

THE ANZAC DAY TRUST

ANNUAL REPORT 2018

THE ANZAC DAY TRUST


For the year ended 31 December 2018

THE HON PETER TINLEY AM MLA

**MINISTER FOR HOUSING; VETERANS ISSUES; YOUTH; ASIAN
ENGAGEMENT**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of The Anzac Day Trust for the reporting period ended 31 December 2018.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



T Carter

Chair

15 March 2019

THE ANZAC DAY TRUST
MEMBERSHIP

Trustee

Mr Tony Carter	Chair
Mr Tim Britten	Trustee
Mr Stephen Fewster	Trustee
Mr David Tonkin	Trustee

The Trustees were appointed on 18 July 2016 for a three year term.

The Senior Grants Officer of the Department of Communities is Hon. Secretary to The Anzac Day Trust.

Mr Liam Carren, an officer of the Department of Communities, is the Chief Finance Officer to The Anzac Day Trust.

The address of The Anzac Day Trust is:

c/o Department of Communities
PO Box 6334
EAST PERTH WA 6892

THE ANZAC DAY TRUST

CHAIR'S REPORT

For the financial year ending 31 December 2018 The Anzac Day Trust (the Trust) distributed \$294,200 to ex-service organisations for the benefit of Western Australia's ex-service personnel and their dependants. The Trust received 20 applications for assistance totalling \$475,656.

Nil contributions from sporting events were received in 2018. The \$294,200 distributed to ex-service organisations wholly came from State Government consolidated revenue. Thus, this represented a decrease of \$5,800 on the amount distributed in 2017.

The Returned and Services League and Perth Legacy were the two major beneficiaries of funding in 2018 aimed at supporting their assistance programs for veterans (and their families) including welfare and advocacy services. Other beneficiaries similarly received grants from the Trust to support their veteran wellbeing initiatives.

The grant program opened on Tuesday 5 June 2018 and closed on Thursday 26 July 2018.

Grant applications are assessed by the members of the Trust who make recommendations to the Minister.

The Trustees met on a number of occasions between July and November 2018 to discuss a range of matters including acquittal arrangements, reviewing acquittal reports, pursuing ex-service organisations which had not completed acquittal reports and consideration which of the ex-service organisations should be provided a grant and as a consequence, be interviewed. On August 22, nine (9) ex-service organisations were interviewed to further discuss their applications. As a result eight (8) ex-service organisations were given grants. On October 11 the Trust forwarded a report with grant recommendations to the Minister. In accordance with sub-section 10(3) of the *Anzac Day Act 1960*, the sum of \$294,200 was disbursed to the organisations as detailed in Note 2 to the financial statements.

On behalf of my fellow Trustees and more importantly, the beneficiaries of the Trust, I sincerely thank the Government for its continued financial support. This support is critical for the mental health and general wellbeing of veterans and their families in Western Australia



Tony Carter

Chair – The Anzac Day Trust

THE ANZAC DAY TRUST FUND – OVERVIEW

The Anzac Day Trust is constituted under section 11(1) of the *Anzac Day Act 1960*. The Trust consists of four trustees appointed by the Minister.

The Anzac Day Trust Account (the Account) is established under Section 10(1) of the *Anzac Day Act 1960* (the Act) and, subject to the Minister, is administered by the Trust constituted under the provisions of the Act.

The Act requires that the following shall be paid to the credit of the Account:

- (a) all moneys paid to the Trust pursuant to the provisions of Section 5 of the Act;
- (b) all moneys paid to the Trust pursuant to the provisions of Section 7 of the Act; and
- (c) all donations, devises and bequests made to the Trust.
- (d) any other moneys lawfully received by, made available to, or payable to the Trust.

State Government assistance to the Trust has been in the form of an annual grant since 1996 and this arrangement replaced the previous methods of funding.

With regard to (a) and (b), Section 5 of the Act provides for an amount equal to 5% of the price of a prescribed admission ticket for the event multiplied by the number of persons who attended large race events held on Anzac Day to be paid to the Trust, or for the Minister to approve an alternative amount in accordance with Section 10A(2).

Section 7 of the Act provides for an amount equal to 5% of the price of a prescribed admission ticket for the event multiplied by the number of persons who attended professional sport events held on Anzac Day to be paid to the Trust, or for the Minister to approve an alternative amount in accordance with Section 10A(2).

Section 10(3) of the Act prescribes Trust money standing to the credit of the Account:

- (a) may be applied in payment of the costs of the administration of this Act; and
- (b) may, with the approval of the Minister, be applied by the Trust for any purpose that benefits ex-service personnel or their families.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

THE ANZAC DAY TRUST

Report on the Financial Statements

Opinion

I have audited the financial statements of The Anzac Day Trust which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of The Anzac Day Trust for the year ended 31 December 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Trustee for the Financial Statements

The Trustee is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trust.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by The Anzac Day Trust. The controls exercised by the Trust are those policies and procedures established by the Trustee to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by The Anzac Day Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2018.

The Trustee's Responsibilities

The Trustee is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of The Anzac Day Trust for the year ended 31 December 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of The Anzac Day Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 31 December 2018.

The Trustee's Responsibility for the Key Performance Indicators

The Trustee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Trustee determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Trustee is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of The Anzac Day Trust for the year ended 31 December 2018 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 March 2019

Certification of Financial Statements

For the reporting period ended 31 December 2018

The accompanying financial statements of The Anzac Day Trust have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 31 December 2018 and the financial position as at 31 December 2018.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



T Carter

Chair

15 March 2019



L Carren

Chief Finance Officer

15 March 2019

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
COST OF SERVICES			
Expenses			
Grants	2.1	294,200	300,000
Other expenses	2.2	11,110	5,500
Total cost of services		<u>305,310</u>	<u>305,500</u>
Income			
<i>Revenue</i>			
Interest revenue	3.2	5,056	4,489
Returned grant prior year		11,210	-
Total Revenue		<u>16,266</u>	<u>4,489</u>
NET COST OF SERVICES		<u>289,044</u>	<u>301,011</u>
INCOME FROM STATE GOVERNMENT			
Service appropriation	3.1	300,000	300,000
Total income from State Government		<u>300,000</u>	<u>300,000</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		10,956	(1,011)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,956	(1,011)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1	17,052	709
Receivables	4.1	1,384	1,271
TOTAL ASSETS		<u>18,436</u>	<u>1,980</u>
LIABILITIES			
Current Liabilities			
Payables	4.2	5,500	-
NET ASSETS		<u>12,936</u>	<u>1,980</u>
EQUITY			
Accumulated surplus		12,936	1,980
TOTAL EQUITY		<u>12,936</u>	<u>1,980</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	3.1	300,000	300,000
Net cash provided by State Government		300,000	300,000
 Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Grants to ex-service organisations		(294,200)	(300,000)
Audit and bank fees		(5,610)	(10,890)
Receipts			
Interest received		4,943	4,554
Returned grant prior year		11,210	-
Net cash used in operating activities	5.1.2	(283,657)	(306,336)
Net increase/(decrease) in cash and cash equivalents		16,343	(6,336)
Cash and cash equivalents at the beginning of period		709	7,045
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	5.1.1	17,052	709

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	2018	2017
	\$	\$
ACCUMULATED SURPLUS		
Balance at start of period	1,980	2,991
Surplus/(deficit) for the period	10,956	(1,011)
Balance of equity at end of period	<u>12,936</u>	<u>1,980</u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Basis of preparation

The Anzac Day Trust (the Trust) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Trust is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Trust on 14 March 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (The Instructions)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not for profit entities have been applied.

The *Financial Management Act 2016* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of Preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances may apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Trust's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the agency in achieving its objectives and the relevant notes are:

	Notes	2018 \$	2017 \$
Grants	2.1	294,200	300,000
Other expenses	2.2	11,110	5,500

2.1 Grants

	2018 \$	2017 \$
<u>Recurrent</u>		
Grants – private bodies	294,200	300,000
Total grants	294,200	300,000

Transactions in which the Trust provides assets to another party without receiving approximately equal value in return are categorised as 'Grant expenses'.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants made in cash to community groups.

Grants to Ex-Service organisations:

	2018 \$	2017 \$
Aboriginal and Torres Strait Islander Veterans and Services Association Of Western Australia Incorporated	5,600	-
Australian Army Training Team Vietnam Association	1,100	1,060
Defence Force Welfare Association	12,500	12,500
Navy Clearance Diver Trust	20,000	28,500
Perth Legacy	95,000	108,940
Returned & Services League of Australia, WA Branch	85,000	85,000
Soldier On WA	30,000	28,400
Western Australian Branch of the Partners of Veterans Association of Australia Inc	-	5,600
Working Spirit Ltd	45,000	30,000
	294,200	300,000

The Anzac Day Trust
Notes to the Financial Statements

2.2 Other expenses

	2018	2017
	\$	\$
Other expenditures		
Audit fees	11,110	5,500
Total other expenses	11,110	5,500

The audit fees is also included at note 7.3.

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Trust obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Trust and the relevant notes are:

	Notes	2018	2017
		\$	\$
Income from State Government	3.1	300,000	300,000
Interest revenue	3.2	5,056	4,489

3.1 Income from the State Government

	2018	2017
	\$	\$
Appropriation received during the period:		
Service appropriation ^(a)	300,000	300,000
Total income from State Government	300,000	300,000

(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Trust gains control of the appropriated funds. The Trust gains control of appropriated funds at the time those funds are deposited to the bank account.

3.2 Interest revenue

	2018	2017
	\$	\$
Interest received or receivable from bank account	5,056	4,489
	5,056	4,489

Revenue is recognised and measured at the fair value of consideration received or receivable.

The Anzac Day Trust
Notes to the Financial Statements

4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Trust's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018	2017
		\$	\$
Receivables	4.1	1,384	1,271
Payables	4.2	5,500	-

4.1 Receivables

	2018	2017
	\$	\$
<u>Current</u>		
Accrued revenue	1,384	1,271
Total receivables	1,384	1,271

Accrued revenue represents the amount due to the Trust from its bank account, but not received at the end of the reporting period. Accrued interest is received in the month following the end of the reporting period. The Trust considers the carrying amount of accrued revenue to be equivalent to its fair value.

4.2 Payables

	2018	2017
	\$	\$
<u>Current</u>		
Other payables	5,500	-
Total current	5,500	-
Balance at end of period	5,500	-

Payables are recognised at the amounts payable when the Trust becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

5. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Trust.

	Notes
Cash and cash equivalents	5.1
Reconciliation of cash	5.1.1
Reconciliation of operating activities	5.1.2

5.1 Cash and cash equivalents

5.1.1 Reconciliation of cash

	Notes	2018	2017
		\$	\$
Cash and cash equivalents		17,052	709
Balance at end of period		17,052	709

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash at bank which are subject to insignificant risk of changes in value.

5.1.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	Notes	2018	2017
		\$	\$
Net cost of services		(289,044)	(301,011)
(Increase)/decrease in assets			
Accrued interest		(113)	65
Increase/(decrease) in liabilities			
Current payables		5,500	(5,390)
Net cash provided by/(used in) operating activities		(283,657)	(306,336)

6. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Trust.

	Note
Financial risk management	6.1

6.1 Financial risk management

Financial instruments held by the Trust are cash and cash equivalents, receivables and payables. The Trust has limited exposure to financial risks. The Trust's overall risk management program focuses on managing the risks identified below.

(a) Financial risk management

Credit risk

Credit risk arises when there is the possibility of the Trust's receivables defaulting on their contractual obligations resulting in financial loss to the Trust.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 6.1(c) 'Financial instruments disclosures' and Note 4.1 'Receivables'.

Credit risk associated with the agency's financial assets is minimal because the Trust's only receivable is the interest due to the Trust from its bank account, but not received as at the end of the reporting period. This interest is received in the month following the end of the reporting period.

Liquidity risk

Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due.

The Trust is exposed to liquidity risk through its trading in the normal course of business.

The Trust has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks. The Trust's exposure to market risk for changes in interest rates relate primarily to its interest bearing cash holdings.

Other than as detailed in the interest rate sensitivity analysis table at Note 6.1(e), the Trust has minimal exposure to interest rate risk because the Trust maintains minimal cash and cash equivalents subject to interest rate returns and it has no borrowings.

6.1 Financial risk management (cont.)

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	2017
	\$	\$
<u>Financial assets</u>		
Cash and cash equivalents	17,052	709
Receivables	1,384	1,271
Total financial assets	18,436	1,980
<u>Financial liabilities</u>		
Payables	5,500	-
Total financial liabilities	5,500	-

6.1 Financial risk management (cont.)

(c) Aging analysis of financial assets

	Past due but not impaired							Impaired financial assets \$
	Carrying amount \$	Not past due and not impaired \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2018								
Cash and cash equivalents	17,052	17,052	-	-	-	-	-	-
Receivables	1,384	-	1,384	-	-	-	-	-
	18,436	17,052	1,384	-	-	-	-	-
2017								
Cash and cash equivalents	709	709	-	-	-	-	-	-
Receivables	1,271	-	1,271	-	-	-	-	-
	1,980	709	1,271	-	-	-	-	-

6.1 Financial risk management (cont.)

(d) Liquidity Risk and Interest Rate Exposure

The following table details the Trust's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount \$	Maturity dates				
		Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2018											
<u>Financial assets</u>											
Cash and cash equivalents	2.1	17,052	-	17,052	-	17,052	-	17,052	-	-	-
Receivables	-	1,384	-	-	1,384	1,384	1,384	-	-	-	-
		18,436	-	17,052	1,384	18,436	1,384	17,052	-	-	-
<u>Financial liabilities</u>											
Payables	2.1	5,500	-	5,500	-	5,500	5,500	-	-	-	-
		5,500	-	5,500	-	5,500	5,500	-	-	-	-

6.1 Financial risk management (cont.)

(d) Liquidity risk and interest rate exposure (cont.)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure					Nominal Amount \$	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2017											
<u>Financial assets</u>											
Cash and cash equivalents	1.9	709	-	709	-	709	-	709	-	-	-
Receivables	-	1,271	-	-	1,271	1,271	1,271	-	-	-	-
		1,980	-	709	1,271	1,980	1,271	709	-	-	-
<u>Financial liabilities</u>											
Payables	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

6.1 Financial risk management (cont.)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
2018					
<u>Financial assets</u>					
Cash and cash equivalents	17,052	(170)	(170)	170	170
Total increase/(decrease)		(170)	(170)	170	170

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
2017					
<u>Financial assets</u>					
Cash and cash equivalents	709	(7)	(7)	7	7
Total increase/(decrease)		(7)	(7)	7	7

7. Other disclosures

7.1 Future impact of Australian Accounting Standards not yet operative

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 31 December 2018.

		Operative for reporting periods beginning on/after
<i>AASB 15</i>	<i>Revenue from Contracts with Customers</i> This Standard establishes the principles that an agency shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7. The Trust's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. The Trust's other principle revenue is associated with its interest earnings from its bank account, which will also be unaffected by this Standard.	1 Jan 2019
<i>AASB 16</i>	<i>Leases</i> This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Trust has no leases and hence will not be impacted by this Standard.	1 Jan 2019
<i>AASB 1058</i>	<i>Income of Not-for-Profit Entities</i> This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. The Trust anticipates that the application of this Standard will not materially impact its appropriation or its interest revenue.	1 Jan 2019

The Anzac Day Trust
Notes to the Financial Statements

AASB 1059	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2020
	<p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.</p> <p>The mandatory effective date of this standard is currently 1 January 2020 after being amended by AASB 2018-5.</p> <p>The Trust has no public private partnerships within the scope of the Standard.</p>	
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	
AASB 2018-4	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>	1 Jan 2019
	<p>This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licenses. There is no financial impact as the Trust does not issue licenses.</p>	
AASB 2018-5	<i>Amendments to Australian Accounting Standards – Deferral of AASB 1059.</i>	1 Jan 2019
	<p>This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.</p>	

7.2 Related Parties

The trust is a wholly owned and controlled entity of the State of Western Australia. Related parties of the trust include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities; and
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;

All related party transactions have been entered into on an arm's length basis.

Significant transactions with Government-related entities

Significant transactions include:

- Income from State Government (Note 4);
- grants provided to private bodies (Note 2); and
- remuneration for services provided by the Auditor General (Note 7.3).

Significant transactions with other related entities

No significant transactions were conducted with other related entities.

7.3 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current and prior financial year is as follows:

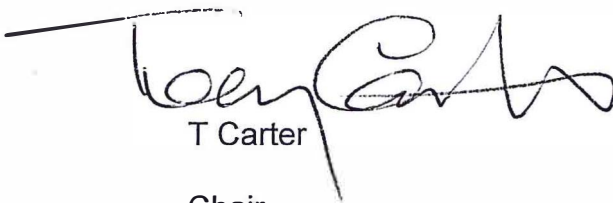
	2018	2017
	\$	\$
Auditing the accounts, financial statements and performance indicators.	5,500	5,610

AUDITED KEY PERFORMANCE INDICATORS

for the year ended 31 December 2018

Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess The Anzac Day Trust's performance; and fairly represent the performance of The Anzac Day Trust for the financial year ended 31 December 2018.



T Carter

Chair

15 March 2019



S Fewster

Trustee

15 March 2019



Audited Key Performance Indicators

The principal duty of the Trustees is to ensure moneys standing to the credit of the Fund are disbursed and are to be used for the purposes specified in Section 10(3) of the *Anzac Day Act 1960*.

The limited scope of the activities of the Trust do not justify the development of sophisticated performance indicators. The relevant performance indicators used were:

1. The extent to which the funds available to the Trust were distributed.

This indicator is a measure of the distribution of funds available to the Trust at the date of the annual meeting of the Trust :

2018	2017	2016	2015	2014	2013
96.50%	98.50%	99.45%	99.00%	99.99%	99.99%

2. The extent to which the funds available were distributed for the purposes specified by the Act.

Funds were disbursed to ex-service organisations with the stated purpose of expending funds for the amelioration of ex-servicemen and women and their families. None of these organisations has reported as having received an adverse audit opinion issued on their disbursement of funds received from the Trust.