



**SPECIAL AIR SERVICE  
RESOURCES TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2009**

## **CHAIRMAN'S REPORT**

As Chairman of the Special Air Service Resources Trust I am delighted to present to you my Report for the 2008/09 year.

It has been a momentous year for the Trust with the receipt of the \$10M Gift from the Federal Government in March 2009. This Gift had been promised to our Trust by the Prime Minister Hon Kevin Rudd in November 2007. The funds have been placed in secure bank deposits to generate income to enable our Trust to continue its work in looking after the families of the deceased or severely injured members of the Special Air Service (SAS) Regiment.

On July 8th 2008 Sig Sean McCarthy, a respected and highly valued member of the SAS Regiment was killed whilst on operational service in Afghanistan. Sean's parents and two sisters lost a loving son and brother. Sean's duty and sacrifice meant Australia lost an incredibly brave soldier who had served Australia with distinction, passion and enthusiasm and with outstanding professionalism.

Since 1999 the SAS Regiment has been very busy with both training and operational duties. Seeing continuing duty in Afghanistan and other trouble spots around the globe means the members of the SAS Regiment are always training to be ready for their turn to serve. This intense training is necessary for today's SAS soldier to maintain the highest level of both physical and psychological fitness. They are prepared to sacrifice their personal lives to secure the future of Australia for our way of life. Babies are born, birthdays and anniversaries are celebrated and school assembly's and sports days are missed. The SAS soldier is a dedicated professional and truly upholds the ideals of the ANZAC tradition.

My fellow Trustees and I continue to raise the awareness of our Trust with our 2 Charity Breakfasts held each year. Our special thanks to both John Worsfold and the West Coast Eagles Football Club and Mark Harvey and the Fremantle Football Club for their continuous support and their attendance at our Western Derby Breakfast held on 30th April 2009. This year we were pleased to also welcome Quinten Lynch and Garrick Ibbotson to the Breakfast along with both John and Mark. Trevor Jenkins, our wonderful MC helped make the Breakfast an outstanding morning and Ron Farris as our Auctioneer encouraged guests to spend money by bidding at our Auction.

As always our Rugby fans were not forgotten and we were delighted to have the company of Mr Jim Williams (Asst Coach, Wallabies), Mr Gordon Bray (Seven Network) and Mr Dan Crowley (former Wallaby) at our "Lets Talk Rugby" Breakfast held on 18th July 2008. It was a fantastic morning and all guests had a very entertaining time. Mr Rob Druitt as our Auctioneer had guests digging deep for the Charity Auction.

We would like to express our thanks to the Parmelia Hilton Perth Hotel for their continued support of our Trust.

On 6th June 2009 the Orthodox Order of St John of Jerusalem again held a fund-raising Dinner for the Trust at the Perth Exhibition & Convention Centre. MajGen Mike Hindmarsh AO DSC CSC was the Guest Speaker at the Dinner and we were privileged to have the company of Tpr Mark Donaldson VC as a guest at the Dinner. The OOSJ Dinner Committee and Prior, Hon Clive Griffiths AO JP are again to be congratulated on this very successful Dinner and their valuable and generous support of our Trust and the SAS Regimental Family. Mr Rob Druitt as Charity Auctioneer did a fantastic job with the long and exciting Auction List. The 2009 Dinner raised \$26,351.45 for the Trust.

Our beneficiary's needs are of paramount importance to our Trust. Our children's education and "after school needs" remains our number one priority. Special thanks go again to St Hilda's Anglican Girls' School (WA), St Mark's Anglican Community School (WA), Guildford Grammar School (WA), PLC Armidale (NSW), The Armidale School (NSW), The Geelong College (Vic) and Ignatius Park College (QLD). These fine Schools are to be congratulated on providing the very best education and care to our students.

In his 2009 ANZAC Day address at the Dawn Service, Campbell Barracks the SASR Commanding Officer asked "was the SAS Regiment upholding the legend of ANZAC?" The CO spoke of Tpr Mark Donaldson of the Special Air Service Regiment who, in January 2009 was awarded a Victoria Cross for Australia. The Award was for acts of exceptional gallantry in action in a circumstance of great peril in Afghanistan in September 2008. The Commanding Officer said Trooper Donaldson reminds us that courage is most certainly still alive in the SAS Regiment. Trooper Donaldson, whilst on operational service in Afghanistan conducted an instinctive individual action when going to the aid of a wounded comrade. Trooper Donaldson knew how slight his odds were on open ground, strafed by multiple entrenched machine guns and RPG. Despite this Trooper Donaldson went on and in doing so saved the life of his wounded comrade. In Trooper Mark Donaldson VC and all members of the SAS Regiment the legend of the ANZAC lives on in the actions of warriors in combat.

The Trust can only keep up its good work with the continued support of the Australian people by attendance at our functions and with their financial support through donations. At a time with the Regiment being very busy both at home with continuous training and on overseas deployments it continues to reaffirm to the brave men of the SAS Regiment and their families we recognize the importance of their work and the sacrifices they make on our behalf.



**Professor <sup>→</sup>The Hon David K Malcolm AC QC KCSJ**  
**Professor of Law**  
**Trust Chairman**

# SPECIAL AIR SERVICE RESOURCES TRUST

## BALANCE SHEET

AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>Trust Funds</b>			
Settlement capital		10,000	10,000
Reserves	10	9,979,145	38,050
Retained surplus		<u>3,215,784</u>	<u>2,072,752</u>
		<u>13,204,929</u>	<u>2,120,802</u>
Represented by:-			
<b>Current Assets</b>			
Cash assets	2	12,534,800	1,340,525
Receivables		103,198	28,794
Inventories		<u>250</u>	<u>250</u>
<b>Total Current Assets</b>		<u>12,638,248</u>	<u>1,369,569</u>
<b>Non-Current Assets</b>			
Plant and equipment	5	7,024	734
Other financial assets	4	<u>559,657</u>	<u>763,410</u>
<b>Total Non-Current Assets</b>		<u>566,681</u>	<u>764,144</u>
<b>Total Assets</b>		<u>13,204,929</u>	<u>2,133,713</u>
<b>Current Liabilities</b>			
Payables		<u>-</u>	<u>12,911</u>
<b>Total Liabilities</b>		<u>-</u>	<u>12,911</u>
<b>Net Assets</b>		<u>13,204,929</u>	<u>2,120,802</u>

**SPECIAL AIR SERVICE RESOURCES TRUST**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>Revenue</b>			
Operating Activities			
Gross proceeds from functions	6	27,065	25,850
Donations received		1,241,651	709,432
Commonwealth Government Deed of Gift		10,000,000	-
		<u>11,268,716</u>	<u>735,282</u>
Non-Operating Activities			
Interest received		73,190	77,237
Interest received re Deed of Gift		97,636	-
Distribution listed trusts		-	12,345
Dividends		44,294	53,087
Profit on sale of investments		-	30,307
		<u>215,120</u>	<u>172,976</u>
<b>Total Revenue</b>		<u>11,483,836</u>	<u>908,258</u>
<b>Expenses</b>			
Loss on sale of investments		117,784	-
Gross costs of functions	6	17,137	16,410
Annual return fee		212	277
Audit fee		9,075	8,250
Bank and merchant card charges		1,196	944
Government deposit guarantee fee		2,033	-
Depreciation		1,218	457
Insurance		1,007	908
Promotional function		3,426	1,568
Printing and stationery		7,372	1,922
Office expenses		1,644	1,632
Salaries		10,931	-
Superannuation		984	-
Web page		330	664
<b>Total Expenses</b>		<u>174,349</u>	<u>33,032</u>
<b>Net Income for the Year</b>		<u>11,309,487</u>	<u>875,226</u>
Distributions to beneficiaries	3	<u>166,455</u>	<u>134,921</u>
<b>Net Surplus for year from ordinary activities</b>		11,143,032	740,305
<b>Less:</b>			
Transfer to Reserve – Commonwealth Government Deed of Gift		<u>(10,000,000)</u>	<u>-</u>
		1,143,032	740,305
<b>Retained Surplus at beginning of Year</b>		<u>2,072,752</u>	<u>1,332,447</u>
<b>Retained Surplus at end of Year</b>		<u>3,215,784</u>	<u>2,072,752</u>

## SPECIAL AIR SERVICE RESOURCES TRUST

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
- Receipts from functions		26,389	26,526
- Donations received		1,226,381	709,432
- Commonwealth Government Deed of Gift		10,000,000	-
- Other receipts		-	9,130
- Investment income		57,361	70,409
- Payments for services		(56,347)	(32,051)
- Payments to beneficiaries		(166,455)	(134,921)
- Interest received		93,529	77,237
		<u>11,180,858</u>	<u>725,762</u>
Net cash provided by operating activities	7b		
Cash flows from investing activities			
- Payments for investments		(60,358)	(181,964)
- Proceeds sale investments		81,283	72,048
- Purchase equipment		(7,508)	-
		<u>13,417</u>	<u>(109,916)</u>
Net cash used in investing activities			
Net increase in cash held		11,194,275	615,846
Cash at beginning of financial year		<u>1,340,525</u>	<u>724,679</u>
Cash at end of financial year	7a	<u>12,534,800</u>	<u>1,340,525</u>

**SPECIAL AIR SERVICE RESOURCES TRUST**

**STATEMENT OF CHANGES IN TRUST FUNDS**

**FOR THE YEAR ENDED 30 JUNE 2009**

	Settlement capital \$	Reserves \$	Retained surplus \$	C' wealth Government Deed of Gift \$	Total \$
<b>Balance at 1 July 2007</b>	10,000	182,241	1,332,447	-	1,524,688
Available for sale investments:					
- Valuation gains/(loss) taken to equity	-	(102,085)	-	-	(102,085)
- Valuations realised	-	(42,106)	-	-	(42,106)
Surplus	-	-	740,305	-	740,305
<b>Balance at 30 June 2008</b>	<u>10,000</u>	<u>38,050</u>	<u>2,072,752</u>	<u>-</u>	<u>2,120,802</u>
<b>Balance at 1 July 2008</b>	10,000	38,050	2,072,752	-	2,120,802
Available for sale investments:					
- Valuation gains/(loss) taken to equity	-	(118,433)	-	-	(118,433)
- Valuations realised	-	59,528	-	-	59,528
- Deed of Gift	-	-	-	10,000,000	10,000,000
Surplus	-	-	1,143,032	-	1,143,032
<b>Balance at 30 June 2009</b>	<u>10,000</u>	<u>(20,855)</u>	<u>3,215,784</u>	<u>10,000,000</u>	<u>13,204,929</u>

## **SPECIAL AIR SERVICE RESOURCES TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2009**

#### **Note 1 - Statement of Significant Accounting Policies**

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the NSW Charitable Fundraising Act 1991 and Regulations.

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 compiled for internal use.

#### **(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 requirements of the Corporation Act 2001, 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.

The financial report has been prepared on a historical basis.

The financial report is presented in Australian dollars.

#### **(b) Statement of Compliance**

Compliance with AIFRS 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) and the Urgent Issues Group that are relevant to its operations and effective for annual reporting periods beginning 1 July 2008. 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 UIG 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 2009. 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 cont.

#### FOR THE YEAR ENDED 30 JUNE 2009

##### Note 1 - Statement of Significant Accounting Policies (cont)

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 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 is 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**

*Recognition*

Financial instruments are mutually 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.

*Available for sale financial assets*

Available for sale financial assets are reflected at fair value. Unrealised gains or losses arising from changes in value are to be taken direct to reserve.

**(f) Reserves**

The reserve records the revaluation of financial instruments.

**SPECIAL AIR SERVICE RESOURCES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS cont.**

**FOR THE YEAR ENDED 30 JUNE 2009**

**Note 2 – Cash Assets**

	2009	2008
	\$	\$
Cash at Bank	1,332,800	105,406
Cash - Term Deposit	11,202,000	410,119
- Commercial Bills	-	825,000
	<u>12,534,800</u>	<u>1,340,525</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 – 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.

2009	2008
\$	\$

**Note 4 – Other Financial Assets**

Available for sale financial assets comprise:

Investments in managed funds	113,261	138,656
Investments in listed corporations	446,396	624,754
	<u>559,657</u>	<u>763,410</u>
Fair value	<u>559,657</u>	<u>763,410</u>

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

**Note 5 – Plant and Equipment**

Office equipment and fittings at cost	10,849	3,745
Less Provision for depreciation	(3,825)	(3,011)
	<u>7,024</u>	<u>734</u>

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

**SPECIAL AIR SERVICE RESOURCES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS cont.**

**FOR THE YEAR ENDED 30 JUNE 2009**

**Note 6 – Functions – Income and Expenses**

The following fundraising functions were held during the financial year:

	<b>Income</b>	<b>Direct</b>
	<b>\$</b>	<b>Costs</b>
		<b>\$</b>
Rugby breakfast	13,270	7,849
Western Derby breakfast	13,795	9,288
	<u>27,065</u>	<u>17,137</u>
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>

**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:-

Cash at bank	1,332,800	105,406
Term Deposits	11,202,000	410,119
Commercial Bills	-	825,000
	<u>12,534,800</u>	<u>1,340,525</u>

- b Reconciliation of net cash provided by operating activities

Net surplus for year from ordinary activities	11,143,032	740,305
Non cash flows in surplus		
Depreciation	1,218	457
(Profit)/Loss on sale of investments	117,784	(30,307)
Changes in assets and liabilities		
Increase in receivables	(68,265)	4,756
Decrease in creditors	(12,911)	10,027
Decrease in inventories	-	524
	<u>11,180,858</u>	<u>725,762</u>

Net Cash Provided by Operating Activities

**Note 8 – Related Parties**

The names of those who were Trustees during the year are disclosed with the chairman's report. Donations to the trust were made by some of the Trustees.

**SPECIAL AIR SERVICE RESOURCES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS cont.**

**FOR THE YEAR ENDED 30 JUNE 2009**

**Note 9 – Financial Instruments**

a Interest Rate Risk

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

	<b>Weighted Average Effective Interest Rate 2008</b>	<b>Fixed Interest Maturing Within 1 Year 2008</b>	<b>Non-Interest Bearing 2008</b>	<b>Total 2008</b>
Commercial bills	7.07%	825,000	-	825,000
Bank deposits	3.5% - 6%	515,525	-	515,525
Receivables	-	-	28,794	28,794
		1,340,525	28,794	1,369,319

	<b>Weighted Average Effective Interest Rate 2009</b>	<b>Fixed Interest Maturing Within 1 Year 2009</b>	<b>Non-Interest Bearing 2009</b>	<b>Total 2009</b>
Commercial bills	-	-	-	-
Bank deposits	3.8% - 4.5%	12,534,800	-	12,534,800
Receivables	-	-	103,198	103,198
		12,534,800	103,198	12,637,998

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

**2009**                      **2008**  
\$                                      \$

**Note 10 – Reserves**

Financial assets reserve

Opening balance	38,050	182,241
Revaluation increment/(decrement)	(117,663)	(102,085)
Revaluations realised	58,758	(42,106)
Commonwealth Government Deed of Gift	<u>10,000,000</u>	<u>-</u>
Closing balance	<u>9,979,145</u>	<u>38,050</u>

**Note 11 – Events after Balance Date**

There have been no matters or circumstances that have arisen since 30 June 2009 that have or may significantly affect the operations, results or state of affairs of the Trust.

## SPECIAL AIR SERVICE RESOURCES TRUST

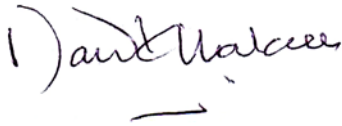
### TRUSTEE'S DECLARATION

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 2009 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:-



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Professor The Hon David Malcolm AC QC KCSJ  
Chairman



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T G Wallace, F.C.A.  
Treasurer

Dated: 7 October 2009

I, Thomas Graham WALLACE, Trustee and Treasurer of the Special Air Service Resources Trust SASRT, declare that in my opinion:

- (a) the financial statements give a true and fair view of all income and expenditure of the SASRT with respect to fundraising appeals;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) the provisions of the NSW Charitable Fundraising Act 1991 and Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by the SASRT are appropriate and effective in accounting for all income received and applied by the SASRT from any of its fundraising appeals.



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T G Wallace  
Trustee and Treasurer

7 October 2009

## **Independent auditor's report to the Trustees of Special Air Services Resource Trust**

We have audited the accompanying special purpose financial report of Special Air Services Resource Trust, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trustees' Declaration.

### **Trustees' Responsibility for the Financial Report**

The Trustees are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Trust Deed and are appropriate to meet the needs of the Trustees. 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. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Trustees.

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 our 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, we consider internal controls 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 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.

The financial report has been prepared for distribution to the Trustees for the purpose of fulfilling the Trustees' financial reporting requirements under the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Trustees, or for any purpose other than that for which it was prepared.

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

### **Independence**

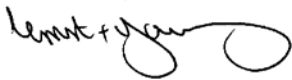
In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

## Qualification

The Trust records amounts relating to donations received and fundraising income when banked, as it is not practical to establish controls over such income prior to the initial entry in the accounting records. Our audit relating to such income was therefore limited to ensuring that amounts banked are properly recorded in the financial report. Accordingly, we do not express an opinion on whether all receipts have been banked and we cannot determine the effects of such adjustments, if any, as might have been determined to be necessary had this limitation not existed.

## Qualified Audit Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, of the matters referred to in the qualification paragraph, the financial report presents fairly, in all material respects, the financial position of Special Air Services Resource Trust as of 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with the Trust Deed, Australian Accounting Standards (including the Australian Accounting Interpretations).

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young  
Perth  
7 October 2009