

Annual Financial Report

for the year ended
30 June 2017



**AUSTRALIAN
CONSERVATION
FOUNDATION**

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED STATEMENT BY THE BOARD



The Board of the Australian Conservation Foundation Incorporated ABN 22 007 498 482 (ACF) presents their statement together with the financial statements for the financial year ended 30 June 2017 and the Independent Audit Report thereon.

ACF is an incorporated association registered in 1966, in Canberra, under the Associations Incorporation Act 1991 (ACT). ACF is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC), and operates in accordance with the legislation and regulations applied by the ACNC, including the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). ACF holds tax exempt charitable status and is endorsed by the Australian Taxation Office as a Deductible Gift Recipient.

The Board

We are grateful to have the expertise and governance of a diverse, volunteer Board, whose contribution to strategic planning and oversight of ACF's efficient and effective operation ensures that we meet our goals and objectives. Our Board comprises seven Councillors – ACF's President and Vice Presidents and four Councillors elected to the Board – and up to four further members appointed (co-opted) by Council.

Board members who served during and since the end of financial the year are:

Geoff Cousins AM – President and Chair of the Board (*Appointed September 2014*)

Geoffrey Cousins is an Australian community leader, businessman, environmental activist and writer. As an environmental activist he is best known for his successful campaigns to stop the Gunns pulp mill in Tasmania and the proposed Woodside gas hub in the Kimberley. His interventions were pivotal in raising public and business awareness of the risks and dangers of both proposed projects. Geoff's many achievements include leading the George Patterson Company while it was Australia's largest advertising agency, and overseeing the building of the Optus network. He has served on many public company boards, founded the Starlight Children's Foundation in Australia and was founding chairman of Sydney's Museum of Contemporary Art and former director of the Sydney Theatre Company. In 2014, he was awarded an Order of Australia for his service to the community. Amongst many other activities, Geoffrey Cousins is a published novelist and was formerly a consultant to the Prime Minister of Australia.

Nadia McLaren - Vice-President from November 2015 (*Appointed December 2015*)

Nadia is a human ecologist and social change agent currently serving as the President of the Conservation Council of South Australia. She has an extensive history of work in the environment movement and 30 years' experience with NGO governance, with expertise in collective governance, strategic thinking, negotiation and communication. She is the Editor-in-Chief of the Encyclopaedia of World Problems and Human Potential, as well as Coordinator of the Friends of the Billabong, restoring the habitat of St Peters Billabong. Nadia has represented South Australia on ACF Council since 2009.

Piers Verstegen - Vice-President from November 2015 (*Appointed November 2012*)

Piers is the Executive Director of the Conservation Council of WA. He has been named as one of WA's 100 most influential people by the Western Australian newspaper for his environmental advocacy and

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED STATEMENT BY THE BOARD



community leadership. He has been a senior policy advisor and has diverse experience in environmental science, law, politics and economics, and currently serves on the advisory board of the Curtin University Sustainability Policy Institute and Nature Play WA. Piers has represented Western Australia on ACF Council since 2008.

Mary Latham – Treasurer (*Appointed November 2013*)

Mary Latham is the Treasurer of ACF and chair of the Finance, Audit & Risk Committee. She is charged with specific focus on the finance, audit and risk matters of the organisation. Mary is a chartered accountant, company director and consultant. She has worked in the financial services industry for 15 years, in Australia and England, and in the Australian not-for-profit sector since 2005. She has worked at senior executive level as both a CFO and a Company Secretary with responsibility for finance, risk management, corporate governance, compliance, human resources and membership services. Mary works on a voluntary basis for organisations in the human rights sector and is also a director of Australian Podiatry Association (Vic), ChildFund Australia and International Detention Coalition. She is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Jon Anstey - Honorary Secretary (*Appointed November 2013*)

Jon has over 15 years of executive and professional experience in strategy, law and management. Since 2010, Jon has worked on national, state and regional water and energy issues as Executive General Manager at Coliban Water Corporation in Victoria. In 2010, he facilitated the Fellowship Program for the Centre for Sustainability Leadership in Melbourne. From 2000, Jon worked with the United Nations in Geneva on natural resource aspects of conflict, disaster and development, then with Shell and NGOs in The Hague on global sustainability partnerships. He represented these organisations to ministerial and senior executive level, contributing to interdisciplinary projects in more than 20 countries. From 1995, Jon advised on energy, resource and banking/finance matters as a solicitor at Clayton Utz. Jon holds a Masters of Law from Melbourne University, as well as Masters of Social Sciences in International Relations from Seoul National University. He is a Graduate of the Australian Institute of Company Directors.

Erika Avellaneda (*Appointed December 2015*)

Erika came to Australia to study Zoology in 2005 and has called Tasmania home ever since. She learned about the power of community organising from the campaign to elect Obama in 2008 and now applies those skills to the environmental movement. She works in the space where community and technology meet to make change possible, assisting not-for-profits to use technology to facilitate community organising, including website development, campaign planning, database management and activist training. Erika is an expert on threats to marine life and passionate about habitat destruction and climate change. She has represented Tasmania on the ACF Council since 2009.

Jimmy Cocking (*Appointed November 2012*)

Jimmy is an environmentalist and community leader based in Alice Springs. He is the Director of the Arid Lands Environment Centre as well as having been a Trustee of Olive Pink Botanic Gardens, Founder and Co-Director of the Wide Open Space Festival, a member of the Management Committee of the Environmental Defenders' Office NT, and more. He has a strong connection to his local community and is keen to represent the issues facing northern and central Australia. Jimmy has represented the Northern Territory on the ACF Board and Council since 2012 and is a member of the Board's Finance, Audit and Risk Committee.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED STATEMENT BY THE BOARD



David Morris (*Appointed December 2015*)

David is Principal Lawyer at the Environmental Defenders Office NT, a grassroots community legal centre, as well as a sessional lecturer at Charles Darwin University. David's work gives him ongoing exposure to a wide range of communities in the Northern Territory and he works with a variety of 'non-traditional' environmental allies, including the Amateur Fishermen's Association NT and the NT Cattlemen's Association. He has been passionate about the environment since a school visit to Mittagundi in Year 9, and enjoys surfing, kayaking, hiking and landscape photography. David has represented the Northern Territory on ACF Council since 2014.

Anne Poelina (*Appointed May 2016*)

Anne is a Nyikina Traditional Custodian from the Mardoowarra, Lower Fitzroy River. A social and biophysical scientist, Anne has over 30 years' experience in Indigenous health, education, language and community development, and a deep understanding of issues impacting on Indigenous Australians living in remote locations. Anne is a signatory to the 2010 Redstone Statement on Indigenous Environmental Philosophy and was inaugural Chair of the First Peoples' Water Engagement Council. A Fellow of the Peter Cullen Trust (Water Leadership) and a Director of the Walalakoo Prescribed Body Corporate, Anne has represented Western Australia on Council since 2015.

Timothy Chapman (*Appointed July 2017*)

Tim joined the Board in July 2017. He is an activist, academic and researcher. After a decade leading campaigns for a better life for working people, Tim founded a communications research consultancy in 2014 and began teaching at university. Tim is a passionate advocate for people to live in harmony with nature and each other. He has represented New South Wales on Council since 2015.

ACF is indebted to the following former members of the Board, who resigned during the financial year and have provided outstanding service to ACF over many years:

Todd Davies (*Appointed in May 2010 and resigned in November 2016*)

Andrew Reilly (*Appointed in February 2015 and resigned in March 2017*)

Board Sub-committees

To assist and advise the Board in fulfilling its duties, two sub-committees operate, as follows:

Finance, Audit and Risk Committee

Oversees the financial performance of ACF, the effective management of financial and operational risk and processes to ensure legal and regulatory compliance.

60L Management Committee

Provides advice to the Board on development of the 60L building, and overseeing management's maintenance of high environmental sustainability standards and regulatory compliance.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED

STATEMENT BY THE BOARD



Board Meetings Held and Attended During the Year

		Board Meetings Attended *
Geoff Cousins	Ex-Officio	7 of 7
Nadia McLaren	Ex-Officio	7 of 7
Piers Verstegen	Ex-Officio	5 of 7
Mary Latham	Co-opted	7 of 7
Jon Anstey	Co-opted	7 of 7
Erika Avellaneda	Councillor	5 of 7
Jimmy Cocking	Councillor	5 of 7
David Morris	Councillor	6 of 7
Anne Poelina	Co-opted & Councillor	4 of 7
Todd Davies	Co-opted	3 of 3
Andrew Reilly	Councillor	4 of 5

* Represents the number of meetings attended during the period the board member was in office.

Auditors Independence Declaration

The Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in the Independent Auditor's Report on page 9 of this financial report and forms part of the Statement by the Board.

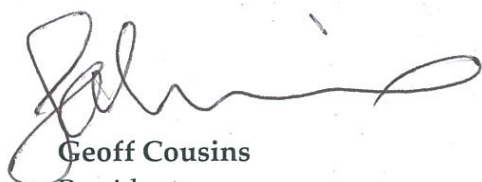


STATEMENT BY THE BOARD

In the opinion of the Board,

- (a) the financial report set out on pages 10 to 32 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2017 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) at the date of this statement there are reasonable grounds to believe that the Australian Conservation Foundation Inc. will be able to pay its debts as and when they fall due.

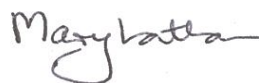
Signed on behalf of ACF in accordance with a resolution of the Board.



Geoff Cousins

President

6 October 2017



Mary Latham

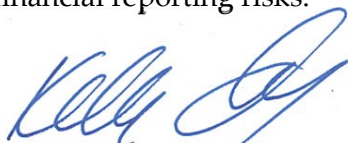
Treasurer

6 October 2017

STATEMENT BY MANAGEMENT

The Chief Executive Officer and Director of Finance & Operations have made the following certifications:

- a. We acknowledge our responsibility for ensuring that the financial report is in accordance with Accounting Standards (including Australian Accounting Interpretations), International Financial Reporting Standards as disclosed in the financial report, and confirm that the financial report is free of material misstatement, including omissions and that we have approved the financial report;
- b. That the organisation's financial reports are complete and present a true and fair view, in all material respects, of the financial conditions and operational results of the organisation;
- c. That the above statement is founded on a system of risk management and internal controls and compliance which implements the policies adopted by the Board and that they are operating efficiently and effectively in all material respects in relation to financial reporting risks.



Kelly O'Shanassy

Chief Executive Officer

6 October 2017



Anthony Moore

Director of Finance & Operations

6 October 2017



FUNDRAISING DECLARATION FOR THE YEAR ENDED 30 JUNE 2017

This declaration is made in accordance with Authority Condition 7 (4) issued by the Minister under Section 19 of the NSW Charitable Fundraising Act 1991 ("the Act").

I, Mary Latham, Treasurer of the Australian Conservation Foundation Inc. ("ACF") declare on behalf of the Board, that in my opinion:

- a. the Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of all income and expenditure with respect to fundraising activities;
- b. the Statement of Financial Position gives a true and fair view of the state of affairs of ACF with respect to fundraising activities;
- c. the provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by ACF; and
- d. the internal controls exercised by ACF are appropriate and effective in accounting for income received and applied by ACF from its fundraising activities.

Mary Latham
Treasurer
6 October 2017

State and Territory Government Fundraising Legislation Requirements

As a national organisation, ACF conducts fundraising activities in all States and Territories. Several State and Territory Governments have specific licensing and reporting requirements aimed at informing and protecting the interests of donors.

Australian Conservation Foundation holds the following licences:

Australian Capital Territory	Licence No 19000043
New South Wales	Licence No 14379
Queensland	Licence No CP4888
South Australia	Collections for Charitable Purposes Act 1939, licence not required
Tasmania	Collections for Charities Act 2001, Approval 17/09/2001
Victoria	Licence No 10416
Western Australia	Licence No CC 22011

There are no applicable fundraising licencing requirements in the Northern Territory.

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report to the Members of Australian Conservation Foundation Inc

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Conservation Foundation Inc (the "Association"), which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Director's declaration.

In our opinion, the accompanying financial report of Australian Conservation Foundation Inc:

- a presents fairly, in all material respects, the entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards, the Australian Charities and Not-for profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) and the Australian Charities and Not-for-profits Commission Act 2012 that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Report

The Directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act 2009 (NSW). This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B A Mackenzie
Partner - Audit & Assurance

Melbourne, 6 October 2017



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Revenue			
Operating activities		11,978,430	12,046,610
Non-operating activities		1,360,425	1,142,544
Total Revenue	2(a)	13,338,855	13,189,154
Expenses			
Environmental Impact Initiatives			
The Beautiful North		891,545	873,324
Healthy Ecosystems		861,438	1,106,816
Climate Change		765,157	842,458
Driving Sustainability		626,413	611,850
Community Engagement, Mobilising & Organising		2,982,716	3,279,365
		6,127,269	6,713,813
Fundraising		4,720,901	4,324,040
Administration		1,024,427	861,123
Non-operating activities		482,643	608,526
Total Expenses	2(b)	12,355,240	12,507,503
Surplus for the Year		983,615	681,651
Net changes in fair value of available-for-sale financial assets	5	115,209	(49,708)
Total Comprehensive Income for the Year		1,098,824	631,943

Environmental Impact Initiatives includes all direct staff costs, campaign and travel expenditure, including media, legal support, direct supporter engagement plus attributable ACF Support costs.

Fundraising Expenditure includes all direct staff, donor recruitment and servicing costs plus attributable ACF Support costs. It also includes third party professional fundraising costs incurred to recruit EarthVoice donors, who provide generous regular monthly donations to ACF.

Administration Expenditure includes direct staff and other costs from in finance, management and governance functions plus attributable ACF Support costs.

ACF Support costs relate to facilities, people and culture and information technology, and have been apportioned on the basis of staff numbers.

Non-operating activities relate to income and expenses from ACF's investment portfolio and from tenants at ACF's 60L Green Building in Carlton.

This Statement should be read in conjunction with the notes to the Financial Report.



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	3	6,985,224	5,552,228
Trade and other receivables	4	146,740	130,434
Financial assets	5	3,526,817	3,479,445
Other assets	6	69,579	159,479
Total Current Assets		10,728,360	9,321,586
Non-current Assets			
Artwork	7	10,775	10,775
Property, plant and equipment	8	8,941,205	9,032,906
Intangible assets	9	78,574	86,467
Total Non-Current Assets		9,030,554	9,130,148
Total Assets		19,758,914	18,451,734
Current Liabilities			
Trade and other payables	10	814,188	749,905
Provisions	11	782,931	606,797
Total Current Liabilities		1,597,119	1,356,702
Non-current Liabilities			
Provisions	11	65,241	97,302
Total Non-Current Liabilities		65,241	97,302
Total Liabilities		1,662,360	1,454,004
Net Assets		18,096,554	16,997,730
Equity			
Reserves		16,997,730	16,365,787
Surplus / (Deficit) for the current year		1,098,824	631,943
Total Equity		18,096,554	16,997,730

This Statement should be read in conjunction with the notes to the financial statements.



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from members, supporters and customers		12,084,994	11,693,427
Receipts from grants		-	186,775
Receipts from legacies and bequests		881,846	1,120,140
Interest & investment income received		466,381	202,310
Payments to suppliers, contractors and employees		(11,757,143)	(12,255,105)
Net Cash Provided by Operating Activities	14(b)	1,676,078	947,547
Cash Flows from Investing Activities			
Payment for property, plant & equipment, software and website		(207,277)	(195,594)
Net proceeds from disposal of available-for-sale investments		1,355,383	837,099
Purchase of available-for-sale investments		(1,391,188)	(1,022,845)
Net Cash Used in Investing Activities		(243,082)	(381,340)
Net Increase in Cash and Cash Equivalents		1,432,996	566,207
Cash and cash equivalents at the beginning of the financial year	3	5,552,228	4,986,021
Cash and Cash Equivalents at the End of the Financial Year	3	6,985,224	5,552,228

This Statement should be read in conjunction with the notes to the financial statements.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

2017	<u>Unrestricted Reserves</u>					<u>Restricted</u>	Accumulated Surplus	Total
	Operating	Environ- mental Impact	Designated Purpose	Endowment Fund	60L Building	Environ- mental Programs		
	\$	\$	\$	\$	\$	\$	\$	\$
Balance 1 July 2016	4,292,151		183,875	3,182,045	9,100,000	239,659	-	16,997,730
Total comprehensive income for the year	-	-	-	-	-	-	1,098,824	1,098,824
Amounts transferred to reserves	-	-	-	-	-	-	-	-
Amounts transferred from reserves	-	-	(68,841)	-	-	(124,709)	193,550	-
Sub-total	-	-	(68,841)	-	-	-	1,292,374	1,098,824
Reserve Allocations	292,374	1,000,000	-	-	-	-	(1,292,374)	-
Balance 30 June 2017	4,584,525	1,000,000	115,034	3,182,045	9,100,000	114,950	-	18,096,554
2016	\$	\$	\$	\$	\$	\$	\$	\$
Balance 1 July 2015	3,467,440		358,000	3,231,753	9,069,380	239,214	-	16,365,787
Total comprehensive income for the year	-	-	-	-	-	-	631,943	631,943
Amounts transferred to reserves	-	-	31,097	-	-	408,480	(439,577)	-
Amounts transferred from reserves	-	-	(205,222)	(49,708)	-	(408,035)	662,965	-
Sub-total	-	-	(174,125)	-	-	445	855,331	631,943
Reserve Allocations	824,711	-	-	-	30,620	-	(855,331)	-
Balance 30 June 2016	4,292,151		183,875	3,182,045	9,100,000	239,659	-	16,997,730

Refer to Note 1j for an explanation of the purpose of reserves.

This Statement should be read in conjunction with the notes to the financial statements.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information and statement of compliance

Australian Conservation Foundation Incorporated ABN 22 007 498 482 (ACF) is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991. This financial report covers ACF, its state offices, its unincorporated branches and its wholly owned, non-trading subsidiary ACF Enterprises Pty Ltd as a consolidated entity. The address of its registered office is Suite 12, Floor 1, Bailey's Corner, 143 London Circuit, Canberra, ACT 2601 and its principal place of business is Level 1, 60 Leicester Street, Carlton, Victoria 3053. ACF registered with the ACNC in 2012 and has complied with its obligations to submit Annual Information Statements.

This financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Associations Incorporation Act 1991, the Australian Charities and Not-For-Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below. Where comparative figures have been adjusted to conform to changes in presentation for the current financial year, this has been disclosed.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board on 6 October 2017.

Accounting policies

The significant accounting policies that have been used by ACF in the preparation of these financial statements are summarised below.

a. Revenue

Revenue comprises fundraising activities, grants, supporter contributions, provision of services and investment activities. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of ACF's different activities have been met. All revenue is stated net of the amount of goods and services tax (GST). Details of the activity-specific recognition criteria are described below.

- Subscription revenue from members is initially recognised as an unearned income, then recognised in the profit or loss account over the period to which the membership relates.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



- Grants are recognised as revenue when it has been established that ACF has a right to receive the grant. If there are conditions attached to the grant, recognition is deferred until those conditions are satisfied.
- Donations collected are recognised as revenue when ACF gains control, economic benefits are probable and the amount of the donation can be measured reliably.
- Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date ACF becomes legally entitled to the shares or property.
- Rental income is recognised on a straight-line basis over the period of the lease term to reflect a constant periodic rate of return.
- Revenue from the sale of goods or services is recognised upon the delivery of goods or services to the customer.
- Interest income is recognised on an accrual basis using the effective interest method.
- Dividend income is recognised at the time the right to receive payment is established.

b. Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

c. Intangible assets

Purchased software licences are capitalised based on the costs incurred to acquire and install the software. Website development costs have been capitalised. Capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date and are subject to impairment testing.

Software is amortised over 2-3 years and included in depreciation and amortisation expense. Subsequent expenditure on the maintenance of software is expensed in the period it is incurred.

d. Property, plant and equipment

Plant and equipment is measured on a cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually to ensure it is not more than its recoverable amount. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's use and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ACF and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed during the period in which they are incurred.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



Property, plant and equipment assets are depreciated on a straight-line basis over their useful lives, commencing from the time an asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The following useful lives are applied:

- Buildings 50 years
- Office furniture and fittings 2 - 10 years
- ICT equipment 2 - 10 years
- Leasehold improvements 4 - 5 years
- Motor vehicles 5 years

Residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than that recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the profit or loss account at the time of disposal.

e. Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when ACF becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through comprehensive income. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



Classification and subsequent measurement

(i) Financial assets at fair value through profit and loss

All financial assets that are held for trading and available for sale for the purpose of short term profit-taking are to be recognised and measured at fair value. All changes in those fair values to be recognised immediately in the statement of profit & loss and other comprehensive income.

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is ACF's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. All financial assets that are being held to maturity are initially recognised at fair value but subsequently measured at cost-based amounts. All changes in those fair values are brought to account immediately in the statement of profit & loss and other comprehensive income.

(iv) Available for sale (AFS) financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's AFS financial assets include listed securities. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'.

(v) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment

At each reporting date, ACF assesses whether there is objective evidence that a financial instrument has been impaired.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



g. Taxes

Income Taxes - ACF, as a charitable organisation, is exempt from income tax under Section 50-5, Income Tax Assessment Act 1997. Under the New Tax System ACF was endorsed by the ATO as an income tax exempt charity from 1 July 2000.

Fringe Benefits Tax (FBT) - ACF, is qualified as a “rebatable employer” for FBT purposes, which entitles ACF to a rebate on gross FBT payable subject to a capping threshold per employee.

GST - Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the cost of the item. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

h. Employee benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave, that are expected to be settled within 12 months of the reporting date, represent present obligations resulting from employees’ services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that ACF expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Superannuation

The amount charged to the profit or loss account in respect of superannuation represents the contributions made by ACF to superannuation funds. ACF is not a party to any defined benefit superannuation funds.

Long-term service entitlements

ACF’s net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates determined by reference to market yields at the reporting date which have maturity dates approximating to the terms of ACF’s obligations.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of six months or less.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



j. Reserves

The purpose of ACF reserves is as follows:

Operating Reserve - The purpose of this reserve is to stabilise short term fluctuations in cashflows to ensure ACF is financially resilient and can continue its environmental activities uninterrupted. The Board has resolved that maintaining a reserve equivalent to six months' expenditure is optimal.

Environmental Impact Reserve - This reserve has been established to fund short-term, high impact environmental initiatives.

Designated Purpose Reserve - This reserve comprises specific purpose funds allocated in 2015 to expand ACF's fundraising capacity.

Endowment Fund Reserve - The purpose of this reserve is to provide for initiatives which develop the capability and capacity of ACF to undertake environmental activities

60L Building Reserve - A reserve to safeguard ACF's home at the 60L Green Building in Carlton, Victoria which was donated to ACF in 2009.

Environment Program Reserve - A restricted reserve representing unexpended grants, sponsorships and donations for specific environmental initiatives.

Reserves are backed by cash deposits, available for sale investments and land & buildings.

k. Restricted / Unrestricted funds

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise grant funding that must be spent in accordance with the terms of the funding agreement and donations, sponsorships and bequests where the donor indicates a preference for how the funds should be spent. All other funds are unrestricted in that the Board has the discretion to spend them on purposes for which ACF was established.

l. Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within ACF. Actual results may differ from these estimates.

m. New Accounting Standard and AASB Interpretations

All new and revised Standards and Interpretations issued by the Australian Accounting Standards Board were adopted in the current year where applicable. The adoption of these standards has not had a significant effect on the entity's financial position or performance.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



2. OPERATING SURPLUS FOR THE YEAR

	2017	2016
	\$	\$
Operating surplus for the year has been determined after:		
a) Revenue		
Operating activities		
Donations	10,925,776	10,329,792
Legacies and bequests	881,846	1,120,140
Membership subscriptions	117,817	151,219
Non-government grants	-	186,775
Sponsorship, advertising & sales	45,783	72,651
Other revenue	7,208	186,033
	11,978,430	12,046,610
Non-operating activities		
Investment income	359,936	200,206
Rental income	988,915	942,338
Net gain on disposal of financial assets	11,574	-
	1,360,425	1,142,544
Total Revenue	13,338,855	13,189,154
b) Expenses		
Administration & insurance	780,722	620,106
Depreciation and amortisation	306,870	268,724
Net loss on disposal of property, plant and equipment	10,945	100,691
Finance costs		
Auditor remuneration - audit or review services	38,107	38,528
Banking transaction costs	76,608	83,351
Net loss on disposal of financial assets	-	33,794
Bad debts expense	-	700
Investments	34,307	29,138
Marketing & fundraising (non-staff)	3,361,371	3,154,065
Occupancy costs	312,776	312,383
Lease payments on operating leases	62,015	70,050
Program campaigning (non-staff)	851,358	871,293
Program travel	322,670	367,981
Recruitment and development	171,589	189,847
Staff and on-costs	6,025,902	6,366,852
Total Expenses	12,355,240	12,507,503

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



3. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash on hand	1,000	1,000
Cash at bank	3,426,090	2,841,778
Cash on term deposits	3,558,134	2,709,450
	<u>6,985,224</u>	<u>5,552,228</u>

The effective interest rate on short-term deposits was 2.76% (2016: 2.85%); these deposits are currently available at short notice. ACF has an unsecured \$350,000 corporate credit card facility with Westpac. Any amounts drawn down are repaid every month.

4. TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade receivables	6,260	44,126
Provision for impairment of receivables	-	-
Other receivables	140,480	86,308
	<u>146,740</u>	<u>130,434</u>

a. At 30 June 2017, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2017	6,260	6,260	-	-	-
2016	44,126	44,126	-	-	-

ACF is actively pursuing the debtors for funds. Other balances within trade and other receivables do not contain impaired assets and it is expected that these other balances will be received. Trade receivables are non-interest bearing and are generally on 30 day terms.

b. Provision for impairment loss

A provision for impairment loss is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment has been recognised in 2017 (2016: Nil).

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



5. FINANCIAL ASSETS

2017	Market Value 1 Jul 2016 \$	Purchases \$	Sales \$	Market Revaluation \$	Market Value 30 Jun 2017 \$
Alternatives	-	100,000	-	430	100,430
Australian Equities	2,168,899	447,261	(908,544)	73,932	1,781,548
Australian Property	285,404	-	-	13,647	299,050
Fixed Interest	572,693	390,000	(197,712)	(13,362)	751,619
International Equities	352,451	389,459	(188,303)	40,562	594,169
Other financial securities	100,000	-	(100,000)	-	-
	3,479,447	1,326,720	(1,394,559)	115,209	3,526,817

2016	Market Value 1 Jul 2015 \$	Purchases \$	Sales \$	Market Revaluation \$	Market Value 30 Jun 2016 \$
Alternatives	-	-	-	-	-
Australian Equities	2,513,748	480,432	(752,003)	(73,278)	2,168,899
Australian Property	151,475	150,888	(41,812)	24,853	285,404
Fixed Interest	199,961	368,925	-	3,807	572,693
International Equities	212,014	222,602	(77,075)	(5,090)	352,451
Other financial securities	300,000	-	(200,000)	-	100,000
	3,377,198	1,222,847	(1,070,890)	(49,708)	3,479,447

All financial assets have been designated as *available-for-sale investments*.

6. OTHER ASSETS

	2017 \$	2016 \$
Prepayments	68,329	158,229
Accrued income	1,250	1,250
	69,579	159,479

7. ARTWORK

	2017 \$	2016 \$
Artwork - at fair value	10,775	10,775
	10,775	10,775

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



8. PROPERTY, PLANT & EQUIPMENT

	2017	2016
	\$	\$
Land and buildings	9,254,634	9,129,117
Accumulated depreciation	(604,118)	(489,657)
Written down value	8,650,516	8,639,460
Office furniture and fittings - at cost	537,781	514,821
Accumulated depreciation	(470,595)	(434,925)
Written down value	67,186	79,896
ICT equipment - at cost	1,163,703	1,128,063
Accumulated depreciation	(1,024,153)	(934,507)
Written down value	139,550	193,556
Leasehold improvements - at cost	172,840	172,840
Accumulated depreciation	(88,887)	(52,846)
Written down value	83,953	119,994
Motor vehicles - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
Written down value	-	-
	8,941,205	9,032,906

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment for the current financial year are as follows:

2017	Balance at 1 Jul 2016	Additions	Write-offs	Depreci- -ation	Balance at 30 Jun 2017
	\$	\$	\$	\$	\$
Land & buildings	8,639,460	125,516	-	(114,459)	8,650,517
Office furniture & fittings	79,896	22,960	-	(35,671)	67,185
ICT equipment	193,556	35,640	-	(89,646)	139,550
Leasehold improvements	119,994	-	-	(36,041)	83,953
Motor vehicles	-	-	-	-	-
	9,032,906	184,116	-	(275,817)	8,941,205

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



2016	Balance at 1 Jul 2015	Additions	Write-offs	Depreci- -ation	Balance at 30 Jun 2016
	\$	\$	\$	\$	\$
Land & buildings	8,668,717	73,726	-	(102,983)	8,639,460
Office furniture & fittings	82,451	19,908	-	(22,463)	79,896
ICT equipment	190,122	77,072	(261)	(73,377)	193,556
Leasehold improvements	129,396	25,501	-	(34,903)	119,994
Motor vehicles	-	-	-	-	-
	<u>9,070,686</u>	<u>196,207</u>	<u>(261)</u>	<u>(233,726)</u>	<u>9,032,906</u>

9. INTANGIBLE ASSETS

	2017	2016
	\$	\$
Software & website development costs	1,005,043	981,883
Accumulated amortisation	<u>(926,469)</u>	<u>(895,416)</u>
	<u>78,574</u>	<u>86,467</u>

Movements in carrying amounts

Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial year are as follows:

2017	Balance at 1 Jul 2016	Additions	Write-offs	Amorti- -sation	Balance at 30 Jun 2017
	\$	\$	\$	\$	\$
Software & website development	86,467	23,160	-	(31,053)	78,574
	<u>86,467</u>	<u>23,160</u>	<u>-</u>	<u>(31,053)</u>	<u>78,574</u>
2016	Balance at 1 Jul 2015	Additions	Write-offs	Amorti- -sation	Balance at 30 Jun 2016
	\$	\$	\$	\$	\$
Software & website development	122,342	88,586	(89,463)	(34,998)	86,467
	<u>122,342</u>	<u>88,586</u>	<u>(89,463)</u>	<u>(34,998)</u>	<u>86,467</u>

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



10. TRADE & OTHER PAYABLES

	2017	2016
	\$	\$
Trade payables	514,039	520,371
Sundry payables & accruals	226,395	172,281
Deferred membership income	73,754	57,253
	814,188	749,905

All amounts are short term and the carrying values are a reasonable approximation of fair value.

11. PROVISIONS

	2017	2016
	\$	\$
Current		
Carmichael Mine Court Case Cost	140,000	-
Provision for employee benefits (annual and long-service leave)	642,931	606,797
	782,931	606,797

The provision of \$140,000 (2016: nil) for Carmichael Mine Court Case Costs, represents the Board's best estimate of costs that may be sought against ACF following unsuccessful litigation against the approval of the Carmichael coal mine. The process of determining the actual liability has commenced and is expected to be completed during the 2017-18 financial year. Court costs relating to ACF's appeal have not been booked as described in *Note 18 - Events After the Reporting Date*.

	\$	\$
Non-Current		
Provision for employee benefits (long-service leave)	65,241	97,302
	65,241	97,302

As at 30 June 2017, there were 60 full-time equivalent (FTE) staff (2016: 60). A further 5 FTE positions were vacant at 30 June (2016: 4). Total head count was 65 as at 30 June 2017 (2016: 70).

12. LEASE COMMITMENTS

	2017	2016
	\$	\$
Operating lease commitments for rent of office space:		
Payable within 1 year	59,079	46,617
Payable later than 1 year but within 5 years	60,193	35,307
Payable later than 5 years	-	-
	119,272	81,924

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



During the financial year, operating leases were terminated for Cairns, Broome and Sydney offices. During the financial year, ACF entered into a non-cancellable, operating lease for a Brisbane office with a 2-year term, rent payable monthly in advance.

13. AUDITOR'S REMUNERATION

	2017	2016
	\$	\$
Audit of financial statements	38,107	38,528
Other services	-	-
	<u>38,107</u>	<u>38,528</u>

14. NOTES TO CASH FLOW STATEMENT

a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand, cash at bank and cash on deposit as per Note 3.

b) Reconciliation of net cash provided by operating activities to surplus for the year

	2017	2016
	\$	\$
Surplus for the financial year	1,098,824	631,943
Non-cash flows from surplus		
Depreciation of property, plant and equipment	275,817	233,726
Amortisation of intangible assets	31,053	34,998
Net (gain) / loss on disposal of financial assets & property, plant and equipment	(11,574)	33,792
Change in value of available-for-sale investments	(115,209)	49,708
Changes in assets and liabilities		
(Increase) / decrease in receivables	37,866	(31,327)
(Increase) / decrease in other assets	150,940	(96,088)
Increase / (decrease) in payables and other liabilities	64,283	36,392
Increase / (decrease) in provisions	144,078	54,403
Net cash provided by operating activities	<u>1,676,078</u>	<u>947,547</u>

c) ACF has an unsecured \$350,000 corporate credit card facility with Westpac. Any amounts drawn down are repaid every month.

d) There were no non-cash financing or investing activities during the period.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



15. RELATED PARTIES

Board members

The names of Board members who have held office during the financial year are listed on pages 2 to 4 of this report. Board members receive no remuneration for their services, however they may be reimbursed for travel expenses incurred relating to ACF business.

Key management personnel

Executive Management are responsible for planning, directing and managing ACF activities. Members of Executive during the financial year were as follows:

Kelly O'Shanassy	Chief Executive Officer	Appointed: April 2014
Paul Sinclair	Director of Campaigns	Appointed: April 2013
Angela Rutter	Director of Engagement	Appointed: November 2014
Cheryl Pultz	Director of Fundraising	Appointed: February 2015
Anthony Moore	Director Finance and Operations	Appointed: September 2016

	2017	2016
Key management personnel compensation	\$	\$
Short-term benefits - Remuneration paid	746,182	776,428
Post-employment benefits - Superannuation contributions	78,307	72,148
	824,489	848,576

16. SEGMENT INFORMATION

ACF is Australia's national environment organisation. It does not operate in other territories or business segments.

17. CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by ACF in relation to 2017 or 2016.

18. EVENTS AFTER THE REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the signing date, other than:

During the current financial year, ACF appealed against the Federal Court's decision that the Federal Minister's approval for the Carmichael mine was lawful. Subsequent to 30 June 2017, the Federal Court dismissed ACF's appeal, upholding the original decision. ACF may be liable for court costs relating to the appeal. Whilst the amount of the potential liability is unknown, significant funds have already been raised and there is a high level of confidence that additional fund raising would be successful. Costs relating to the original court case are yet to be determined. However, in accordance with Australian Accounting Standards, ACF has made provision for that liability at Note 11.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



19. FUNDRAISING ACTIVITIES AS CLASSIFIED BY THE NSW CHARITABLE FUNDRAISING ACT

The NSW Charitable Fundraising Act 1991 ("the Act"), supporting regulations and conditions attached to the fundraising authority prescribe the way fundraising activities are conducted, controlled and reported in NSW. The amounts shown in the financial statements are in accordance with the Act, regulations and conditions, unless otherwise indicated.

	2017	2016
	\$	\$
Total fundraising income for the financial year	11,978,430	12,046,610
Less: Fundraising income excluded from the definition for the purposes of the Act	1,012,383	1,424,642
Total income from fundraising activities (as classified by the Act)	10,966,047	10,621,968
Less: Total expenditure on fundraising activities	(4,437,342)	(4,206,102)
Net surplus from fundraising activities	6,528,705	6,415,866

As prescribed in the Act, income from fundraising activities excludes bequests, unsolicited donations and membership subscriptions from existing members (but not new members).

Information on material matters

ACF continues to make significant investments in recruiting supporters to its EarthVoice monthly giving program, its principal source of revenue. The cost of recruiting supporters is expensed in the year when the supporter joins the program, whereas the flow of donations occurs later, over many years. Caution is therefore required in drawing conclusions from any analysis of revenue to expenditure ratios in a single financial year.

Application of funds for charitable purposes

During the year ACF achieved a net surplus of \$6,528,705 (2016 \$6,415,866) from fundraising activities as defined under the Act. Of this surplus \$6,127,269 (2016 \$6,713,813) was used to fund environmental initiatives. The balance of the net surplus in the current financial year was allocated to an Environmental Impact Reserve and will be expended on ACF's charitable purpose in the subsequent financial year.

Fundraising conducted jointly with external service providers

ACF engages external service providers to assist in face-to-face and telemarketing recruitment of new donors for its EarthVoice monthly giving program. As noted above, the cost of recruiting supporters is expensed in the year when the supporter joins the program, whereas the flow of donations occurs later, over many years.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



	2017	2016
	\$	\$
Gross income from fundraising activities involving external service providers	6,964,335	7,026,844
Gross expenditure on fundraising activities involving external service providers	(2,345,929)	(2,084,218)
Gross contribution	4,618,406	4,942,626

List of fundraising activities

Fundraising activities as classified by the Act conducted during the financial year:

- EarthVoice monthly giving program
- Mail appeals - July, September, November, March and May
- Major donor program
- Business partnerships program

Fundraising ratios

Fundraising performance comparisons on activities classified by the Act:

	A	B	2017	2016
	\$	\$	%	%
<i>A divided by B</i>				
Total cost fundraising /				
Gross proceeds of fundraising	4,246,789	10,966,047	40	40
Net surplus from fundraising /				
Gross proceeds of fundraising	6,528,705	10,966,047	60	60
Environmental programs expenditure /				
Expenditure	6,127,269	12,768,891	48	48
Environmental programs expenditure /				
Income	6,127,269	13,752,508	45	46

20. FINANCIAL INSTRUMENTS

a) Types of financial instruments

ACF's financial instruments consist of cash and term deposits with banks, equity and other investments, accounts receivable and accounts payable. ACF does not have any derivative instruments at 30 June 2017.

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



	Notes	2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	3	6,985,224	5,552,228
Trade and other receivables	4	146,740	130,434
Available-for-sale investments	5	3,526,817	3,479,445
		10,658,781	9,162,107
Financial liabilities			
Trade and other payables	10	814,188	749,905
		814,188	749,905

b) Financial instrument risk management

The Finance, Audit & Risk Committee, comprising Board members and independent subject matter experts, meets six times per year to oversee (amongst other things) ACF's strategies for managing financial risk. The committee provides advice to the Board on changes to ACF's risk management strategy and processes.

The main risks ACF is exposed to through its financial instruments are interest rate risk, liquidity risk and price risk. ACF is not materially exposed to foreign currency risk as virtually all transactions are conducted in Australia. ACF's exposure to credit risk from outstanding trade and other receivables is not material and is not concentrated in any single receivable or group of receivables.

c) Interest rate risk

ACF is exposed to changes in market interest rates on bank term deposits which are periodically renewed for terms between 3 and 6 months. The following table illustrates the sensitivity of the surplus for the year and equity to a change in the interest rates of +2% and -1% with effect from the beginning of each year. These changes are considered to be reasonably possible based on current market conditions.

	2017 \$	2016 \$
Increase in interest rates by 2%:		
- Increase in Net Surplus and Equity	62,676	47,683
Decrease in interest rates by 1%:		
- Decrease in Net Surplus and Equity	(31,338)	(23,842)

d) Liquidity risk

Liquidity risk arises from the possibility that ACF might be unable to settle its financial obligations. To help reduce these risks the Board has:

- a policy which specifies minimum and optimum levels of cash, cash equivalents and investments;
- an investment policy that requires that funds are invested according to specified maturity profiles;

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



- regular monitoring of financial performance against budget; and
- monthly monitoring and reporting of investment performance.

The Board considers expected cash inflows from financial assets in managing liquidity risk. ACF's existing cash resources and readily liquidated investments significantly exceed the current cash outflow requirements. At year end, financial liabilities have contractual maturities (undiscounted cashflow) as summarised below.

2017	Within 1 year \$	Greater than 1 year \$	Total \$
Trade and other payables	814,188	-	814,188
Employee leave benefits	642,931	65,241	708,172
Operating leases	59,079	60,193	119,272
Total expected outflows	1,516,198	125,434	1,641,632

2016	Within 1 year \$	Greater than 1 year \$	Total \$
Trade and other payables	749,905	-	749,905
Employee leave benefits	606,797	97,302	704,099
Operating leases	46,617	35,307	81,924
Total expected outflows	1,403,319	132,609	1,535,928

e) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. ACF is exposed to securities price risk on financial assets at fair value through profit or loss. Such risk is managed through diversification of investments across asset classes.

f) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at the reporting date. For other assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

g) Fair value hierarchy

The following table classifies financial instruments recognised in the statement of financial position according to the hierarchy stipulated in AASB 7 as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;

AUSTRALIAN CONSERVATION FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



- Level 2 - a valuation technique uses inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 - a valuation technique uses inputs that are not based on observable market data (unobservable inputs).

Investments are separated into each of the major asset classes as this presentation better reflects the nature and performance of the financial assets held. The Level 3 investment is a minority interest in a business that provides banking services to the Australian not-for-profit sector.

2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets:				
Alternatives	100,430	-	-	100,430
Australian Equities	1,731,548	-	50,000	1,781,548
Australian Property	299,050	-	-	299,050
International Equities	594,169	-	-	594,169
Fixed Interest	751,619	-	-	751,619
Other financial securities	-	-	-	
	3,476,817	-	50,000	3,526,817
<hr/>				
2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets:				
Alternatives	-	-	-	-
Australian Equities	2,118,896	-	50,000	2,168,896
Australian Property	285,404	-	-	285,404
International Equities	352,451	-	-	352,451
Fixed Interest	572,694	-	-	572,694
Other financial securities	100,000	-	-	100,000
	3,429,445		50,000	3,479,445