

THE NATIONAL TRUST OF AUSTRALIA (NSW)

GENERAL PURPOSE ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

This Financial Report was authorised for issue by the Board of Directors on 24 September 2008. The Board has the power to amend and re-issue the financial report.

THE NATIONAL TRUST OF AUSTRALIA (NSW)
DIRECTORS' REPORT
30 June 2008

The Directors present their report together with the financial statements of The National Trust of Australia (NSW) ("the Trust") for the year ended 30 June 2008 and the auditors' report thereon.

DIRECTORS

The following Directors held office during the financial year and to the date of this report:

Dr. Zeny Edwards (President), Julian Bickersteth (Deputy President), William Holmes à Court (Treasurer), Dr. Paul Adam, Wendy Carlson, Ian Carroll OAM, Robyn Christie, Don Godden, Tina Jackson (former Executive Director), Janine Kitson, Helen Lochhead, Peter Lowry OAM, John Neish (Executive Director), Professor John Niland AM (former President), Maisy Stapleton, Alan Terrell and Steven White (Acting Executive Director)

Of those above Alan Terrell was newly elected in November 2007 and could therefore attend a maximum of eight (8) meetings.

Tina Jackson resigned as Executive Director during March 2008 and was replaced in an acting capacity by Steven White. Each could attend a maximum of seven (7) and four (4) meetings respectively. John Neish was appointed Executive Director with effect from 25 August 2008 and Ian Carroll OAM was appointed to the board with effect from 1 July 2008.

Professor John Niland AM resigned as President in November 2007 and was replaced in that capacity by Dr. Zeny Edwards. Professor Niland could attend a maximum of four (4) meetings

DIRECTORS' MEETINGS

The Board met on 12 occasions during the year and the number of meetings attended by each of the Directors during the financial year is as follows:

Dr. Zeny Edwards, President	12
Prof. John Niland AM, Former President *	4
Julian Bickersteth, Deputy President	11
William Holmes à Court, Treasurer	9
Steven White, Acting Executive Director *	4
Tina Jackson, Former Executive Director **	7
Dr. Paul Adam	10
Wendy Carlson	9
Robyn Christie	12
Don Godden	11
Janine Kitson	12
Helen Lochhead	9
Peter Lowry OAM	11
Maisy Stapleton	9
Alan Terrell ***	8

* Maximum of 4 meetings could be attended, ** Maximum of 7 meetings could be attended, *** Maximum of 8 meetings could be attended

CORPORATE GOVERNANCE

The election of directors held in 2007 produced eleven candidates for the six available positions on the Board. As a result 5 of the sitting members were returned and one new director was elected.

The Audit Committee and Finance Committee as well as many technical, fundraising, conservation and other volunteer committees continued to support the management of the Trust during the year. Those committees at 30

June 2008 are recognised within the published Annual Review and the names of participants added to the Trust's web site.

The Audit Committee and Finance Committee serve to continually review and improve the code of corporate conduct for the Trust. They also give the Board of Directors additional assurance regarding the quality of the financial information and the effectiveness of necessary governance processes used in determining policies.

Corporate Governance and Privacy Policy statements appear under "About Us" on the Trust's website.

The Audit Committee

Consists of Rick Butler (Chair), William Holmes à Court, and Michael Braham and met on 2 occasions during the year.

Julian Bickersteth resigned from the Committee during the year and was able to attend a maximum of one meeting in the year.

The number of meetings attended is shown below:

Rick Butler (Chair)	2
William Holmes à Court	2
Julian Bickersteth *	1
Michael Braham	2

The Finance Committee

Consists of William Holmes à Court (Chair), Julian Bickersteth, Ann Braybon, Dr. Zeny Edwards, Gary Hoare, John Neish (Executive Director) and Steven White (Acting Executive Director), and met on 9 occasions during the year.

Tina Jackson resigned as Executive Director during the year and was replaced in an acting capacity by Steven White. Each could attend a maximum of seven (7) and two (2) meetings respectively. John Neish was appointed to the Finance Committee with effect from 25 August 2008.

Professor John Niland AM resigned as President during the year and could attend a maximum of five (5) meetings

The number of meetings attended is shown below:

William Holmes à Court (Chair)	7
Julian Bickersteth	7
Ann Braybon	9
Dr. Zeny Edwards	9
Gary Hoare	8
Tina Jackson *	6
Prof. John Niland AM *	3
Steven White	2

* Non-continuing committee member

PRINCIPAL ACTIVITIES

The National Trust of Australia (NSW) is a community based statutory body and a charity which works as an advocate to conserve heritage within New South Wales. Its staff, members and volunteers preserve and present heritage properties and collections and bushland to educate the community in the conservation of our natural, built and cultural heritage. These principal activities have not changed during the year.

RESULT

During the year ended 30 June 2008 the Trust received \$263,067 more cash from its operations and activities than it spent on its operating expenses and activities.

The Trust also transferred \$3,796,444 it previously held as cash or cash equivalents to investments which resulted in a reduction in available cash in the year of \$2,049,297.

The Trust reported a (deficit)/surplus for accounting purposes of (\$232,298) (2007: \$212,882). This included a reduction in the value of Trust investments of \$254,269.

STATE OF AFFAIRS

In the opinion of the Directors, there was no significant adverse change in the state of affairs of the Trust that occurred during the financial year under review.

EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report no item, transaction or event of a material or unusual nature, including recent events in international financial markets which have reduced the value of Trust investments by a further \$36,199 since balance date, has occurred that is likely, in the opinion of the Directors of the Trust, to affect significantly the operations of the Trust, the result of those operations, or the state of affairs of the Trust in subsequent financial years.

LIKELY DEVELOPMENTS

The Trust expects to continue to carry out its principal activities.

ENVIRONMENTAL REGULATION

The Trust is not subject to any significant environmental regulations.

DIRECTORS' INTERESTS AND BENEFITS

Since the end of the previous financial year, no director of the Trust received or became entitled to receive a benefit by reason of a contract made by the Trust with the director, his or her spouse, a family member or close relative, a firm in which the director is a member or a company in which the director has a substantial interest, other than as disclosed in Note 12 (c) (i) to the financial statements which discloses as follows:

- Mr Julian Bickersteth, a director first elected in 2001 and principal of International Conservation Services Pty Ltd, for work under various contracts to the value of \$25,368.
- Mr Will Holmes à Court, who has an indirect interest in SPF Asia Pacific Pty Ltd, a company providing computer software and services to the Trust during the year to 30 June 2008 for work amounting to \$9,350.

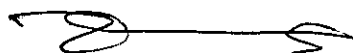
INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Trust maintains Directors' and Officers' liability coverage through its access to the indemnity provided by the Treasury Managed Fund under its contract of coverage. Cover extends to compensation or damages payable by the Trust arising in connection with any of its activities worldwide, and/or costs, charges and expenses incurred in settlement or defence of any claim or litigation, whether successful or not, except where compensation and/or costs arise from any illegally based operation.

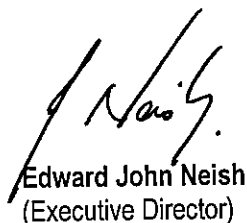
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration given to the Directors by the lead auditor for the audit undertaken by HLB Mann Judd is included on page 7.

Signed on behalf of the Board by resolution of the Directors



Dr Zeny Edwards
(President)



Edward John Neish
(Executive Director)

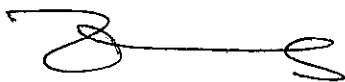
24th September 2008

**THE NATIONAL TRUST OF AUSTRALIA (NSW)
DIRECTORS' DECLARATION**


In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) 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 directors.



Dr. Zeny Edwards
(President)



Edward John Neish
(Executive Director)

24th September 2008

**THE NATIONAL TRUST OF AUSTRALIA (NEW SOUTH WALES)
INDEPENDENT AUDIT REPORT**

To the members of The National Trust of Australia (New South Wales):

We have audited the accompanying financial report of The National Trust of Australia (New South Wales) ("the Trust") which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in accumulated funds and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration, as set out on page 4 and pages 8 to 21.

Directors' Responsibility for the Financial Report

The directors of the Trust 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 as required by The National Trust of Australia (New South Wales) Act 1990 No 92 and the Trust's Rules. This responsibility includes establishing and maintaining internal controls 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.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on 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 on 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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**THE NATIONAL TRUST OF AUSTRALIA (NEW SOUTH WALES)
INDEPENDENT AUDIT REPORT (continued)**

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 the Trust on 24 September 2008, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of The National Trust of Australia (New South Wales) is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Sydney
24 September 2008

HLB Mann Judd

**HLB MANN JUDD
(NSW Partnership)
Chartered Accountants**

[Signature]

**D K SWINDELLS
Partner**

**THE NATIONAL TRUST OF AUSTRALIA (NEW SOUTH WALES)
AUDITOR'S INDEPENDENCE DECLARATION**

To the Directors of the National Trust of Australia (New South Wales):

As lead auditor for the audit of National Trust of Australia (New South Wales) for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



D K Swindells
Partner

Sydney

24 September 2008

National Trust of Australia (NSW)
Cash Flow Statement
For the year ended 30 June 2008

	Note	2008	2007
		\$	\$
Cash Flows from Operating Activities:			
Cash receipts in the course of operations		7,202,567	7,118,442
Cash payments in the course of operations		(6,939,500)	(7,035,499)
Net cash inflow/(outflow) from operating activities:	14(ii)	<u>263,067</u>	<u>82,943</u>
Cash Flows from Investing Activities:			
Interest received		251,583	144,980
Dividends received		7,789	6,891
Distribution income received		177,986	324,253
Proceeds from sale of land		1,260,000	-
Purchase of investments	8	(3,803,741)	-
Proceeds from sale of investments		6,258	-
Payments for property, collections & equipment		(212,242)	(58,362)
Net cash inflow from investing activities:		<u>(2,312,367)</u>	<u>417,762</u>
Net increase / (decrease) in cash held:			
		(2,049,297)	500,705
Cash at the beginning of the financial year		<u>2,422,642</u>	<u>1,921,937</u>
Cash at the end of the financial year	14(i)	<u>373,345</u>	<u>2,422,642</u>

The Cash Flow Statement is to be read in conjunction with the Notes to and forming part of the Financial Statements.

National Trust of Australia (NSW)

Income Statement

For the year ended 30 June 2008

	Note	2008	2007
		\$	\$
Revenue			
Finance & Administration		263,913	525,595
Bushland Management		1,394,941	1,598,046
Conservation		582,791	214,468
S H Ervin Gallery		310,202	396,195
Marketing		1,903,557	2,055,207
Museums & Properties		2,142,441	2,236,281
Committees		673,023	616,432
Total Revenue	2 (a)	7,270,868	7,642,224
Expenses			
Finance & Administration		1,208,676	1,208,469
Bushland Management		1,270,016	1,337,503
Conservation		595,484	476,423
S H Ervin Gallery		336,632	390,013
Marketing		1,161,825	1,106,965
Museums & Properties		2,525,308	2,514,195
Committees		405,225	395,774
Total Expenses	2 (c)	7,503,166	7,429,342
(Deficit)/Surplus for the year	11	(232,298)	212,882

The Income Statement reflects revenue and expense classified by nature.

The categories shown above represent operating departments within the Trust;

- Finance & Administration includes income and expense from investments
- Marketing includes income and expense from membership, sponsorship, fundraising and ever
- Museums & Properties includes income and expense from Friends Groups, whilst
- Committees includes income and expense from the Women's Committee, Local and and general fundraising committees.

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements.

National Trust of Australia (NSW)

Balance Sheet

As at 30 June 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash & Cash Equivalents	14	373,345	2,422,642
Receivables	5	464,291	2,084,250
Prepayments		10,912	22,366
Inventories	6	178,547	231,997
Total Current Assets		1,027,095	4,761,255
Non-Current Assets			
Receivables	5	21,772	30,871
Other Financial Assets	8	6,525,835	2,983,660
Property, Collections and Equipment	7	52,285,317	51,956,287
Total Non-Current Assets		58,832,924	54,970,818
TOTAL ASSETS		59,860,019	59,732,073
Current Liabilities			
Accounts Payable		648,169	606,909
Deferred Income and Unexpended Grants	9	1,091,280	858,219
Employee Entitlements	10	309,316	306,002
Total Current Liabilities		2,048,765	1,771,130
Non-Current Liabilities			
Deferred Income - Membership		87,490	173,773
Employee Entitlements	10	39,787	75,831
Total Non-Current Liabilities		127,277	249,604
TOTAL LIABILITIES		2,176,042	2,020,734
NET ASSETS		57,683,977	57,711,339
Accumulated Funds			
Retained Surplus	11	20,454,521	20,686,819
Reserves	11	37,229,456	37,024,520
TOTAL ACCUMULATED FUNDS		57,683,977	57,711,339

The Balance Sheet is to be read in conjunction with the Notes to and forming part of the Financial Statements.

National Trust of Australia (NSW)
Statement of Changes in Accumulated Funds
For the year ended 30 June 2008

	Note	Reserve	Retained Surplus	Total
		\$	\$	\$
Total Accumulated Funds at 1 July 2006		30,021,524	20,473,937	50,495,461
Increase in Reserves for the year ended 30 June 2007		7,002,996	-	7,002,996
Surplus for the year ended 30 June 2007		-	212,882	212,882
Total Accumulated Funds at 30 June 2007		37,024,520	20,686,819	57,711,339
Increase in Reserves for the year ended 30 June 2008		204,936	-	204,936
Deficit for the year ended 30 June 2008		-	(232,298)	(232,298)
Total Accumulated Funds at 30 June 2008		37,229,456	20,454,521	57,683,977

The Statement of Changes in Accumulated Funds is to be read in conjunction with the Notes to and forming part of the Financial Statements.

NATIONAL TRUST OF AUSTRALIA (NSW)
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in the preparation of this financial report.

(a) Basis of Preparation

The National Trust of Australia (NSW) is a statutory body and a statutory corporation continued by The National Trust of Australia (NSW) Act 1990 No 92.

The financial report of the Trust is a general purpose financial report. It has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, the Corporations Act 2001 and the National Trust Act and Rules. It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

STATEMENT OF COMPLIANCE:

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

(b) Revenue Recognition

SALES REVENUE:

Sales revenue comprises revenue earned (net of returns, discount and allowances) from the provision of products or services to entities. Sales revenue is recognised when the goods are provided, or when the fee in respect of services provided is receivable.

INTEREST INCOME/RENT:

Interest income and rent are recognised as they accrue.

DONATIONS/BEQUESTS:

Donations/Bequests are recognised when received.

MEMBERSHIP SUBSCRIPTIONS:

Subscriptions are recognised when due and receivable.

Three year subscriptions are treated as annual subscriptions paid in advance; the first annual subscription is recognised when due with the remainder in advance being deferred to be recognised on the subsequent anniversary of the membership due date until the deferred amount is fully utilised

OTHER REVENUE:

Revenue recognition policies for grants and investments are described in Accounting Policy notes (c) and (f) respectively.

(c) Grants

Both specific and general purpose grants are recognised as revenue when due and receivable.

If all funds received in respect of any grant are not spent in the financial year of receipt the, the unspent portion is carried forward as a liability until the grant is fully expended.

(d) Taxation

The Trust has been granted exemption from:
Income tax
Payroll tax, and
Land tax.

(e) Receivables

Trade Debtors and other receivables are carried at amounts due. The collectability of debts is assessed at balance date and a specific provision is made for any doubtful debts.

(f) Investments

Investments are initially recorded at cost, and subsequently carried at market value.

Distributions are recognised as revenue as at the date the distribution is declared and share dividends are recognised when received.

(g) Land, Buildings and Collections

LAND AND BUILDINGS:

Freehold land and buildings are recorded at cost, or at valuation when received by way of bequest.

In certain instances the Trust obtains an economic benefit from the use of land and buildings that are not owned by it but are held by it on behalf of the actual owner. Where a right to use such land and buildings vests in the Trust it holds the land and buildings as Custodian.

Improvements to land and buildings held as Custodian are recorded at cost (including assets received prior to 1 July 2000 which, in accordance with Australian Accounting Standard AASB1041, which was applied at that time, are now deemed to be at cost).

The carrying amounts of these assets are reviewed on a regular basis to ensure their recoverable amount is not significantly different from their carrying value.

In assessing recoverable amount, Directors have regard to independent valuations.

If Land and/or Buildings are sold and the contract of sale is unconditional then the effective date of sale for accounting purposes is the date on which the unconditional contracts of sale are exchanged.

COLLECTIONS:

Museum collections are carried at fair value. Independent valuations, performed progressively over a 5 year period, are considered by the Directors when determining fair value.

DEPRECIATION:

Due to the historic nature of the Trust's buildings and collections, no depreciation expense has been charged in respect of these assets as the directors are of the opinion that these assets are adequately maintained so as not to reduce their value.

(h) Plant and Equipment

EQUIPMENT:

Items of plant and equipment are depreciated on a straight line basis over their estimated useful lives. Assets are depreciated from the date of acquisition. The range of useful lives used is 3 to 16 years represented by the following depreciation rates:

Computers and related technology based equipment	33.3%
Plant and other general equipment – heavy use	33.3%
Plant and other general equipment – moderate use	20.0%
Plant and other general equipment – light use	6.6%
Motor Vehicles	20.0%
Furniture & Fittings	10.0%

OPERATING LEASES:

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Trust. Trade accounts payable are normally settled within 30-45 days.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value

(k) Employee Entitlements

WAGES, SALARIES, ANNUAL LEAVE:

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date calculated at amounts based on expected future wage and salary rates including related on-costs.

LONG SERVICE LEAVE:

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised and measured in accordance with "Annual Leave" above, including on-costs.

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision but is measured based on remuneration rates current as at balance date for all employees with five or more years of service. The directors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement.

(l) New Accounting Standards & Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2008 reporting period. The Directors' assessment of the impact of these new standards and interpretations is that they will result in no changes to the amounts recognised in the financial statements, but may impact the type of information disclosed in the financial statements.

NOTE 2: REVENUE AND EXPENSE

	Note	2008 \$	2007 \$
(a) Revenue Comprises:			
Bequests		145,145	204,344
Grant Income	1(c), 2(b)	809,590	610,565
Investment Income		437,358	476,124
Donations		410,104	238,405
Sale of Goods		594,168	702,828
Function Income		787,472	757,739
Bushland Management Income		1,393,712	1,561,913
Membership & Joining Fees		786,603	729,981
Entrance, Education and Exhibition Income		511,919	620,398
Property Rental & Hire Income		575,553	603,340
Sponsorship		380,603	433,997
Revaluing Investments to Market Value		-	111,330
Other		438,641	591,260
		7,270,868	7,642,224
(b) Grant Income			
Federal Government Grants:			
Dept. of the Environment, Water, Heritage and the Arts		76,437	73,359
Dept. of Industry, Tourism & Resources		10,000	90,000
The Australia Council for the Art		16,500	-
		102,937	163,359
State Government Grants:			
NSW Heritage Office		271,925	282,925
Dept. of Environment and Climate Change		177,080	59,502
Dept. of Family and Community Services		4,794	11,715
Dept. of the Arts, Sport and Recreation		45,000	51,319
Other State Grants		-	41,745
		498,799	447,206
Other Grants:		207,854	-
Total grant income		809,590	610,565
(c) Expenses Include:			
Depreciation		88,146	87,551
Cost of Goods Sold		331,223	377,926
Recovery of Provision for Impairment		-	(7,143)
Revaluing Investments to Market Value		254,269	-
Loss on disposal of Fixed Assets		-	13,353
Operating Rentals		81,728	122,821
Employee Costs and Expenses		2,838,730	3,093,612

NOTE 3: AUDITOR'S REMUNERATION

Audit Services			
- Auditors of the Trust		40,318	31,918
Other Services			
- Auditors of the Trust		-	-
		40,318	31,918

NOTE 4: GOING CONCERN

The financial statements of the Trust have been prepared on a going concern basis, notwithstanding the excess of current liabilities over current assets of \$1,021,670 at 30 June 2008. Included in current liabilities are unexpended grants and deferred income amounting to \$1,091,280, which relate to cash which has been received by the Trust in relation to the year ending 30 June 2009 or later. The Trust has a surplus of current assets over external current payables of \$69,610 at 30 June 2008. Accordingly, the Directors consider that the Trust will be able to pay its debts as and when they became due and payable.

Note	2008 \$	2007 \$
NOTE 5: RECEIVABLES		
Current:		
Trade Debtors	339,539	271,777
Other Debtors - Sale of Land	0	1,385,000
Other Debtors - Investments Income	44,799	225,518
Other Debtors - Membership Income	36,824	79,857
Other Debtors	43,129	122,098
	<u>464,291</u>	<u>2,084,250</u>
Non-Current:		
Other Debtors	21,772	30,871
	<u>21,772</u>	<u>30,871</u>
Payment terms for receivable are net 30 days. Overdue but not impaired debtors at balance date amounted to:	<u>13,155</u>	<u>3,798</u>
NOTE 6: INVENTORIES		
Finished goods - at cost	178,547	231,997
	<u>178,547</u>	<u>231,997</u>
NOTE 7: PROPERTY, COLLECTIONS AND EQUIPMENT		
Property:		
Freehold land and buildings - at cost	26,658,495	26,521,769
Held as custodian - at cost	3,025,503	3,004,485
	<u>29,683,998</u>	<u>29,526,254</u>
Collections:		
At fair value	22,360,994	22,155,501
	<u>22,360,994</u>	<u>22,155,501</u>
Equipment & Furniture:		
Equipment and Furniture at cost	794,771	740,832
Less: Accumulated depreciation	(554,446)	(466,300)
	<u>240,325</u>	<u>274,532</u>
Total property, collections and equipment at net book value:	<u>52,285,317</u>	<u>51,956,287</u>
Reconciliations		
Property:		
FREEHOLD LAND AND BUILDINGS		
Carrying amount at the beginning of the year	26,521,769	27,781,769
Additions	136,726	-
Disposals	-	(1,260,000)
Carrying amount at the end of the year	<u>26,658,495</u>	<u>26,521,769</u>
HELD AS CUSTODIAN		
Carrying amount at the beginning of the year	3,004,485	2,984,131
Additions	21,018	20,354
Carrying amount at the end of the year	<u>3,025,503</u>	<u>3,004,485</u>
Collections:		
Carrying amount at the beginning of the year	22,155,501	15,161,852
Additions	557	6,433
Disposals	-	(15,780)
Revaluation Increment	204,936	7,002,996
Carrying amount at the end of the year	<u>22,360,994</u>	<u>22,155,501</u>
Equipment & Furniture:		
Carrying amount at the beginning of the year	274,532	333,888
Additions	53,939	31,577
Disposals	-	(3,382)
Depreciation	(88,146)	(87,551)
Carrying amount at the end of the year	<u>240,325</u>	<u>274,532</u>
Total Property, Collections & Equipment	<u>52,285,317</u>	<u>51,956,287</u>

NOTE 8: OTHER FINANCIAL ASSETS

Note	2008 \$	2007 \$
Financial Assets designated as At Fair Value through Profit or Loss		
Investments - Unit Trusts	2,602,280	2,813,790
Investments - Shares in Listed Companies	-	169,870
Investments - Funds under Management	3,923,555	-
	<u>6,525,835</u>	<u>2,983,660</u>

As at 22 September 2008 the market value of the above financial assets was \$6,491,636

Movements:

Opening Balance	2,983,660	2,872,330
Add: Acquisition of Shares	4,575	-
Less: Disposal of Shares	(11,872)	-
Add: Cash Deposits transferred to Investments	3,803,741	-
	<u>3,796,444</u>	<u>-</u>
Revaluation of Investments	14 (ii) (254,269)	111,330
Closing Balance	<u>6,525,835</u>	<u>2,983,660</u>

NOTE 9: DEFERRED INCOME AND UNEXPENDED GRANTS

Current:

Deferred Income	659,395	536,286
Unexpended Grants	431,885	321,933
	<u>1,091,280</u>	<u>858,219</u>

NOTE 10: EMPLOYEE ENTITLEMENTS

Current:

Long Service Leave	136,711	136,391
Annual leave	172,605	169,611
	<u>309,316</u>	<u>306,002</u>

Non-Current:

Long Service Leave	39,787	75,831
	<u>39,787</u>	<u>75,831</u>

NOTE 11: RESERVES

Retained Surplus at the start of the year	20,686,819	20,473,937
(Deficit)/Surplus for the year	(232,298)	212,882
Retained Surplus at the end of the year	<u>20,454,521</u>	<u>20,686,819</u>

Asset Revaluation Reserve at the start of the year	37,024,520	30,021,524
Revaluation of Collection	7 204,936	7,002,996
Asset Revaluation Reserve at the end of the year	<u>37,229,456</u>	<u>37,024,520</u>
	<u>57,683,977</u>	<u>57,711,339</u>

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of collections and all other assets.

NOTE 12: RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(a) Directors

The names of those who served as director on the board of National Trust of Australia (NSW) during the 2007-2008 financial year were as follows:

Non Executive Directors

Dr. Zeny Edwards (President)	Don Godden
Prof. John Niland AC, (Former President)	Janine Kitson
William Holmes à Court (Treasurer)	Helen Lochhead
Dr. Paul Adam	Peter Lowry OAM
Julian Bickersteth	Maisy Stapleton
Wendy Carlson	Alan Terrell
Robyn Christie	

Executive Directors

Tina Jackson (Former Executive Director)
Steven A White (Executive Director, Acting)

Other relevant information regarding attendance at meetings, resignations and retirement of directors is contained in the Directors' Report.

(b) Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2008 and 2007 is set out below. The key management personnel are all the Directors of the Trust and the 6 executives (2007-5 executives) with the greatest authority for strategic direction and management of the company.

Year	Short-term benefit	Post -employment benefits	Other Long-term Benefits	Termination Benefits	Total
	\$	\$	\$	\$	\$
2008	533,608	24,649	-	-	558,257
2007	562,029	15,187	-	-	577,216

No compensation was received by any non-executive director.

(c) Other Transactions

(i) Directors' Interests

Mr Julian Bickersteth, a director of the Trust since November 2001, is also a director of International Conservation Services Pty Ltd, a company which provides specialist conservation advice and services to the Trust from time to time. The total fees paid and payable by the Trust to that company during the year to 30 June 2008 amounted to \$25,368 (2007 - \$28,439).

Mr William Holmes à Court has an interest in SPF Asia Pacific Pty Ltd, a company providing computer services to the Trust during the year to 30 June 2008 amounting to \$9,350.

(ii) Donations

Certain Directors have made donations to the Trust during the year.

(iii) Directors' Membership

All Directors are financial members of the Trust and have been so during the entire year covered by these financial statements.

NOTE 13: SEGMENT INFORMATION

The National Trust of Australia (NSW) is a community-based charity which works to conserve the natural, cultural and built heritage of New South Wales, Australia. Apart from obligations for Macquarie's Mausoleum on the Isle of Mull, Scotland, the Trust is domiciled in and operates solely within New South Wales, Australia.

NOTE 14: NOTES TO CASH FLOW STATEMENT

(i) Reconciliation of Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short term deposits net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008	2007
	\$	\$
Cash and short term deposits		
- Cash deposits and cash management accounts	373,345	2,423,138
- Bank Overdraft	-	(496)
	373,345	2,422,642

The weighted average fixed interest rate on short term deposits is 6.71% (2007: 5.88%) and the weighted average floating interest rate on the cash management accounts is 0.00% (2007: 0.00%).

All cash and cash equivalents mature within one year.

	Note	2008	2007
		\$	\$
(ii) Reconciliation of (Deficit)/Surplus for the Year to net cash provided by operating activities			
(Deficit)/Surplus for the year:		(232,298)	212,882
Interest received		(251,583)	(144,980)
Dividends received		(7,789)	(6,891)
Distribution income received		(177,986)	(324,253)
Disposal of non-current assets		-	19,162
Depreciation and amortisation		88,146	87,551
Disposal of Investments		1,039	-
(Increase)/decrease in value of investments	8	254,269	(111,330)
(Increase)/decrease in receivables		369,059	(172,657)
(Increase)/decrease in inventories		53,450	41,628
(Increase)/decrease in prepayments		11,454	(6,508)
(Decrease)/increase in payables		188,037	482,546
(Decrease)/increase in provisions		(32,730)	5,793
Net cash provided by/(used in) operating activities		263,067	82,943

NOTE 15: RESTORATION APPEALS

Monies are held separately by the Trust on behalf of specific restoration appeals. These amounts are not included in the Balance Sheet of the Income Statement of the Trust

	Note	2008	2007
		\$	\$
		2,286,113	2,301,712

NOTE 16: SUPERANNUATION

The Trust contributes to employee superannuation funds as required under the Commonwealth Government's Superannuation Guarantee Legislation.

NOTE 17: CAPITAL MANAGEMENT

Capital available to the Trust at the end of the financial year is represented by its Total Accumulated Funds, being Retained Surpluses and Reserves. The board manages these Funds through the use of budgets and regular forecasts and with the assistance of the Finance Committee and Audit Committee. This ensures that there are always sufficient reserves to pay debts to continue the growth of the Trust.

NOTE 18: RISK MANAGEMENT AND ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE**(a) Interest rate risk**

The Trust is exposed to Interest Rate Risk in relation to its cash and cash equivalents, and also in relation to investments. (refer to Other Market Risk below and to Note 14)

(b) Credit risk

The credit risk on financial assets is the carrying amount net of any provision for doubtful debts.

The Trust is not materially exposed to any individual debtor and balances at 30 June 2008 are not significant .

The Trust has regular monthly procedures for the collection of debts.

(c) Liquidity Risk

This is the risk the Trust unable to pay its debts as it fall due. The cash position is monitored daily and reported monthly to the board through the Finance Committee.

(d) Other Market Risk

In addition to the effects of movements in interest rates, investments in managed funds are exposed to market risks influencing investment earnings.

These market risks are minimised through the selection of high quality fund managers and with investment in a moderate risk profile and a diversified asset allocation.

The average return on investment for the year ended 30 June 2008 was 3.85%. A 1% change in this return would have the effect of changing the surplus or deficit for the year by + or - \$47,555

NOTE 19: COMMITMENTS - OPERATING LEASES

For non-cancellable leases

(a) The future minimum lease receipts in the following time bands, according to the time which expected to elapse from the reporting date to the expected date of receipt

(i) not later than one year

(ii) later than one year and not later than five years

(iii) later than five years

	2008	2007
	\$	\$
(i) not later than one year	414,933	455,390
(ii) later than one year and not later than five years	202,398	209,094
(iii) later than five years	-	-
	<u>617,331</u>	<u>664,484</u>

(b) The leasing arrangements relate to some of the properties held by the Trust and are subject to formal leases.

NOTE 20: CHARITABLE FUNDRAISING ACT

The Trust had various fundraising avenues for donations during the year:

	Income - 2008	Cost - 2008	Net - 2008	Applied - 2008
	\$	\$	\$	%
Membership donations	49,248	-	49,248	100%
Museums, Galleries and Committee function donations	117,819	-	117,819	100%
Benefactor	39,800	-	39,800	100%
2007 Winter Appeal	20,310	-	20,310	100%
2007 Spring Appeal	26,305	3,868	22,437	85%
2007 Summer Appeal	62,860	7,100	55,760	89%
2008 Autumn Appeal	46,121	5,988	40,133	87%
2008 Winter Appeal	28,754	8,758	19,996	70%
Other Appeals	4,277	-	4,277	100%
	<u>395,494</u>	<u>25,714</u>	<u>369,779</u>	<u>94%</u>

Membership renewal forms , Museums, Gallery and Committees give Members and the public generally an opportunity to make unsolicited donations toward the Trust's activities.

NOTE 21: OTHER INFORMATION

Registration

The Trust is exempt from the need to obtain an authority to fundraise under Section 9(3)(b) of the Charitable Fundraising Act.

Additional Information to Members

Additional disclosures in respect of these financial statements have been made in a series of supplementary schedules that are available to members to help them in better understanding the financial position of the National Trust of Australia (NSW).

The supplementary schedules do not form part of the audited financial statements and are provided in a booklet form which is available to members upon request.