

AUSTRALIAN COUNCIL OF NATIONAL TRUSTS

ABN: 54 008 444 684

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2008**

AUSTRALIAN COUNCIL OF NATIONAL TRUSTS

ABN: 54 008 444 684

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AUSTRALIAN COUNCIL OF NATIONAL TRUSTS

ABN: 54 008 444 684

DIRECTORS REPORT

Your directors submit their report for the year ended 30 June 2008, together with financial statements of the Australian Council of National Trusts and the auditor's report for that period.

Directors

The directors in office during the financial year ended 30 June 2008 and to the date of this report are as follows:

Chairman

* The Hon P Comben AM IDP
(retired as chairman Feb 2008, resigned 15-9-08)

Deputy Chairman

* Dr J Hills NT

Chairman (as from Feb 2008)

* Dr G Blackman	VIC
* Ms A Aspinall	SA
* Mr Eric Martin AM	ACT
* Mr R Foley	TAS
Professor D Dolan	WA (resigned 12-2-08)
Mr John Niland	NSW (resigned 7-12-07)
Dr Diane Menghetti	QLD (resigned 4-12-07)
The Hon J Cowdrell	WA (appointed 12-2-08)
Mr M Peck AM	VIC (appointed 28-4-08)
Dr J Jackson	QLD (appointed 4-12-07)
Ms Z Edwards	NSW (appointed 7-12-07)
Mr S Sheaffe	QLD (appointed 15-12-07)
Ms T Jackson	NSW (resigned 15-12-07)
Mr G Smith	QLD (resigned 15-1-08)
Mr J E Neish	NSW (appointed 25-8-08)
A/Prof. J Gregory	WA (appointed 12-2-08)
* Mr S Molesworth AM QC	IDP
* The Hon Mr Justice BSJ O'Keefe AM, QC	IDP

**indicates director continuing through the period in question*

Details of attendance by directors while in office for the four Board of Director's meetings held during the financial year.

Attendees		No. Attended (3 meetings held)	No. eligible to attend
Mr S Molesworth AM QC	IDP	3	3
The Hon P Comben AM	IDP	2	2
Professor David Dolan	WA	0	1
Ms A Aspinall	SA	2	3
Dr J Hills	NT	2	3
Mr Eric Martin AM	ACT	3	3
The Hon Mr Justice BSJ O'Keefe AM, QC	NSW	2	3
Ms Diane Menghetti	QLD	1	0
Mr John Niland	NSW	0	1
Dr G Blackman	VIC	3	2
A/Pof. J Gregory (1 as Alternate)	WA	3	3
Mr C Tassell (Alternate)	TAS	2	2
Mr A Smith (Proxy)	NSW	1	1
Mr G Smith	QLD	1	1
Mr R Foley	TAS	1	3
Dr J Jackson	NSW	2	2
Mr M Peck AM	VIC	1	1
Mr I Stephenson (Proxy)	SA	1	1
MS Z Edwards	NSW	2	2

Principal Activities

The Australian Council of National Trusts' activities relate to its objectives, which are to:

- Coordinate a national vision for the National Trust movement and project that vision to the Australian community.
- Coordinate current policies in the National Trust movement and facilitate the formulation of new common policy.
- Coordinate information flow and networking within the National Trust movement.
- Campaign on conservation issues that are of national significance.
- Nurture all links with the Commonwealth and other national organisations.
- Establish links with kindred international regional bodies.
- Raise funds for the work of the National Trust movement.
- Manage the affairs of the ACNT.

Operating Results

The operating profit for the year was \$16,604 (2007: profit of \$39,499)

Review of Operations

The principal activities in which the company was engaged during the year were in relation to the ACNT Constitution and to activities approved by the board.

Company Secretary

Mr Colin Griffiths held of the position of company secretary at the end of the financial year.

After Balance Date Events

Matters or circumstances have not arisen since the end of the financial year that have affected, or may significantly affect in subsequent financial years, the operations of the company, the result of those operations or the state of affairs of the company.

Directors' Benefits

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the accounts, or the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Related Party Interests

No director has entered in a material contract with the company since the commencement of the financial year and there were no material contracts involving directors' interests subsisting at the year-end.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Auditors' Non-Audit Services

During the financial year the auditors have performed other services in addition to their statutory duties. The company is satisfied that the non-audit services provided did not compromise the audit independence requirements of the *Corporations Act 2001* as the services provided did not involve reviewing or auditing the auditor's own work, there were no actions in a management or decision making capacity nor did they act as advocate for the company or jointly share risks and rewards.

The amount paid or payable to the auditors for non-audit services are set out in note 3 to the financial statements

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any of those proceedings.

The company was not a party to any such proceedings during the year.

Indemnification of Officers and Auditor

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including cost and expenses in successfully defending legal proceedings;
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings;

with the exception of the following matter:

- the company paid a premium for Professional Indemnity insurance (covering directors and officers for liabilities incurred or legal costs in respect of a breach of professional duty by any reason of any negligent act, error or omission – extensions and exclusion permitting).
- the company paid a premium for Directors and Officers Liability insurance (providing protection for the wrongful acts committed by corporate directors or officers insuring directors and officers against personal liability).

Auditors Independence Declaration

- A copy of the auditors Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Dated this day,

Signed on behalf of the Board in accordance with a resolution of the Directors

Chairman:

Director:

**AUSTRALIAN COUNCIL OF NATIONAL TRUSTS
ABN: 54 008 444 684**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN COUNCIL OF NATIONAL TRUSTS**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and;
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Bandle McAneney & Co

**Anthony J Bandle
Partner**

Dated:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Council of National Trusts is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and except where stated, does not take into account changing money values and current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Accounting Policies

Income Tax

The company is exempt from income tax under subsection 23 (e) of the Income Tax Assessment Act 1936 & 1937.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost, fair value or at independent valuation less, where applicable, any accumulated depreciation.

Property

Leasehold land and buildings are measured according to an independent valuation completed in June 2006 and reflected in this financial report. Previously an independent valuation was carried out in June 2002. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors. During the financial year ended 30 June 2006, an independent valuation was carried out and leasehold land and buildings were valued at \$355,000 as at 26 June 2006.

The revaluation of leasehold land and buildings had not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

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Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Art works are not depreciated as their realisable value has been assessed as being greater than the written down value. The directors' valuation of art was performed as at 30 June 1992 and was based on an assessment of current market value. The valuation was not in accordance with a regular policy of revaluing property, plant and equipment.

Library assets are depreciated at 5% per annum. The directors' valuation of the library was performed as at 30 June 1992 and was based on an assessment of the replacement cost of books and publications. The valuation was not in accordance with a policy regularly revaluing property, plant and equipment.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The depreciation rates used for each class of depreciable asset are:

Classes of Fixed Assets	Depreciation Rate
Office Premises	2 . 5%
Equipment, Furniture and Fittings	7 . 5 - 27 . 0%
Intangibles	25 . 0 – 50 . 0%
Library	5 . 0%

Employee Entitlements

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash and Cash Equivalents

For purposes of the cash flow statement cash includes deposits at call with financial institutions and other highly liquid investments with maturity within less than 3 months which are readily convertible to cash on hand at the investor's opinion and are subject to an insignificant risk of change in value, and borrowings which are integral to the cash management function and which are not subject to a term facility.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government Grants

Grants received from government bodies remain vested in the government until expended. Government grants received are brought to account as a current liability to the extent that they have not been expended in accordance with the terms and conditions of the grant agreement. Asset acquisitions funded by government grants are brought to account as fully acquitted at the time of disbursement. Government grants are brought to account as a current asset to the extent that funds have been expended in accordance with the terms and conditions of the grant agreement, but not received.

Membership Levies

Revenue from membership levies is recognised progressively over the period to which the membership relates. Membership levies are levied on a financial year basis. The portion of membership levies received that relates to the following financial year is brought to account at balance date as membership levies received in advance (other current liability). Membership levies collected as agent for State bodies are brought to account as membership levies payable (payables).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through the income statement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

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Available-for-sale financial assets

Available-for-sale financial assets include any financial asset not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instrument, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

When the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

When it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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NOTES TO THE FINANCIAL STATEMENTS
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14 Related Parties

- a) Transactions with related parties
ACNT had the following transactions with the State Bodies during the year:
 - Members Levies - contributions by State Bodies
 - Sale of Publications – income received at concessional rates to State Bodies
- b) Balances with related parties
Receivables includes the following amounts due from the State Bodies at year end
Sundry Debtors
- c) No remuneration was received by the directors of the company from the company or other related corporations in connection with the management of the company.

The names of the directors of the company who held office during the financial year are:

Dr G Blackman
Dr J Hills
Hon P Comben AM
Ms A Aspinall
Ms Dianne Merghetti
Mr E Martin AM
Mr S Molesworth AM QC
Professor D Dolan
Hon Mr Justice BSJ O'Keefe AM QC
Mr John Niland
Mr R Foley
The Hon J Cowdrell
Mr M Peck AM
Dr J Jackson
Ms Z Edwards
Mr S Sheaffe
Ms T Jackson
Mr G Smith
Ms J Gregory

15 Segment Reporting

The company operates wholly within Australia and is involved predominantly in promoting the conservation of Australian heritage areas.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

16 Financial Instruments

Interest Rate Risk

The company's 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 rate on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2008	2007	2008	2007
	%	%	\$	\$
Financial Assets				
Cash and Deposits at Call	7.00	5.20	372,613	351,482
Term Deposits	3.75	3.75	<u>-</u>	<u>-</u>
Total Financial Assets			<u>372,613</u>	<u>351,482</u>

	Fixed Interest Rate Maturing			
	Within Year		1 – 5 Years	
	2008	2007	2008	2007
	\$	\$	\$	\$
Financial Assets				
Term Deposits	<u>8,550</u>	<u>8,550</u>	<u>-</u>	<u>-</u>

	Fixed Interest Rate Maturing Over 5 Years		Non-Interest Bearing	
	2008	2007	2008	2007
	\$	\$	\$	\$
Financial Assets				
Cash & Deposits at Call	-	-	269	269
Receivables	-	-	<u>-</u>	<u>190</u>
Total Financial Assets	-	-	<u>269</u>	<u>459</u>
Financial Liabilities				
Payables	-	-	<u>16,109</u>	<u>28,788</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the income statement and notes to and forming part of the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Net Fair Value

The net fair value listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities, net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the principal intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the income statement and in the notes to the financial statements.

17 Company Details

The registered office of the company is:

Australian Council of National Trusts
Unit 14 National Associations Centre
71 Constitutional Avenue
CAMPBELL ACT 2612

The principal place of business is:

Australian Council of National Trusts
Unit 14 National Associations Centre
71 Constitutional Avenue
CAMPBELL ACT 2612

The principal activities of the company are promotion of the conservation of Australian heritage areas.

AUSTRALIAN COUNCIL OF NATIONAL TRUSTS
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001;
and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.

Director:

Director:

Dated this day of

**AUSTRALIAN COUNCIL OF NATIONAL TRUSTS
AUDITORS' DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION**

ABN: 54 008 444 684

The additional financial information presented on the following pages is in accordance with the books and records of the company which have been subjected to the procedures applied in our audit of Australian Council of National Trusts for the year ended 30 June 2008.

It will be appreciated that our audit did not cover all details of the additional financial information.

Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Neither the firm nor any members or employee undertakes responsibility in any way whatsoever to any person in respect of such information including errors or omissions however caused.

Name of Firm: Bandle McAneney & Co

Name of Partner:
Anthony J Bandle

Date:

Address: CANBERRA, ACT

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN COUNCIL OF NATIONAL TRUSTS
ABN: 54 008 444 684**

Report on the Financial Report

We have audited the financial report of the Australian Council of National Trusts (“the company”) which comprises the balance sheet as at 30 June 2008 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and *the Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based upon our audit. We conducted our audit in accordance with Australian Auditing Standards. These auditing 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 upon the auditor’s judgement, 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 control relevant to the entity’s preparation and fair presentation of the financial report 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australian Council of National Trusts on _____ would be in the same terms if provided to the directors as at the date of this auditor’s report.

Auditor's Opinion

In our opinion, the financial report of the Australian Council of National Trusts is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Bandle McAneney & Co

**Anthony J Bandle
Partner**

Date:

Place: CANBERRA, ACT