	417,685	712,198
Donations received		57,171	98,357
Income from rose royalties		4,089	7,424
		<hr/> 478,945	<hr/> 817,979
Non-Operating Activities:			
Interest received		32,730	40,042
Dividends		11,571	0
		<hr/> 44,301	<hr/> 40,042
Total Revenue		<hr/> 523,246	<hr/> 858,021
Expenses			
Costs of functions	7	243,472	348,244
Chairman's function		3,710	1,261
Amortisation leasehold improvements		6,396	6,263
Bank and merchant card charges		2,047	3,544
Functions administration		-	25,731
Printing and stationery		-	3,751
Office expenses		8,673	11,565
Website costs		1,280	1,408
Insurance		2,661	1,456
Telephone		2,359	2,009
General function costs		3,236	-
Total Expenses		<hr/> 273,834	<hr/> 405,232
Net Income for the Year		<hr/> 249,412	<hr/> 452,789
Distribution to beneficiaries:			
SAS Resources Trust		-	80,000
SAS Historical Association		10,000	-
		<hr/> 10,000	<hr/> 80,000
Net Surplus/(Deficit) for the year from ordinary activities		<hr/> 239,412	<hr/> 372,789
Other Comprehensive Income:			
Movement in fair value of financial assets		3,621	-
Total Comprehensive Income		<hr/> 253,033	<hr/> 372,789

SPECIAL AIR SERVICE RESOURCES FUND**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2016 \$	2015 \$
Cash flows from operating activities:			
Receipts from functions	7	-	62,461
Receipts from Charity Dinners		386,502	590,063
Donations received		57,171	98,357
Other income		4,089	7,424
Payments for services		(266,907)	(379,412)
Interest received		30,375	51,263
Dividends received		8,100	
Payments to Beneficiaries		(90,000)	-
Net cash provided by/(used in) operating activities	8b	<u>129,330</u>	<u>430,156</u>
Cash flows from investing activities:			
Payments for investments		(697,597)	-
Transfers to/from medium term deposits		302,537	(502,537)
Purchase office equipment		-	(2,057)
Net cash provided by/(used in) investing activities		<u>(395,060)</u>	<u>(504,594)</u>
Cash flows from financing activities:			
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/decrease in cash held		(265,730)	(74,438)
Cash at beginning of financial year		531,883	606,321
Cash at end of financial year	8a	<u>266,153</u>	<u>531,883</u>

SPECIAL AIR SERVICE RESOURCES FUND

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 30 JUNE 2016

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2014	100	1,105,840	-	1,105,940
Other comprehensive income	-	-	-	-
Surplus/(deficit)	-	372,789	-	372,789
Balance at 30 June 2015	100	1,478,629	-	1,478,729

	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

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 1031 Materiality, 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 2016

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 cost 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 2016

Note 2 – Cash Assets

	2016	2015
	\$	\$
Cash at bank	266,153	531,881
	<u>266,153</u>	<u>531,881</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

	2016	2015
	\$	\$
Receivables-pre paid function expenses	58,521	31,535
Interest receivable	5,367	3,012
Medium term deposit	800,000	1,102,537
Other receivables	21,571	23,224
Total receivable	<u>885,459</u>	<u>1,160,308</u>

Note 4 –Financial Assets

	2016	2015
	\$	\$
Financial assets comprise:		
Investments in listed corporations	701,216	-
Fair value	<u>701,216</u>	<u>-</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 – Leasehold improvements

	2016	2015
	\$	\$
Office equipment	2,057	2,057
Office partitioning	19,190	19,190
Accumulated depreciation	(17,456)	(11,060)
	<u>3,791</u>	<u>10,187</u>

SPECIAL AIR SERVICE RESOURCES FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 JUNE 2016****Note 6 – Payables**

	2016	2015
	\$	\$
Pre-paid function receipts	93,818	118,051
Accruals	27,402	105,596
Other payables	13,637	-
	<u>134,857</u>	<u>223,647</u>

Note 7 – Functions – Income and Expenses

The following fundraising functions were held during the period:

<u>Income</u>	2016	2015
	\$	\$
Rugby Breakfast	-	25,961
Western Derby Breakfast	-	36,500
Perth Charity Dinner	292,683	411,392
Melbourne Function	125,002	238,345
	<u>417,685</u>	<u>712,198</u>

<u>Expenses</u>	2016	2015
	\$	\$
Rugby Breakfast	-	12,285
Western Derby Breakfast	-	18,839
Perth Charity Dinner	152,084	238,737
Melbourne Function	91,388	78,383
	<u>243,472</u>	<u>348,244</u>

Note 8 – Cash Flow Information

	2016	2015
	\$	\$
a Cash at the end of the period as shown in the statement of cash flows is reconciled to the related item in the balance sheet as follows:-		
Cash at Bank	<u>266,153</u>	<u>531,881</u>
b Reconciliation of net cash provided by operating activities:		
Net surplus for year from ordinary activities	239,412	372,789
Non cash flows in surplus:		
Amortisation leasehold improvements	6,396	6,263
(Increase)/Decrease in receivables	(27,688)	(9,861)
Increase/(Decrease) in liabilities	(88,790)	60,965
Net cash provided by/(used in) Operating Activities	<u>129,330</u>	<u>430,156</u>

SPECIAL AIR SERVICE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

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	Brigadier Terrence Nolan (Ret'd) AM
Robert Druitt	Kerry Stokes AC
Lieutenant-Colonel Benjamin Pronk	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 2015 %	Fixed Interest Maturing within 1 Year 2015 \$	Non-Interest Bearing 2015 \$	Total 2015 \$
Bank Deposits	1.50 – 3.00	1,634,418	-	1,634,418
Receivables		-	57,771	57,771
Total		1,634,418	57,771	1,692,189

	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

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 2016

Note 11 – Financial Assets Reserves

	2016	2015
	\$	\$
Opening balance	-	-
Revaluation increment/(decrement)	3,621	-
Closing balance	<u>3,621</u>	<u>-</u>

Note 12 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2016 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 2016 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: 25th October 2016



Robert Druitt
Treasurer

Dated: 25th October 2016

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

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report of the Special Air Service Resources Fund ("the Fund"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

Trustees' responsibility for the financial report

The Trustees of the Special Air Service Resources Fund are responsible for the preparation of the financial report 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 controls as the Trustees' determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the financial report that gives a true and fair view 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 registered entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the Trustees of the Special Air Service Resources Fund a written Auditor's Independence Declaration, a copy of which is included in the Trustees' report.

Basis for qualification

Income from cash donations and fundraising activities is a source of revenue for the Special Air Service Resources Fund. The Fund has determined that it is impracticable to establish controls over such income prior to the initial entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures in relation to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the accounting records. We are therefore unable to express an opinion whether income from cash donations and fundraising activities obtained by the Fund is complete.

Qualified auditor's opinion

In our opinion, except for the possible effects on the financial report of the matters referred to in the basis for qualification paragraph, the financial report of the Special Air Service Resources 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 Fund's financial position as at 30 June 2016 and of its performance for the year ended on that date
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees of the Special Air Service Resources Fund's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Special Air Service Resources Fund and the Australian Charities and Not-for-Profits Commission and should not be distributed to parties other than the Special Air Service Resources Fund and the Australian Charities and Not-for-Profits Commission.



Ernst & Young
Perth
25 October 2016



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

Auditor's independence declaration to the Trustees of Special Air Service Resources Fund

In relation to our audit of the financial report of Special Air Service Resources Fund for the financial year ended 30 June 2016, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young

G H Meyerowitz
Partner
25 October 2016

SAS RESOURCES TRUST

FINANCIAL STATEMENTS
Year ended 30th June 2016



SPECIAL AIR SERVICE RESOURCES TRUST

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Trust Funds			
Settlement Capital		10,000	10,000
Reserves	10	9,825,810	9,745,624
Retained Surplus		4,457,517	4,263,550
		<u>14,293,327</u>	<u>14,019,174</u>
Represented by:-			
Current Assets			
Cash Assets	2	4,350,053	2,911,027
Receivables	3	228,040	258,824
Total Current Assets		<u>4,578,093</u>	<u>3,169,851</u>
Non-Current Assets			
Plant and equipment	6	3,003	7,852
Other financial assets	5	9,721,684	10,851,671
Total Non-Current Assets		<u>9,724,687</u>	<u>10,859,523</u>
Total Assets		<u>14,302,780</u>	<u>14,029,374</u>
Current Liabilities			
Payables		9,453	10,200
Total Liabilities		<u>9,453</u>	<u>10,200</u>
Net Assets		<u>14,293,327</u>	<u>14,019,174</u>

SPECIAL AIR SERVICE RESOURCES TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Operating Activities:			
Donations received		291,756	152,552
		<hr/> 291,756	<hr/> 152,552
Non-Operating Activities:			
Interest received		70,838	191,826
Dividends		298,986	207,956
Income managed funds		205,357	121,347
Distribution from SAS Resources Fund		-	80,000
		<hr/> 575,181	<hr/> 601,129
Total Revenue		<hr/> 866,937	<hr/> 753,681
Expenses			
Audit fee		14,300	13,000
Bank and merchant card charges		158	143
Depreciation		4,849	4,174
Governance report		-	11,200
Scholarship Contributions		75,000	190,000
Insurance/(reversal)		(51)	1,686
Board expenses		759	3,405
Portfolio management fee		95,922	59,546
Office expenses		440	4,625
Salaries		158,911	144,763
Superannuation		15,204	34,123
Social Work Support		4,000	-
Blackhawk Commemoration Service		10,412	-
		<hr/> 379,903	<hr/> 466,665
Total Expenses		<hr/> 379,903	<hr/> 466,665
Net Income for the Year		<hr/> 487,033	<hr/> 287,016
Distributions to beneficiaries	4	<hr/> 293,066	<hr/> 240,308
Net Surplus/(deficit) for year from ordinary activities		<hr/> 193,967	<hr/> 46,708
Other Comprehensive Income:			
Restricted capital reserve utilised		-	40,000
Realised loss on sales of financial assets		(110,632)	-
Movement in fair value of financial assets		190,818	(535,221)
		<hr/> 274,153	<hr/> (448,513)
Total Comprehensive Income		<hr/> 274,153	<hr/> (448,513)

SPECIAL AIR SERVICE RESOURCES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities:			
Donations received		291,756	152,552
Investment income		504,911	334,172
Payments for services		(219,124)	(308,683)
Payments to beneficiaries		(293,066)	(240,308)
Interest received		72,122	349,490
Distribution SAS Resources Fund		-	-
Scholarships		(75,000)	(190,000)
Net cash provided by/(used in) operating activities	7b	<u>281,599</u>	<u>97,221</u>
Cash flows from investing activities:			
Payments for investments		(221,857)	(10,255,686)
Proceeds from sale of investments		1,432,029	650,159
Transfers from/(to) medium term deposits		(52,745)	11,592,226
Net cash provided by/(used in) investing activities		<u>1,157,427</u>	<u>1,986,699</u>
Net increase/decrease in cash held		1,439,026	2,083,920
Cash at beginning of financial year		2,911,027	827,107
Cash at end of financial year	7a	<u>4,350,053</u>	<u>2,911,027</u>

SPECIAL AIR SERVICE RESOURCES TRUST
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

	Settlement Capital	Reserves	Retained surplus	Commonwealth Government Deed of Gift	Restricted Capital Reserve	Unrestricted Capital Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	10,000	260,822	4,176,842	10,000,000	-	-	14,447,664
Other comprehensive income		(535,221)	40,000			(40,000)	(535,221)
Surplus\deficit	-	-	46,708	-	-	-	46,708
Realised gain\loss on investments	-	-	-	-	18,007	42,016	60,023
Balance at 30 June 2015	10,000	(274,399)	4,263,550	10,000,000	18,007	2,016	14,019,174
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

SPECIAL AIR SERVICE RESOURCES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 1031 Materiality, 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 2016

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 cost 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 2016

Note 2 – Cash Assets

	2016	2015
	\$	\$
Cash at Bank	4,350,053	2,911,027
	<u>4,350,053</u>	<u>2,911,027</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

	2016	2015
	\$	\$
Receivables	78,040	161,570
Medium Term Deposit	150,000	97,254
	<u>228,040</u>	<u>258,824</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.

Note 5 – Other Financial Assets

	2016	2015
	\$	\$
Other financial assets comprise:		
Investments in managed funds	3,094,370	4,369,508
Investments in listed corporations	6,627,314	6,482,163
	<u>9,721,684</u>	<u>10,851,671</u>
Fair value	<u>9,721,684</u>	<u>10,851,671</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

	2016	2015
	\$	\$
Office equipment and fittings at cost	23,078	23,078
Less Provision for depreciation	(20,076)	(15,226)
	<u>3,003</u>	<u>7,852</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 2016

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 balance sheet as follows:-	2016 \$	2015 \$
Cash at bank	4,350,053	2,911,027
b) Reconciliation of net cash provided by operating activities		
Net surplus for year from ordinary activities	193,967	46,708
Non cash flows in surplus:		
Depreciation	4,849	4,174
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	83,530	39,963
Increase/(Decrease) in liabilities	(747)	6,376
Net Cash Provided by/(Used in) Operating Activities	281,599	97,221

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	Brigadier Terrence Nolan (Ret'd) AM
Robert Druitt	Kerry Stokes AC
Lieutenant-Colonel Benjamin Pronk	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 2016

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 2015 %	Fixed Interest Maturing Within 1 Year 2015 \$	Non-Interest Bearing 2015 \$	Total 2015 \$
Bank deposits	1.50 - 3.00	3,008,281	-	3,008,281
Receivables			161,570	161,570
		3,008,281	161,570	3,169,851

	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

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

Note 10 –Reserves

	2016 \$	2015 \$
Opening balance	9,785,624	10,260,822
Revaluation increment/(decrement)	80,186	(475,198)
Closing balance	9,865,810	9,785,624

Note 11 – Retained Earnings

The Trustees resolved to set aside from the net income of the Trust for the year an amount up to \$50,000 for the purpose of meeting future educational expenses of beneficiaries.

Note 12 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2016 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 2016 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: 25th October 2016



Robert Druitt
Treasurer

Dated: 25th October 2016

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

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report of the Special Air Service Resources Trust ("the Trust"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

Trustees' responsibility for the financial report

The Trustees of the Special Air Service Resources Trust are responsible for the preparation of the financial report 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 controls as the Trustees' determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the financial report that gives a true and fair view 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 registered entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the Trustees of the Special Air Service Resources Trust a written Auditor's Independence Declaration, a copy of which is included in the Trustees' report.

Basis for qualification

Income from cash donations and fundraising activities is a source of revenue for the Special Air Service Resources Trust. The Trust has determined that it is impracticable to establish controls over such income prior to the initial entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures in relation to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the accounting records. We are therefore unable to express an opinion whether income from cash donations and fundraising activities obtained by the Trust is complete.

Qualified auditor's opinion

In our opinion, except for the possible effects on the financial report of the matters referred to in the basis for qualification paragraph, the financial report of the Special Air Service Resources 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 Trust's financial position as at 30 June 2016 and of its performance for the year ended on that date
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees of the Special Air Service Resources Trust's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Special Air Service Resources Trust and the Australian Charities and Not-for-Profits Commission and should not be distributed to parties other than the Special Air Service Resources Trust and the Australian Charities and Not-for-Profits Commission.



Ernst & Young
Perth
25 October 2016



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

Auditor's independence declaration to the Trustees of Special Air Service Resources Trust

In relation to our audit of the financial report of Special Air Service Resources Trust for the financial year ended 30 June 2016, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
25 October 2016

SAS RESOURCES TRUST 2

FINANCIAL STATEMENTS

Year ended 30th June 2016



SPECIAL AIR SERVICE RESOURCES TRUST NO 2

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Trust Funds			
Settlement Capital		10,000	10,000
Retained Surplus		1,491,791	1,455,533
Reserve Fund	9	6,475	-
		<u>1,508,266</u>	<u>1,465,533</u>
Current Assets			
Cash Assets	2	78,771	85,611
Receivables	3	724,963	1,379,922
Total Current Assets		<u>803,734</u>	<u>1,465,533</u>
Non-Current Assets			
Financial assets	5	704,532	-
Total Non-Current Assets		<u>704,532</u>	<u>-</u>
Total Assets		<u>1,508,266</u>	<u>1,465,533</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>1,508,266</u>	<u>1,465,533</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Operating Activities:			
Donations received		26,691	220
		<hr/> 26,691	<hr/> 220
Non-Operating Activities:			
Interest received		31,401	49,640
Dividends		14,745	-
		<hr/> 46,146	<hr/> 49,640
Total Revenue		<hr/> 72,837	<hr/> 49,860
Expenses			
Bank and merchant card charges		110	55
Total Expenses		<hr/> 110	<hr/> 55
Net Income for the Period		<hr/> 72,727	<hr/> 49,805
Distributions to beneficiaries	4	36,469	43,160
Net Surplus for the period from ordinary activities		<hr/> 36,258	<hr/> 6,645
Other comprehensive income		6,475	-
Total Comprehensive Income		<hr/> <hr/> 42,733	<hr/> <hr/> 6,645

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities:			
Donations received		26,691	220
Investment income		10,321	-
Payments for services		(110)	(55)
Payments to beneficiaries		(36,469)	(43,160)
Interest received		43,549	53,628
Net cash provided by/(used in) operating activities	6b	<u>43,982</u>	<u>10,633</u>
Cash flows from investing activities:			
Payments for investments		(698,057)	-
Transfers from/(to) medium term deposits		647,235	(1,002,941)
Net cash provided by/(used in) investing activities		<u>(50,822)</u>	<u>(1,002,941)</u>
Cash flows from financing activities			
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held			
Cash at beginning of financial period		85,611	1,077,919
Cash at end of financial period	6a	<u><u>78,771</u></u>	<u><u>85,611</u></u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

STATEMENT OF CHANGES IN TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2016

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2014	10,000	1,448,888	-	1,458,888
Other comprehensive income	-	-	-	-
Surplus	-	6,645	-	6,645
Realised gain/(loss) on investments	-	-	-	-
Balance at 30 June 2015	<u>10,000</u>	<u>1,455,533</u>	<u>-</u>	<u>1,465,533</u>
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
Realised gain/(loss) on investments	-	-	-	-
Balance at 30 June 2016	<u>10,000</u>	<u>1,491,791</u>	<u>6,475</u>	<u>1,508,266</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 1031 Materiality, 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 2016

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 cost 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 2016

Note 2 – Cash Assets

	2016	2015
	\$	\$
Cash at bank	78,771	85,611
	<u>78,771</u>	<u>85,611</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

	2016	2015
	\$	\$
Receivables	9,257	16,981
Medium term deposits	715,706	1,362,941
Total Receivables	<u>724,963</u>	<u>1,379,922</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

	2016	2015
	\$	\$
Financial assets comprise:		
Investments in listed corporations	704,532	-
Fair value	<u>704,532</u>	<u>-</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 2016

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 balance sheet as follows:	2016	2015
	\$	\$
- Cash at Bank	78,771	85,611
	<hr/>	<hr/>
	78,771	85,611
b) Reconciliation of net cash provided by operating activities:		
Net surplus for year from ordinary activities	42,733	6,645
Non cash flows in surplus:		
Changes in Assets & Liabilities		
- Unrealised appreciation in value of investments	(6,475)	-
- (increase)/decrease in receivables	7,724	3,988
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	43,982	10,633
	<hr/>	<hr/>

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	Brigadier Terrence Nolan (Ret'd) AM
Robert Druitt	Kerry Stokes AC
Lieutenant-Colonel Benjamin Pronk	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 2016****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 2015 %	Fixed Interest Maturing Within 1 Year 2015 \$	Non-Interest Bearing 2015 \$	Total 2015 \$
Bank Deposits	4.10-3.40	1,448,552	-	1,448,552
Total Receivables			16,981	16,981
Total		1,448,552	16,981	1,465,533

	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

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

Note 9 – Financial Assets Reserves

	2016 \$	2015 \$
Opening balance	-	-
Revaluation increment/(decrement)	6,475	-
Closing balance	6,475	-

Note 10 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2016 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:

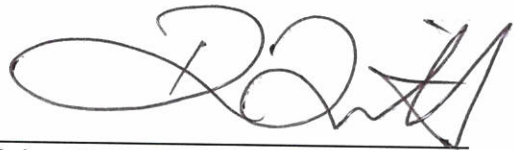
- a) The financial statements and notes, as set out in the following pages, fairly describe the Trust's financial position as at 30 June 2016 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's 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: 25th October 2016



Robert Druitt
Treasurer

Dated: 25th October 2016

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

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report of the Special Air Service Resources Trust No. 2 ("the Trust"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

Trustees' responsibility for the financial report

The Trustees of the Special Air Service Resources Trust No. 2 are responsible for the preparation of the financial report 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 controls as the Trustees' determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the financial report that gives a true and fair view 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 registered entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the Trustees of the Special Air Service Resources Trust No. 2 a written Auditor's Independence Declaration, a copy of which is included in the Trustees' report.

Basis for qualification

Income from cash donations and fundraising activities is a source of revenue for the Special Air Service Resources Trust No. 2. The Trust has determined that it is impracticable to establish controls over such income prior to the initial entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures in relation to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the accounting records. We are therefore unable to express an opinion whether income from cash donations and fundraising activities obtained by the Trust is complete.

Qualified auditor's opinion

In our opinion, except for the possible effects on the financial report of the matters referred to in the basis for qualification paragraph, the financial report of the Special Air Service Resources Trust No. 2 is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the Trust's financial position as at 30 June 2016 and of its performance for the year ended on that date
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees of the Special Air Service Resources Trust No. 2's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Special Air Service Resources Trust No. 2 and the Australian Charities and Not-for-Profits Commission and should not be distributed to parties other than the Special Air Service Resources Trust No. 2 and the Australian Charities and Not-for-Profits Commission.



Ernst & Young
Perth
25 October 2016





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

Auditor's independence declaration to the Trustees of Special Air Service Resources Trust No. 2

In relation to our audit of the financial report of Special Air Service Resources Trust No. 2 for the financial year ended 30 June 2016, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
25 October 2016

SAS RESOURCES TRUST 3

FINANCIAL STATEMENTS

Year ended 30th June 2016



SPECIAL AIR SERVICE RESOURCES TRUST NO 3

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016	2015
		\$	\$
Trust Funds			
Settlement Capital		5,000	5,000
Reserve Fund	9	1,773	-
Retained Surplus		1,443,955	766,959
		<u>1,450,728</u>	<u>771,959</u>
Current Assets			
Cash Assets	2	342,587	119,740
Receivables	3	805,877	623,119
Total Current Assets		<u>1,148,464</u>	<u>742,859</u>
Non-current Assets			
Plant & Equipment	6	100	29,100
Other financial assets	5	302,164	-
Total Non-current Assets		<u>302,264</u>	<u>29,100</u>
Total Assets		<u>1,450,728</u>	<u>771,959</u>
Current Liabilities			
Payables		-	-
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>1,450,728</u>	<u>771,959</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Operating Activities:			
Donations received		736,344	35
Non-Operating Activities:			
Interest received		16,235	22,721
Dividends		4,986	-
Total Revenue		<u>757,565</u>	<u>22,756</u>
Expenses			
Bank and merchant card charges		89	50
Depreciation		29,000	34,800
Total Expenses		<u>29,089</u>	<u>34,850</u>
Net Income/(deficit) for the Period		<u>728,476</u>	<u>(12,094)</u>
Distributions to beneficiaries	4	<u>51,480</u>	<u>20,565</u>
Net Surplus/(deficit) for the period from ordinary activities		676,996	(32,659)
Other Comprehensive Income:			
Movement in fair value of financial assets		1,773	-
Total Comprehensive Income/(deficit)		<u><u>678,769</u></u>	<u><u>(32,659)</u></u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities:			
Donations received		736,344	35
Investment income		3,490	-
Payments for services		(89)	(50)
Payments to beneficiaries		(51,480)	(20,565)
Interest received		14,973	21,908
Net cash provided by/(used in) operating activities	7b	703,238	1,328
Cash flows from investing activities:			
Purchase of investments		(300,391)	-
Transfer to/from medium term deposits		(180,000)	-
Net cash outflows from investing activities		(480,391)	-
Cash flows from financing activities:		-	-
Net cash provided by financing activities		-	-
Net increase in cash held		222,847	1,328
Cash at beginning of financial year		119,740	118,412
Cash at end of financial year	7a	342,587	119,740

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

STATEMENT OF CHANGES IN TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2016

	Settlement Capital \$	Retained Surplus \$	Reserve Fund \$	Total \$
Balance at 1 July 2014	5,000	799,618	-	804,618
Other comprehensive income	-	-	-	-
Surplus/(deficit)	-	(32,659)	-	(32,659)
Balance at 30 June 2015	<u>5,000</u>	<u>766,959</u>	<u>-</u>	<u>771,959</u>
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	<u>5,000</u>	<u>1,443,955</u>	<u>1,773</u>	<u>1,450,728</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 1031 Materiality, 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 2016

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 cost 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 2016

Note 2 – Cash Assets

	2016	2015
	\$	\$
Cash at Bank	342,587	119,740
	<u>342,587</u>	<u>119,740</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

	2016	2015
	\$	\$
Receivables	5,877	3,119
Medium Term Deposits	800,000	620,000
	<u>805,877</u>	<u>623,119</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

	2016	2015
	\$	\$
Other financial assets comprise:		
Investments in listed corporations	302,164	-
Fair value	<u>302,164</u>	<u>-</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

	2016	2015
	\$	\$
Alter G P 2000 Treadmill – at cost	104,500	104,500
Less provision for depreciation	(104,400)	(75,400)
	<u>100</u>	<u>29,100</u>

SPECIAL AIR SERVICE RESOURCES TRUST NO 3

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

Note 7 – Cash Flow Information

	2016	2015
	\$	\$
a) Cash at the end of the period as shown in the statement of cash flows is reconciled to the related item in the balance sheet as follows:-		
Cash at bank	342,587	119,740
	<hr/> 342,587	<hr/> 119,740
b) Reconciliation of net cash provided by operating activities		
Net surplus/(deficit) for year from ordinary activities	676,996	(32,659)
Non cash flows in surplus:		
Depreciation	29,000	34,800
(Increase)/Decrease in receivables	(2,758)	(813)
Net Cash Provided by/(used in) Operating Activities	<hr/> <hr/> 703,238	<hr/> <hr/> 1,328

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	Brigadier Terrence Nolan (Ret'd) AM
Robert Druitt	Kerry Stokes AC
Lieutenant-Colonel Benjamin Pronk	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 2016

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 2015 %	Fixed Interest Maturing Within 1 Year 2015 \$	Non-Interest Bearing 2015 \$	Total 2015 \$
Bank Deposits	3.64 - 2.70	739,740	-	739,740
Receivables		-	3,119	3,119
Total		739,740	3,119	742,859

	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

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

Note 9 – Financial Assets Reserves

	2016 \$	2015 \$
Opening balance	-	-
Revaluation increment/(decrement)	1,773	-
Closing balance	1,773	-

Note 10 – Events after Balance Date

There have been no matters or circumstances that have arisen since 30 June 2016 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:

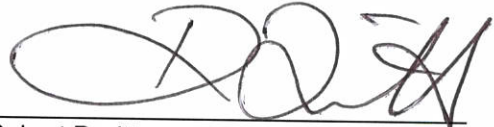
- a) The financial statements and notes, as set out in the following pages, fairly describe the Trust's financial position as at 30 June 2016 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) In the Trustee's 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: 25th October 2016



Robert Druitt
Treasurer

Dated: 25th October 2016

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

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report of the Special Air Service Resources Trust No. 3 ("the Trust"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

Trustees' responsibility for the financial report

The Trustees of the Special Air Service Resources Trust No. 3 are responsible for the preparation of the financial report 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 controls as the Trustees' determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the financial report that gives a true and fair view 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 registered entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the Trustees of the Special Air Service Resources Trust No. 3 a written Auditor's Independence Declaration, a copy of which is included in the Trustees' report.

Basis for qualification

Income from cash donations and fundraising activities is a source of revenue for the Special Air Service Resources Trust No. 3. The Trust has determined that it is impracticable to establish controls over such income prior to the initial entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures in relation to income from cash donations and fundraising activities had to be restricted to the amounts recorded in the accounting records. We are therefore unable to express an opinion whether income from cash donations and fundraising activities obtained by the Trust is complete.

Qualified auditor's opinion

In our opinion, except for the possible effects on the financial report of the matters referred to in the basis for qualification paragraph, the financial report of the Special Air Service Resources Trust No. 3 is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the Trust's financial position as at 30 June 2016 and of its performance for the year ended on that date
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees of the Special Air Service Resources Trust No. 3's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Special Air Service Resources Trust No. 3 and the Australian Charities and Not-for-Profits Commission and should not be distributed to parties other than the Special Air Service Resources Trust No. 3 and the Australian Charities and Not-for-Profits Commission.



Ernst & Young
Perth
25 October 2016

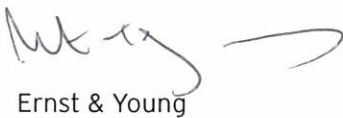


Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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

Auditor's independence declaration to the Trustees of Special Air Service Resources Trust No. 3

In relation to our audit of the financial report of Special Air Service Resources Trust No. 3 for the financial year ended 30 June 2016, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner
25 October 2016