



Australian  
**Conservation**  
Foundation

# **ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2004



# CONTENTS

<b>ACF FINANCIAL REPORT 2004</b>	<b>1</b>
Review issues relating to good governance to ensure capacity and flexibility to meet changing environmental needs	ii
Organisation Chart	ii
ACF Councillors	ii
Australian Capital Territory	iii
ACF Financial Report 2004	1
Councillors Report	1
Statement by the Executive of Council	2
Treasurer's Declaration	3
Independent Audit Report	4
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Report	9

## Review issues relating to good governance to ensure capacity and flexibility to meet changing environmental needs

ACF is a democratic, membership-based organization with individual members from all States and Territories of Australia. It is incorporated in the Australian Capital Territory. ACF members elect the Council on a tri-annual basis (the current Council was elected in November 2003). Members also contribute to ACF via branches, input to changes in policy (members are given an opportunity to comment on all new policies and policy revisions) and of course with their financial support and personal actions for the environment.

### Organisation Chart



The governing authority of the Australian Conservation Foundation is its Council, which is made up of:

- 5 members for each of the 6 States;
- 2 members for the Australian Capital Territory; and
- 3 members for the Northern Territory.

Council meets over a weekend at least three times each year in Melbourne. Councillors appoint both a Treasurer and President who are usually chosen as 'specialists' for these roles. Council sets ACF's strategy and policies, determines campaign priorities and directions, and to ensure that there is an effective Executive appointed to oversee the administration of ACF. Council also appoints and evaluates the performance on the Executive Director who is delegated responsibility for delivering Councils plans.

The Executive consists of the President, the Treasurer, two Vice-Presidents and four other councillors who are elected by the Council on an eighteen-month term. There are at least six meetings of the Executive each year, which may be conducted by telephone conference or electronic means. The role of the Executive is to ensure ACF is run efficiently and effectively, that budgets are responsibly prepared and observed, that good financial and staff management is provided and that plans, policies and strategies established by the Council are followed and implemented.

Council review and update the strategic plan encompassing ACF's vision, mission, values, philosophy and objectives and strategies. Each year the Council approves ACF's budget and annual plan, which set out ACF's core activities plans and performance measures for the coming year.

At the end of the financial year Council ensure ACF prepares its annual financial report outlining the performance, position and cash flows for the financial year.

### ACF Councillors

#### President

*Prof Ian Lowe*

*This position was vacant between June and December 2004 following the resignation of Peter Garrett.*

Professor Ian Lowe AO is emeritus professor of science, technology and society at Griffith University in Brisbane, an adjunct professor at Sunshine Coast University and QUT, an honorary research fellow at the University of Adelaide and a consultant to the CSIRO Division of Sustainable Ecosystems.

#### Treasurer

*Mr Kester Brown*

Kester has been involved with ACF in the position of Treasurer since November 2002. He is a Principal at Ernst & Young and works in the areas of audit, acquisition, due diligence and capital raisings. Kester has an interest in building the internal controls and financial strength of ACF.

## Australian Capital Territory

### *Ms Caroline Le Couteur*

Caroline is a director of Australian Ethical Investment Ltd, and has served four previous terms on ACF Council, this being her fifth. She has a keen interest in urban sustainability issues: lifestyle, building, transport, urban planning and energy. Having previously worked at the Australian Greenhouse Office on renewable energy, Caroline is now walking the talk by retrofitting an ex-government house to be solar passive. Her understanding of energy issues and the links to everyday life bring valuable insight to Council.

### *Mr Warren Nicholls*

An environmental consultant, Warren has a 25 year history of work for the Commonwealth Environment Department. Since leaving the public service he has provided environmental services in Australia, South Africa, and South America, as well as a year as ACF's National Liaison Officer. Biodiversity, climate change, salinity and forest conservation are Warren's priorities for this, his debut term on ACF Council.

## New South Wales

### *Ms Penny Figgis AM*

Penny has a long history with ACF, and is now in her eighth term on Council. She is now Vice President of Council. She has a varied environmental history, having held places in many environmental organisations and statutory bodies. She has a particular interest in biodiversity conservation and protected areas, and has been honoured for her environmental work with an Order of Australia (1994), and a Centenary Medal (2003).

### *Dr Phil McManus*

Phil is embarking on his second term as an ACF Councillor. As a Senior Lecturer in Geography and Director of Environmental Science at the University of Sydney, Phil has a particular focus on urban sustainability. He is a former Convenor of the ACF Sydney branch.

### *Mr John Sinclair*

John served as an ACF Councillor for 14 years between 1975 and 1989, and as Vice President for 10 of those. He has held leading roles in several other environment organisations, as well as being an ecotour safari guide, and has been awarded that Goldman Environmental Prize (1993) and listed in the UNEP's Global 500 for his environment work.

### *Mr Ross Tzannes*

Ross is both a solicitor and National Convenor of the environment network of the peak national body representing ethnic communities. He has a particular interest in involving ethnic communities in conservation and has been involved in a number of environmental awareness programs targeting those communities. Ross is currently serving his third term as an ACF Councillor.

### *Dr Colleen Watts OAM*

Having served half a term already, Colleen is now beginning her first full term on ACF Council. She is a sustainable farmer and manager of a solo rural medical practice in the central Tablelands of NSW. Colleen has extensive academic and practical experience in rural water issues, dry land salinity and waste. Involved in Landcare on both regional and property level. Board member of NSW Environment Protection Authority. She has a catholic interest in all environmental issues, especially sustainability and natural resource management.

## Northern Territory

### *Mr Paddy O'Leary*

Patrick currently holds the position of Marine and Coastal Policy Officer for the Northern Land Council, NT. Previous to this he was the NT Regional Coordinator for the marine and Coastal Community Network. He has a very solid grounding in marine and coastal issues, and has experience of indigenous land management issues. He holds an Honours degree majoring in Ecological Science and has worked on river conservation and forestry and woodchipping issues as well as contributing as a committee member of the Environment Centre of the Northern Territory. He has provided training on community based marine protected areas to some of ACF's overseas project partners in East Timor in partnership with ACF's Asia Pacific Unit. This is Patrick's second term on ACF Council.

### *Mr Mark Wakeham*

Mark is now on Council for his second term. He is one of the coordinators of the NT Environment Centre. He has a particular interest in increasing the capacity and the resources for environmental campaigns in the top end. This interest drove his contribution to the establishment of the Northern Australia Environment Alliance, of which ACF is a part, in an attempt to coordinate NT campaigns more strategically. Mark was also heavily involved in the campaign against the Jabiluka uranium mine.

## Queensland

### *Dr Elaine Harding*

Elaine is a conservation biologist, now lecturing in the School of Tropical Environment Studies and Geography at James Cook University. Her career has included ecology work for the US government and private consulting firms. She has a keen interest in translating scientific data to publicly accessible messages which change social behaviour towards the environment. This is Elaine's first term as an ACF Councillor.

### *Ms Kristin Keane*

Based in Cairns, Kristin is vice president of the Cairns and Far North Environment Centre and has been on the management committee for more than three years. In this time she has been involved with local, regional, state and national issues such as Cape York, the Great Barrier Reef and Wet Tropics as well as representing the organisation on various local committees and at forums and workshops.

### ***Ms Lyn Wallace***

Lyn is a senior environmental planner with the Queensland Environmental Protection Agency. She has worked for many years in a variety of capacities with the Cairns and Far North Environment Centre and the North Queensland Conservation Council. She brings to Council her expertise in environmental policy and decision making, indigenous land management, protected area management and private land conservation.

## **South Australia**

### ***Dr John Coulter***

John Coulter returns to ACF Council after he served 17 years from 1973–1990. John was a Democrat Senator until the mid 1990s, in which capacity he made several federal inroads to greenhouse research and ozone and threatened species legislation. John went on to lecturing (Australia and internationally) and conference organisation. His passion lies in finding ways to combat the cause of environmental degradation, (unbridled ‘growth’), rather than just the symptoms.

### ***Mr Simon Divecha***

Simon is in his first Council term. He is a director of Green Matters Group, which focus on environment and ecological footprint work with businesses, in collaboration with California-based Global Footprint Network ([www.footprintnetwork.org](http://www.footprintnetwork.org)) and others of its Australian partners. Formerly the CEO of the Conservation Council of South Australia, Simon has worked extensively across environmental and social issues, internationally, as well as at national and local grassroots level. This includes leading campaigns across Asia Pacific region with Greenpeace and the Mineral Policy Institute.

### ***Mr Robert Fowler***

Rob is an environmental lawyer, serving his third term on ACF Council. Rob has spent recent years working on environmental law training in Indonesia and India. He is Chair of the Environment Defenders Office, SA, and states his main environmental concerns as being law reform, land clearance, climate change and water issues.

### ***Ms Katherine Wells***

Katherine has already served half a term as an ACF Councillor (embarking on her first full term in 2003) and is a member of ACF Executive. Katherine is an environmental law and policy consultant, and has worked for both the environment movement and industry. She co-founded the Victorian Environment Defender’s Office and has spent much of her career lobbying governments and advising environment groups on a wide range of environmental law reform issues. Her particular interests at present are climate change, and the emerging biodiversity crisis. She is Deputy Chair of the South Australian Premier’s Round Table on Sustainability, and a member of the Executive Steering Group for the development of South Australia’s Greenhouse Strategy.

## **Tasmania**

### ***Mr Doug Brown***

Doug is in his third term on ACF Council. The majority of Doug’s environment work has focussed in the protection of the Tarkine, Australia’s last great temperate rainforest. He also represents the Launceston Environment Centre on the Environment Tasmania Council (ET), and is a member of the ET Executive Committee, as well as serving as LEP representative on the Northern Tasmanian Natural Resource Management Association.

### ***Ms Helen Gee***

Living on a grazing property on Tasmania’s east coast, Helen manages her native bush, grassland and pasture for long term sustainability. She is a founding member of The Wilderness Society, and has produced/edited environment books of significant influence (the sales from one of which funded an ACF project officer to campaign against the damming of the Franklin). She is current convenor of the South East (TAS) Forest Protection Group; National Convenor, Lake Pedder Restoration Committee; Campaign officer, Tas. National Parks Association and works on Landcare and other land restoration projects in Tasmania. This is Helen’s second Council term.

### ***Ms Anna Hopkins***

Anna is a PhD student looking at fungal ecology and biodiversity conservation in Tasmania. New to ACF Council, she’s also secretary of the Tasmanian Field Naturalists Club and contributor to the Tasmanian Greens. Her environmental interests are broad, and she will draw on her past experiences in environmental and social justice groups to strengthen Council.

### ***Dr Karyl Michaels***

Karyl is new to the ranks of Council, in her first term. She has been inspired by her own experiences of Australia’s natural wonder to become involved in preserving these riches for future generations. She appreciates the small things in life, as the Tasmanian Coordinator of WWF Frogs! Program and holder of a PhD in beetle conservation. She’s looking for input from Tasmanian ACF members.

### ***Ms Carol Williams***

Carol has a history as a Waterwatch Facilitator in Tasmania. She’s been involved in the global campaign, the Gondwana Forest Sanctuary, and has worked hard over her previous term to keep the Tarkine on the ACF Council agenda – an issue she vows to keep pushing in the coming term.

## **Victoria**

### ***Ms Georgie Beach***

Georgie’s main focus is wildlife research and preservation, in addition to river health and environmentally sustainable agriculture. She has involvement with a variety of other wildlife conservation and rescue organisations. She also maintains a property in Victoria’s Central Highlands, which incorporates expansive habitat reserves, wetlands and wildlife corridors. This is Georgie’s first term as an ACF Councillor.



### ***Dr Peter Christoff***

Peter is Lecturer and Coordinator of Environmental Studies in the School of Anthropology, Geography and Environmental Studies, University of Melbourne. He has served one previous term on ACF Council and Executive. In 1986, as Assistant to the Victorian Commissioner for the Environment, he established Victoria's State of the Environment reporting program, and in the early 1990s contributed to the establishment of the national SoE program. He has campaigned on forest preservation and hazardous waste management, and is active in Environment Victoria and is on the board of Greenpeace (Australia Pacific).

### ***Dr Sandy Cornell***

Sandy describes herself as a mother and a wife and a vet. Her love of nature was born of time spent in it, walking climbing and mountaineering. Her experience as a vet has exposed her to both city and rural perspectives on the environment, bringing valuable insight to Council. Sandy's major areas of concern are water quality, river health and dry land salinity, which fuelled her voluntary work on ACF's rivers campaign. This is Sandy's first term on ACF Council.

### ***Dr Geoff Mosley***

Geoff returns to Council for his seventh term in 2003. Geoff focuses his conservation efforts on the issues of unsustainable economic and population growth, as the root of many of our environmental woes. He believes Australia has the capacity to become an environmental leader, and will continue his work in this term on pushing for the protection of areas and wildlife of national and international importance. One of his main aims is to enhance participation of the membership.

### ***Mr David Ristrom***

David is a barrister with an alter ego as a Green Councillor at Melbourne City Council. He is Vice President and Asia Pacific Chairperson of the International Council for Local Environmental Initiatives. In his role at Melbourne City Council he has tucked several achievements in green building, planning, reporting and funding, under his belt. He has also worked with VNPA for the creation of the Alpine National Park and the legal recognition of wilderness in Victoria. He has provided environmental consultancy to the Commonwealth EPA and the Australian Centre for Environmental Law. This is David's second term with ACF Council, in which he hopes to increase local government engagement with ACF.

## **Western Australia**

### ***Ms Irina Cattalini***

Irina divides her time between being Sustainable Transport Officer for the Conservation Council WA and Greenhouse Adviser at WA's Environment House. She works to try and establish the link between energy use, greenhouse gas emissions and climate change, in a way that will encourage behavioural change. She has an additional focus on developing the skills of the volunteers at Environment House. This is Irina's first term on Council.

### ***Ms Nahrel Dallywater***

Nahrel is an independent Environmental/Marketing/ Training Consultant. This is Nahrel's second term on Council and she brings with her a diverse knowledge base of Australia's many environments and people. Nahrel won the State and National Young Australian of the Year Award for the Environment in 1999 and the State Livewire Business Award for her business in 2001.

### ***Mr Andrew Higham***

Andrew currently works as a senior environmental adviser to various governments, the UN and other national and international bodies. He is currently in his second ACF Council term, previously serving as Vice President. Andrew has an interest in forging alliances between different environmental stakeholders, and has done so in WA between indigenous groups, trade unions, businesses and environment groups through the establishment of the Environmental Alliance and the WA Collaboration. He was a primary author of the State of the Environment Report for WA (1998) and the Western Australian State Sustainability Strategy.

### ***Mr Angus Hopkins***

Angus is now in his fourth term as an ACF Councillor. He is committed to the capacity building of the environment movement in Western Australia, and to working with other Western Australian Councillors to achieve this. His priorities for the current term will be continuation of the Greenhouse/Climate Change campaign, protection of Barrow Island and the Birrup Peninsula, environmental law reform and enhancing the Kimberley campaign. He also hopes to address the impact of salinity in the wheat belt.

### ***Mr Jeff Richardson***

Jeff works for the Western Australian Department of Conservation and Land Management, working on diverse biodiversity related projects including biodiversity monitoring plans, biodiversity assessment and recovery of threatened fauna. Trained in botanical and vertebrate ecology, Jeff has a keen understanding of the need for an active and aware conservation community across Australia. He has been very involved in the establishment support of Environment House (ACF's WA base).

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
 COUNCILLORS' REPORT  
 FOR THE YEAR ENDED 30 JUNE 2004**

The undersigned Council members submit the financial report of the Australian Conservation Foundation Inc. for the financial year ended 30 June 2004.

**COUNCIL MEMBERS**

The names of Council members throughout the year and at the date of this report (current members are indicated by \* and the Executive by #) are:

President	Vacant		
Treasurer	Mr Kester Brown*#		
Mr Peter Barker	Mr Jonathan Grassby	Ms Melissa Nursey-Bray	
Ms Georgie Beach*	Mr David Haigh	Mr Patrick O'Leary*	
Dr Bro Sheffield-Brotherton	Dr Elaine Harding*#	Mr Noel Plumb	
Mr Douglas Brown*	Mr Andrew Higham*#	Mr Jeff Richardson*	
Ms Irina Cattalini*	Mr Angas Hopkins*	Mr David Risstrom*	
Dr Peter Christoff*#	Ms Anna Hopkins*	Ms Linda Selvey	
Dr Sandy Cornell*	Ms Maggie Hine	Mr John Sinclair*	
Dr John Coulter*	Mr Doug Humann	Mr Ross Tzannes*	
Ms Nahrel Dallywater*	Mr Tim Jarvis	Mr Bart Van der Wel	
Ms Nicky Davies	Ms Kristin Keane*	Mr Mark Wakeham*	
Mr Simon Divecha*	Ms Caroline Le Couteur*	Ms Lyn Wallace*	
Ms Penny Figgis*#	Ms Maria Mann	Dr Colleen Watts*	
Mr Tony Flaherty	Dr Phil McManus*	Ms Jayne Weepers	
Dr Robert Fowler*	Dr Karyl Michaels*	Ms Katherine Wells*#	
Mr Peter Garrett	Dr Geoff Mosley*	Ms Carol Williams*	
Ms Helen Gee*	Mr Warren Nicholls*#	Ms Felicity Wishart	

**PRINCIPAL ACTIVITIES**

The principal activities of the Foundation during the year were -

- seeking to protect, restore and sustain the environment;
- raising awareness and understanding of environmental issues;
- support collaboration amongst persons, trusts, corporations, associations, institutions, governments, and other bodies concerned with conservation; and
- carrying out research on a broad range of current and future environmental issues.

**SIGNIFICANT CHANGES**

No significant change in the nature of these activities occurred during the year.

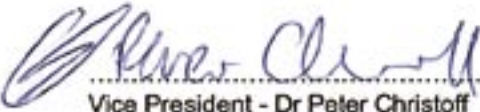
**OPERATING RESULT**

The deficit from ordinary activities amounted to \$264,382 (2003 deficit \$723,904).

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



.....  
 Treasurer - Kester Brown  
 15 September 2004



.....  
 Vice President - Dr Peter Christoff

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT BY THE EXECUTIVE OF COUNCIL  
FOR THE YEAR ENDED 30 JUNE 2004**

In the opinion of the Executive of Council,

- (a) the financial report set out on pages 1 to 17 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2004 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, 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 Executive of Council



.....  
Treasurer - Kester Brown  
15 September 2004



.....  
Vice President - Dr Peter Christoff



**AUSTRALIAN CONSERVATION FOUNDATION INC.  
TREASURER'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2004**

Declaration to be furnished under the NSW Charitable Fundraising Act 1991. This declaration is made in accordance with Authority Conditions 7 (4) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991.

I, Kester Brown, Treasurer of the Australian Conservation Foundation Inc. declare that in my opinion:

- (a) the Statement of Financial Performance gives a true and fair view of all income and expenditure of the Australian Conservation Foundation Inc. with respect to fundraising activities;
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising activities;
- (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by the Australian Conservation Foundation Inc. are appropriate and effective in accounting for income received and applied by the Australian Conservation Foundation Inc. from any of its fundraising activities.



.....  
Treasurer - Kester Brown  
15 September 2004

We certify the declaration by the Treasurer.



.....  
Executive Director - Don Henry



.....  
Finance & Sustainability Reporting Manager - David Edwards

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
AUSTRALIAN CONSERVATION FOUNDATION INC.**

**Scope**

*The Financial Report and the Executive of Council's Responsibility*

The financial report of the Australian Conservation Foundation Inc, comprises the Statement by the Executive of Council, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the financial report, for the year ended 30 June 2004.

The Executive of Council of the Australian Conservation Foundation Inc. is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act (ACT) 1991. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

*Audit Approach*

We have conducted an independent audit of the financial report in order to express an opinion on it to the members. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures in order to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, the Associations Incorporations Act (ACT) 1991 and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Foundation's financial position and performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included

- examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report,
- the evaluation of accounting policies and significant accounting estimates.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian accounting ethical pronouncements.

### Qualification

As is common for organisations of this type, it is not practicable for the Australian Conservation Foundation Inc. to maintain an effective system of internal control over certain fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to certain areas of fund raising was limited to amounts recorded.

### Qualified Audit Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of the Australian Conservation Foundation Inc presents fairly in accordance with Australian Accounting Standards, the Associations Incorporations Act (ACT) 1991 and other mandatory professional reporting requirements the financial position of the Australian Conservation Foundation Inc. as at 30 June 2004, and results of its operations and cashflows for the year then ended.

  
\_\_\_\_\_  
William Buck  
Chartered Accountants

  
\_\_\_\_\_  
Simon Hourigan  
Partner

Melbourne.

Dated this 15th day of September 2004.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**
**STATEMENT OF FINANCIAL PERFORMANCE  
 FOR THE YEAR ENDED 30 JUNE 2004**

	NOTES	2004 \$	2003 \$
<b>Revenue from ordinary activities</b>	<b>2</b>	<b>7,309,284</b>	<b>6,768,265</b>
Environmental programs expenses		3,236,660	3,052,518
Fundraising expenses - recruitment of new supporters		1,556,915	1,092,544
Fundraising expenses - service and communication		1,178,004	1,193,004
Administration expenses - disposal of non current assets		600,956	1,276,866
Administration expenses - operational support		1,001,131	877,237
<b>Expenses from ordinary activities</b>	<b>2</b>	<b>7,573,666</b>	<b>7,492,169</b>
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>	<b>2</b>	<b>(264,382)</b>	<b>(723,904)</b>
<b>TOTAL CHANGES IN EQUITY</b>		<b>(264,382)</b>	<b>(723,904)</b>

The accompanying notes form part of this report.

The accompanying notes form part of this financial report.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	NOTES	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets	3	569,848	1,575,283
Receivables	4	584,011	234,209
Other financial assets	5	660,000	630,000
Other	6	113,696	62,447
<b>TOTAL CURRENT ASSETS</b>		<b>1,927,555</b>	<b>2,501,939</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5	2,919,807	2,599,969
Property, plant and equipment	7	612,529	510,631
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,532,336</b>	<b>3,110,600</b>
<b>TOTAL ASSETS</b>		<b>5,459,891</b>	<b>5,612,539</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	955,028	934,327
Provisions	9	311,596	201,662
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,266,624</b>	<b>1,135,989</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	103,819	122,720
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>103,819</b>	<b>122,720</b>
<b>TOTAL LIABILITIES</b>		<b>1,370,443</b>	<b>1,258,709</b>
<b>NET ASSETS</b>		<b>4,089,448</b>	<b>4,353,830</b>
<b>EQUITY</b>			
Reserves	10	4,063,400	3,888,667
Retained surplus	11	26,048	465,163
<b>TOTAL EQUITY</b>		<b>4,089,448</b>	<b>4,353,830</b>

The accompanying notes form part of this report.



The accompanying notes form part of this financial report.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, supporters, subscribers and customers		5,691,199	3,514,779
Receipts from grants		785,970	554,960
Receipts from bequests		377,689	149,470
Borrowing costs paid		(70,949)	(39,168)
Payments to suppliers, contractors and employees		(7,836,641)	(5,901,079)
Interest received		176,526	304,023
Other investment income received		66,860	-
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>15</b>	<b>(809,346)</b>	<b>(1,417,015)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on sale of property, plant & equipment		150	1,252,727
Payment for property, plant & equipment		(177,401)	(261,506)
Proceeds on sale of other financial assets		771,000	325,000
Payment for other financial assets		(789,838)	(669,969)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<b>(196,089)</b>	<b>646,252</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,005,435)</b>	<b>(770,763)</b>
Cash at the beginning of the financial year	15	1,575,283	2,346,046
<b>Cash at the end of the financial year</b>	<b>15</b>	<b>569,848</b>	<b>1,575,283</b>

The accompanying notes form part of this report.

# AUSTRALIAN CONSERVATION FOUNDATION INC.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

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

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

#### Consolidation

The financial report includes the Australian Conservation Foundation Inc., its state offices, its wholly owned subsidiary ACF Enterprises Pty Ltd and branches as a consolidated entity. Separate disclosure is not made of the Foundation's separate financial performance and position, as ACF Enterprises ceased trading activities during the 1996/97 financial year. Therefore the financial performance and position of the Foundation is comparable to the consolidated results of the Foundation and its subsidiary. Australian Conservation Foundation Inc. is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

#### Comparative Figures

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

#### Revenue

Membership income is recorded on a proportional basis taking into account the prepaid component of the membership. All grants are recognised as revenue on receipt from grant providers. Legacy and bequest income is recognised as revenue on receipt from executors. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the association has established that it has a right to receive a dividend. Revenue from the sale of goods or services is recognised upon the delivery of goods or services to customers. All revenue is stated net of the amount of goods and services tax (GST).

#### Taxes

*Income Taxes* – The Foundation, as a charitable organisation is exempt from income tax under Section 50-5, Income Tax Assessment Act 1997. Under the New Tax System the Foundation was endorsed on the 8 June 2000 by the ATO as an income tax exempt charity from 1 July 2000.

*Fringe Benefits Tax* – The Foundation, as a charitable organisation is not exempt from Fringe Benefits Tax, although a rebate of up to 48% of the notional fringe benefits tax payable, for individual employees with less than \$30,000 in grossed up fringe benefits. Where applicable, the grossed up value of specified fringe benefits to individual employees in-excess of \$1,000 are included on each employees' payment summary.

*Capital Gains Tax* – The Foundation, as a charitable organisation is exempt from capital gains tax under Section 50-5, Income Tax Assessment Act 1997.

*Payroll Tax, Land Tax and Stamp Duties* – The Foundation is exempt from Payroll Tax, Land Tax and Stamp Duties in NSW, ACT, WA, QLD and Victoria. Exemptions from Payroll Tax, Land Tax and Stamp Duties are not available in South Australia.

*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. Receivable and payables which 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.

#### Other Financial Assets

Other financial assets incorporate investments in mortgages, property and equity trusts, equities and property. Other financial assets are measured on the cost basis.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

#### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CON'T.

##### Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable any accumulated depreciation. Plant and equipment is recorded on a cost basis.

The depreciable amounts of all fixed assets, excluding land, are depreciated on a straight line basis over the useful lives of the assets to the Foundation commencing from the time the 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 depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Office furniture and fittings	10 – 50%
Computer software and equipment	10 – 50%
Office equipment	10 – 50%
Leasehold improvements	20 – 25%
Motor vehicles and accessories	20%

##### Recoverable amount

The carrying amounts of non-current assets are reviewed annually by the Council to ensure they are not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

##### 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.

##### Employee benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their nominal amount and classified as current liabilities. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits and classified as non-current liabilities.

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

##### 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 and related interest that must be spent in accordance with the terms of the funding agreement; and
- Significant donations and bequests where the donor indicates a preference for how the funds should be spent.

All other funds are unrestricted in that the Councillors' have the discretion to spend them on purposes for which the Foundation was established.

##### Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the end of the current financial year.

The Council are assessing the significance of these changes and preparing for their implementation. ACF's Finance Committee have been overseeing and managing the Foundation's transition to IFRS. The Council are of the opinion that the key differences in the Foundation's accounting policies which will arise from the adoption of IFRS are:

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30 JUNE 2004

#### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

##### **Adoption of Australian Equivalents to International Financial Reporting Standards Con't.**

###### *Impairment of Assets*

The entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms pending AASB 136 Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

###### *Non-current Investments*

Under the pending AASB 139 Financial instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

##### **Fundraising Activities**

*NSW Charitable Fundraising Act 1991:* this Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising activities are conducted, controlled and reported in NSW. The amounts shown in Note 20 on page 17 are in accordance with Section 23 (3) of the Act and Part 2 Sections 5, 7 and 8 of the Regulations, unless otherwise indicated.

*Donations and Bequests:* are returned as income as and only when received at the Foundation's head office. As specified in the Act, unsolicited donations are not treated as fundraising income when determining information required under the Act. They are treated as gifts under the tax legislation.

*Fundraising Activities Income:* as prescribed in the Charitable Fundraising Act, fundraising activities income excludes bequests, unsolicited donations and membership subscriptions from existing members (but not new members). While existing member donations to fundraising appeals have been included in fundraising income, it has not been possible for ACF to accurately separate all income from new and existing members and therefore the fundraising activities income does not include fundraising appeal or membership subscription income from new members. The effect of these omissions may have a material effect on the information reported in Note 20.

*Cost of Fundraising:* costs used in Note 20 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs excluded, include overheads such as the time spent by accounting or office staff administering fundraising activities, cost apportionment of rent, light and power and insurance. Exclusion of the indirect costs decreases the cost of fundraising and increases the margins from fundraising shown in Note 20.

*Education cost allocation:* Education cost allocation: all fundraising activities are structured for the dual purposes of raising funds for expenditure on various services and to educate target groups about environmental issues, ACF and the services it provides. The Foundation is a signatory to the Australian Council for International Development Code of Conduct, which require that the costs of each fundraising activity are predominantly allocated to fundraising costs, rather than allocated proportionally between fundraising and education as is common within the charity sector. In line with the Code of Conduct the costs of each fundraising activity are fully allocated to fundraising costs with the exception of ACF's Supporter Newsletter (which has more than 90% of its cost allocated to environmental programs). Exclusion of education cost allocations increases the costs of fundraising and decreases the margins from fundraising shown in Note 20.

##### **International Aid and Development Programs**

As a member of the Australian Council for International Development (ACFID) the financial report has been prepared in accordance with the ACFID Code of Conduct.

Detailed disclosures and information is outlined in Note 16. No single appeal or other form of fundraising for a international aid and development program designated purpose generated 10% or more of total income for the year under review. Gifts in kind of goods and services have been valued and included in the statement of financial performance of the program for the year as allowed in the by the Code of Conduct.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>2 OPERATING SURPLUS / (DEFICIT)</b>		
Surplus / (deficit) from ordinary activities has been determined after:		
(a) Revenue		
<i>Operating activities</i>		
Donations	4,386,611	2,581,710
Legacies and bequests	647,689	809,469
Subscriptions	582,785	693,485
Grants	664,970	675,960
Merchandise and licensing	97,598	117,848
Other income	69,098	49,380
	6,448,751	4,927,852
<i>Non-operating activities</i>		
Investment income	250,383	316,217
Proceeds on disposal of property, plant and equipment	150	1,252,727
Proceeds on disposal of other financial assets	610,000	–
Payroll tax refund	–	271,469
	860,533	1,840,413
	<b>7,309,284</b>	<b>6,768,265</b>
(b) Expenses		
Cost of sales	58,320	43,639
Depreciation of property, plant and equipment	138,407	102,097
Net loss on disposal of property, plant and equipment	805	24,138
Doubtful debts expense (writeback)	6,071	(15,231)
Remuneration of auditor		
– audit or review service	26,200	23,000
– other services	–	–
Total remuneration	26,200	23,000
Rental expenses		
– minimum lease payments on operating lease	26,989	31,094
– other rental expense	224,483	183,579
Total rental expenses	251,472	214,673
<b>3 CURRENT CASH ASSETS</b>		
Cash on hand	600	600
Cash at bank	378,673	573,488
Cash on deposit	190,575	1,001,195
	<b>569,848</b>	<b>1,575,283</b>
<b>4 CURRENT RECEIVABLES</b>		
Debtors – trade	42,292	205,658
Provision for doubtful debts	(12,110)	(6,039)
Debtors – non-trade	553,829	34,590
	<b>584,011</b>	<b>234,209</b>
<b>5 OTHER FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Direct mortgages	660,000	630,000
<b>NON-CURRENT</b>		
Direct mortgage	258,000	240,000
Mortgage backed security	1,000,000	1,500,000
Equity trusts	523,078	–
Property trusts	208,729	199,969
Property held for investment purposes	930,000	660,000
	2,919,807	2,599,969
	<b>3,579,807</b>	<b>3,229,969</b>



**AUSTRALIAN CONSERVATION FOUNDATION INC.**
**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
<b>6 CURRENT OTHER</b>		
Prepayments	88,493	32,670
Accrued investment income	25,203	29,777
	<b>113,696</b>	<b>62,447</b>

**7 PROPERTY, PLANT & EQUIPMENT  
NON-CURRENT**

Office furniture and fittings - at cost	154,360	154,124
Accumulated depreciation	(47,523)	(35,307)
	106,837	118,819
Office equipment - at cost	103,720	102,280
Accumulated depreciation	(52,669)	(37,695)
	51,051	64,585
Computer software and equipment - at cost	501,479	580,981
Accumulated depreciation	(213,090)	(369,657)
	288,389	211,324
Leasehold improvements - at cost	167,530	132,537
Accumulated depreciation	(50,032)	(16,634)
	117,498	115,903
Motor vehicles and accessories - at cost	48,754	-
Accumulated depreciation	-	-
	48,754	-
	<b>612,529</b>	<b>510,631</b>

**Movements in carrying amounts**

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

	Balance 1/7/03	Additions	Disposals / Adjustments	Depreciation expenses	Balance 30/6/04
	\$	\$	\$	\$	\$
Office furniture and fittings	118,819	938	-	(12,920)	106,837
Office equipment	64,585	1,440	-	(14,974)	51,051
Computer software and equipment	211,324	155,135	(956)	(77,114)	288,389
Leasehold improvements	115,903	34,994	-	(33,399)	117,498
Motor vehicles and accessories	-	48,754	-	-	48,754
	<b>510,631</b>	<b>241,261</b>	<b>(956)</b>	<b>(138,407)</b>	<b>612,529</b>

**8 CURRENT PAYABLES**

Trade creditors and accruals	488,778	548,108
Deferred membership income	466,250	386,219
	<b>955,028</b>	<b>934,327</b>

**9 PROVISIONS  
CURRENT**

Provision for employee benefits	311,596	201,662
---------------------------------	---------	---------

**NON-CURRENT**

Provision for employee benefits	103,819	122,720
---------------------------------	---------	---------

	<b>415,415</b>	<b>324,382</b>
--	----------------	----------------

Number of employees at year end – full time equivalent	53	50
--------------------------------------------------------	----	----

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

	Balance 1/7/03	Transfers between reserves	Movement in retained surplus	Balance 30/6/04
	\$		\$	\$
<b>10 RESERVES</b>				
<b>Restricted</b>				
Campaign program fund	2,186,767	–	76,633	2,263,400
	2,186,767	–	76,633	2,263,400
<b>Unrestricted</b>				
Endowment fund	1,641,900	–	(341,900)	1,300,000
Operational reserve	60,000	–	440,000	500,000
	1,701,900	–	98,100	1,800,000
	<b>3,888,667</b>	<b>–</b>	<b>174,733</b>	<b>4,063,400</b>

#### Purposes of Reserves

*Campaign program fund* – represents grants and donations received to fund specific conservation projects.

*Endowment fund* – represents a proportion of bequests and accumulated surplus allocated to fund the future needs of ACF.

*Operational reserve* – representing funds set aside as a buffer against unexpected shortfalls in income.

#### 11 RETAINED SURPLUS

	2004 \$	2003 \$
Retained surplus at beginning of the year	465,163	131,210
Reserve transfers for the year	(174,733)	1,057,856
Surplus/(deficit) for the year	(264,382)	(723,904)
	<b>26,048</b>	<b>465,163</b>

#### 12 CONTINGENCIES & COMMITMENTS

In 2001 ACF entered into an agreement to lease space at 60-66 Leicester Street, Carlton. The annual rental of \$143,700 plus outgoings commenced from October 2002. The property lease will be non-cancellable with a five year term with an option to buy on completion. ACF moved into the building in November 2002. Occupancy has been on the terms of the agreement, but the lease is yet to be formally executed.

#### 13 LEASE COMMITMENTS

Operating lease commitments for rent of the Sydney & Cairns offices.

	2004	2003
Payable within 1 year	4,027	17,119
Payable later than 1 but within 2 years	506	4,027
Payable later than 2 years but within 5 years	–	–
	<b>4,533</b>	<b>21,146</b>

The lease for the Sydney property is a non-cancellable lease with a three year term, with rent payable monthly in advance. An option exists to renew the Sydney lease at the end of the three-year term for an additional term of two years. The lease for the Cairns property is a non-cancellable lease with a two year term, with rent payable monthly in advance. An option exists to renew the Cairns lease at the end of the two-year term for an additional term of two years.

#### 14 ASSOCIATION INFORMATION

Registered name	Australian Conservation Foundation Inc.
Registered number	A107
Registered office	Unit 5, Floor 1, Bailey's Corner, 143 London Circuit, Canberra, A.C.T., 2601.
Principal place of business	Floor 1, 60 Leicester Street Carlton, Vic., 3053.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>15 NOTES TO STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of Cash</b>		
For the purposes of the statement of cash flow, cash includes cash on hand, cash at bank and cash on deposit. Cash at the end is represented by:		
Cash on hand	600	600
Cash at bank	378,673	573,488
Cash on deposit	190,575	1,001,195
	<b>569,848</b>	<b>1,575,283</b>
<b>(b) Reconciliation of net cash provided by operating activities to surplus from ordinary activities</b>		
Surplus (deficit) from ordinary activities	(264,382)	(723,904)
<i>Non-cash flows in surplus from ordinary activities</i>		
Depreciation	138,407	102,097
Provision for doubtful debts	6,071	(15,231)
Net loss on disposal of property, plant and equipment	805	24,138
Net profit on disposal other financial assets	(10,000)	–
In-kind donation of other financial assets	(600,000)	(141,200)
In-kind bequest of other financial assets	(270,000)	(660,000)
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in receivables	193,126	(192,228)
(Increase) / decrease in other assets	(51,248)	(34,140)
Increase / (decrease) in payables	(43,158)	161,313
Increase / (decrease) in provisions	91,033	62,140
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(809,346)</b>	<b>(1,417,015)</b>
<b>(c) The foundation has no credit stand-by or financing facilities in place.</b>		
<b>(d) There were the following non-cash financing or investing activities during the period.</b>		
– Acquisition in payables of property, plant and equipment of \$63,859;		
– In-kind donation of a property added to other financial assets of \$600,000; and		
– In-kind bequests of a property added to other financial assets of \$270,000.		
<b>16 INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES</b>		
<b>Revenue</b>		
Donated funds	15,649	10,118
Grants	77,622	–
Other income	2,245	–
<b>Total revenue</b>	<b>95,516</b>	<b>10,118</b>
<b>Disbursements</b>		
Overseas domestic projects	156,404	109,720
Community education	15,976	18,430
Fundraising	–	–
Administration	6,207	8,824
<b>Total disbursements</b>	<b>178,587</b>	<b>136,974</b>
<b>Excess of disbursements over revenue</b>	<b>(83,071)</b>	<b>(126,856)</b>
<b>In-kind volunteer services contribution</b>	<b>15,649</b>	<b>8,118</b>

## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

<b>17 RELATED PARTIES</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
The names of councillors who have held office during the financial year are listed on page 1 of this report. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Details of transactions between the Foundation and Councillors and their related entities are as follows:		
(a) Penny Figgis provided consulting services for a submission on the National Reserve Systems Directions Paper 2004	500	–
(b) Peter Brotherton through his company Sustainable Solutions Pty Ltd provided consulting services on the Green Building Project.	–	15,400
	<b>500</b>	<b>15,400</b>

### 18 SEGMENT INFORMATION

The Australian Conservation Foundation Inc. operates predominantly in one business and geographical segment to protect, restore and sustain the environment within Australia.

### 19 FINANCIAL INSTRUMENTS

#### (a) Interest risk

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

	Weighted ave. int. rate	Floating interest rate \$	Fixed < 1 year \$	Fixed > 1 year \$	Non-int bearing \$	Totals \$
<b>2003/2004</b>						
<u>Financial assets</u>						
Cash on hand or at bank	3.55%	378,673	–	–	600	379,273
Cash on deposit	4.44%	190,575	–	–	–	190,575
Receivables	–	–	–	–	584,011	584,011
Other financial assets	8.22%	1,661,957	1,659,850	258,000	–	3,579,807
<b>Total financial assets</b>		<b>2,231,205</b>	<b>1,659,850</b>	<b>258,000</b>	<b>584,611</b>	<b>4,733,666</b>
<u>Financial liabilities</u>						
Payables	–	–	–	–	955,028	955,028
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>955,028</b>	<b>955,028</b>
<b>2002/2003</b>						
<u>Financial assets</u>						
Cash on hand or at bank	3.55%	570,488	–	–	3,600	574,088
Cash on deposit	4.49%	1,001,195	–	–	–	1,001,195
Receivables	–	–	–	–	234,209	234,209
Other financial assets	5.51%	199,969	2,790,000	240,000	–	3,229,969
<b>Total financial assets</b>		<b>1,771,652</b>	<b>2,790,000</b>	<b>240,000</b>	<b>237,809</b>	<b>5,039,461</b>
<u>Financial liabilities</u>						
Payables	–	–	–	–	934,327	934,327
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>934,327</b>	<b>934,327</b>

#### (b) Credit risk

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

#### (c) Net fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. 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.

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2004**

<b>20 FUNDRAISING</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Details of total income and expenditure from fundraising activities</b>		
Total income from fundraising activities	4,326,438	2,973,133
Less total expenditure on fundraising activities	2,221,775	1,988,657
<b>Net surplus from fundraising activities</b>	<b>2,104,663</b>	<b>984,476</b>

**Information on material matters**

All fundraising activities achieved the targeted returns under the Charitable Fundraising Act, with the exception of the calendar and diary program, Earthfund monthly giving program and the art program. The calendar and diary program operated at a surplus for the year and delivers significant promotional and educative benefits. The Earthfund monthly giving program also operated at a surplus for the year, although significant investment was made during the year that is targeted to deliver substantial returns in future years. The art program was launched in June and the income is anticipated to achieve the targeted return in the new financial year.

For more information on revenue and costs of fundraising see the Statement of Financial Performance on page 6 and the significant accounting policies in Note 1 on pages 9–11.

**Application of funds for charitable purposes**

During the year the Foundation achieved a net surplus of \$2,104,663 (2003 \$984,476) from fundraising activities defined under the Charitable Fundraising Act. Of this surplus \$1,868,015 (2003 \$961,833) was used to fund environmental programs, \$48,533 (2003 \$Nil) was allocated to the campaign program fund reserve for spending on future environmental programs and \$188,115 (2003 \$22,643) was allocated to organisational support.

**Fundraising conducted jointly with external service providers**

ACF engages external service providers to assist in the face to face recruitment of new donors for our Earthfund monthly giving program, to assist in the development of our direct mail appeals, to support the art program and to develop and market the calendar and diary program. The gross contribution from these programs does not include future income to be received from donors under the Earthfund monthly giving program and proceeds from the sales of artwork under the art program.

Gross income from fundraising activities involving external service providers	2,664,518	1,470,006
Gross expenditure on fundraising activities involving external service providers	1,815,217	1,600,207
<b>Gross Contribution</b>	<b>849,301</b>	<b>(130,201)</b>

**Fundraising activities as classified by the Charitable Fundraising Act conducted during the financial year**

Diary and calendar program  
Art program  
Earthfund monthly giving program  
Mail appeals – September, November, February and May  
Major donor program  
Corporate partnerships program

<b>Fundraising performance comparisons</b>	<b>A</b>	<b>B</b>	<b>2004</b>	<b>2003</b>
<i>A divided by B</i>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
Total cost fundraising/Gross proceeds of fundraising	2,221,775	4,326,438	51.4%	66.9%
Net surplus from fundraising/Gross proceeds of Fundraising	2,104,663	4,326,438	48.6%	33.1%
Environmental programs expenditure/Expenditure	3,236,660	7,573,666	42.7%	40.7%
Environmental programs expenditure/Income	3,236,660	7,309,284	44.3%	45.1%

As noted above ACF has made a significant investment in the Earthfund monthly giving program over the last two years. The return on this investment, as is usual for this type of program, is made over a number of years. ACF's fundraising income has significantly increased in 2004 and this trend is expected to continue in the coming years.



# CONTENTS

<b>OUR FINANCIAL PERFORMANCE</b>	<b>1</b>
Environment programs, fundraising and administration	2
<b>Increase financial support to enable planned growth in environmental program capacity</b>	<b>3</b>
Generous Gift Inspires Others	3
<b>Corporate Partners</b>	<b>3</b>
<b>Review issues relating to good governance to ensure capacity and flexibility to meet changing environmental needs</b>	<b>4</b>
Organisation Chart	4
<b>ACF Councillors</b>	<b>4</b>
Australian Capital Territory	5