



## ACF Board

The Board is the governing body of the Australian Conservation Foundation. It is appointed by Council, and consists of President, two Vice-Presidents, four Councillors and up to four co-opted members. Co-opted Board members are chosen on the basis of their skill and experience, thus ensuring an appropriate mix of skills and experience within the Board.

### **Ian Lowe** **President – QLD**

Professor Ian Lowe AO has degrees in engineering and physics. Professor Lowe is currently emeritus professor of science, technology and society at Griffith University in Brisbane, an adjunct professor at Sunshine Coast University and an honorary research fellow at the University of Adelaide. The author of 18 books and more than 500 other publications, Professor Lowe's contributions to environmental science have won him a Centenary Medal, the Eureka Prize for promotion of science, the Prime Minister's Environment Award for Outstanding Individual Achievement, the Queensland Premier's Millennium Award for Excellence in Science, and the University of NSW Alumni Award for achievement in science. Professor Lowe was named Humanist of the Year in 1988 and made an Officer of the Order of Australia in 2001. Professor Lowe was elected ACF President in 2004.

### **Rosemary Hill** **Vice President – QLD**

Dr Rosemary Hill is an environmental scientist and planner who has been active in the conservation movement for 25 years. Dr Hill has extensive experience in environmental science and management, and in collaborative research and training in protected area and heritage conservation, with a strong focus on Indigenous peoples' approaches to environmental management. Dr Hill is a member of the World Commission on Protected Areas, IUCN Commission on Economic, Environmental and Social Policy, and the Wet Tropics Scientific Advisory Commission. Dr Hill's role in achieving World Heritage-listing for the Wet Tropics was recognised by a Cassowary Award in 2001.

### **Alex Gordon** **Vice President – ACT**

Alex Gordon is a policy professional and has spent her career working on sustainability issues at the nexus between policy and politics. Alex has held senior roles across government, business and the community sector – advocating for change, developing innovative policy solutions and building alliances. She was the Prime Minister's senior adviser on climate change before taking time out to become a mother in early 2009. She previously led ACF's strategic thinking as strategies director and was the founding director of the NSW Greenhouse Office where she established the National Emissions Trading Taskforce. She has a particular interest in how to accelerate the transition to the green economy of the future – securing both economic prosperity and environmental sustainability for our children and generations to come. Alex has a BSc from Sydney University and an MSc in environmental change and management from Oxford University. She currently provides strategic consulting advice to a range of progressive government, corporate and community clients.

### **Katherine Wells** **Honorary Secretary – VIC**

Katherine Wells is Honorary Secretary at ACF. Katherine is an experienced environmental law and policy consultant who has worked across Australia over the past 20 years for business, the environment movement and the wider community. She has worked across a full range of environmental sustainability issues, and has a particular interest in climate change and biodiversity protection. She has served on a broad range of government and community boards, including chair of the South Australian Premier's main environmental advisory board, the Premier's Roundtable on Sustainability, and as a Board member of South Australian EPA and Zero Waste SA. She has been involved with ACF for over 20 years as a member, an ACF Councillor from 2001-2009, a member of ACF's Board from 2002-2009, and ACF Vice President from 2005-2007.

### **Gavin Wigginton** **Board member – VIC**

Gavin Wigginton has worked as a volunteer advising ACF on governance systems since 2001. Gavin was Honorary Secretary from 2004-2009 and was appointed to the Board in 2007. He is also a member of ACF Governance Committee and is currently a management consultant, specialising in governance and risk management. Previously, he was a general manager in both the private and not-for-profit sectors with responsibility for corporate planning, finance, and HR. He is a member of AICD, the RACV Club, the Wilderness Society and the Essendon Football Club.

### **Todd Davies** **Treasurer – NSW**

Todd Davies is Honorary Treasurer of ACF and chair of the Finance and Audit Committee. Todd has a long history driving developments in audit and risk practices in Australia and abroad. He is a member of public sector audit and risk committees, chairman of an environmental and carbon advisory group and runs a private consulting practice. Todd is a Fellow of the Institute of Chartered Accountants and the Institute of Internal Auditors in Australia, as well as being a qualified member of both organisations.

### **Irina Cattalini** **Board member – WA**

Irina Cattalini is the Director of Social Policy with the Western Australia Council of Social Services (WACOSS). Irina is passionately committed to developing a sustainable energy future for Australia, and is keen to strengthen alliances between Australia's social and environment sectors. Prior to joining WACOSS in 2005, she spent three years working at the Conservation Council of Western Australia, on various energy and greenhouse related policy and projects.



## ACF Board continued

### **Peter Christoff** **Board member – VIC**

Peter Christoff is coordinator of Environmental Studies in the faculty of Land and Environment at the University of Melbourne. Peter has been an ACF member since 1983 and has served on ACF Council and its Executive Board since 2000. As assistant to the Victorian Commissioner for the Environment, he established Victoria's State of the Environment (SoE) reporting program, and in the early 1990s contributed to the establishment of the national SoE program. He has campaigned on forest preservation, hazardous waste management and climate change, and has been active in Environment Victoria and the Victorian National Parks Association. He is a former board member of Greenpeace (Australia Pacific). He is currently a member of the Victorian Premier's Climate Change Advisory Council, and the Ministerial Reference Council on Climate Change Adaptation.

### **Chrissy Grant** **Board member – NSW**

Chrissy Grant has extensive experience in Indigenous land management and heritage. Chrissy was director of the Indigenous Heritage Assessment Section with the Australian Heritage Commission, as well as the Department of Environment and Heritage in the Commonwealth Government. Since retirement in 2006, Chrissy has held numerous ministerial appointments, including chair to the Indigenous Protected Advisory Group; deputy chair to the Indigenous Advisory Committee (IAC), and a member of the Australian National Commission for UNESCO. She resides as chair of the Australian Institute for Aboriginal and Torres Strait Islander Studies Research Ethics Committee, which is aligned to the National Health and Medical Research Council. She has prime responsibility to advance the National Caring for Country Strategy that the IAC is championing as a document developed for Indigenous people by Indigenous people. She is also involved in then Working on Country Program and the Natural Resource Management Initiatives through the Caring for Our Country Program, and the Review of the National Biodiversity Strategy.

### **Nikki Parker** **Board member – QLD**

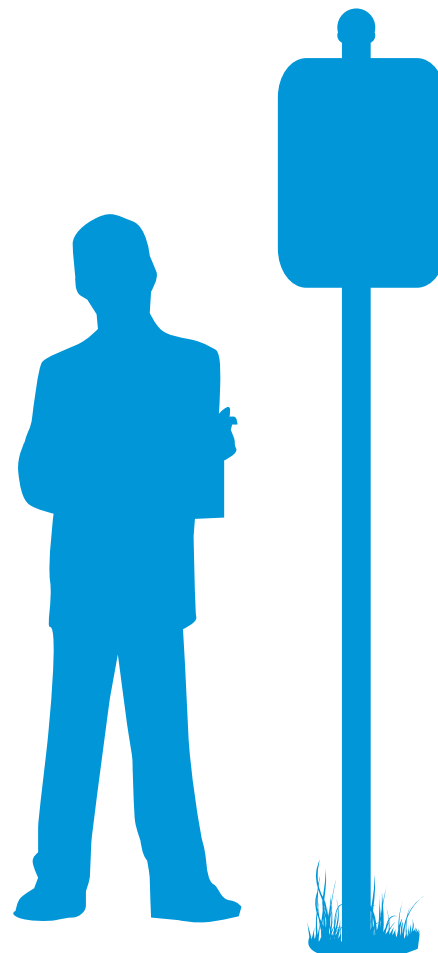
Nikki Parker has a degree in botany and ecology from the University of Queensland and works as an environmental consultant to the manufacturing industry and in internet programming, merging these roles where possible. Nikki played a key role in the Victorian Otway campaign before moving back to Queensland, where she spearheaded a successful campaign that has protected an area of ecologically important bushland, known as Pooh Corner, in the suburbs of Brisbane. She is interested in the use of new technologies in environmental debates and is currently developing web-based tools for a community group in South East Queensland. Nikki has worked in the Solomon Islands, where she produced a national research strategy with the Forestry Department. Nikki is an exhibited artist (photography), a website developer and mother of three boys.

### **Steven Ross** **Board member – NSW**

Steven Ross is a Wamba Wamba Traditional Owner from Deniliquin in southern NSW and executive officer of the Murray Lower Darling Rivers Indigenous Nations. Stephen has a degree in government and public administration from the University of Sydney and is currently on the Indigenous advisory committee for the Australian Law Reform Commission and a trained presenter with The Climate Project.

### **Mark Wootton** **Board member – VIC**

Mark Wootton is a geographer by training and a farmer by practice. Mark is manager and principal of Jigsaw Farms, a high input mixed farm operation of beef, wool, biodiversity and forestry plantings which act as carbon sinks in western Victoria. He is chair of The Climate Institute, a board member on Victorian Ministerial Reference Council on Climate Change Adaptation, and chair of the Glenelg Hopkins Catchment Management Authority. Mark is also a director of the Poola Foundation and developed and renovated the 60L Building, the home of ACF Melbourne. The 60L Building was donated to ACF by the Green Building Partnership in 2010. He is a member of the Australian Institute of Company Directors.



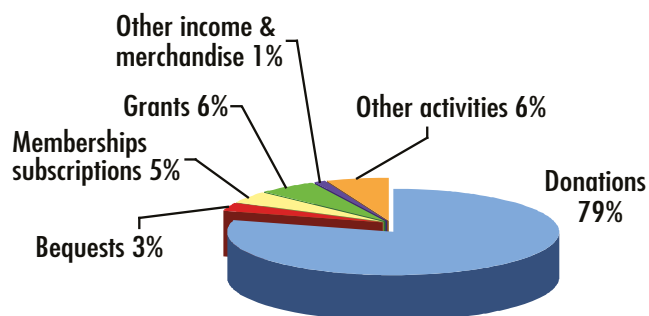


## Statement of Comprehensive Income for the year ended 30 June 2010

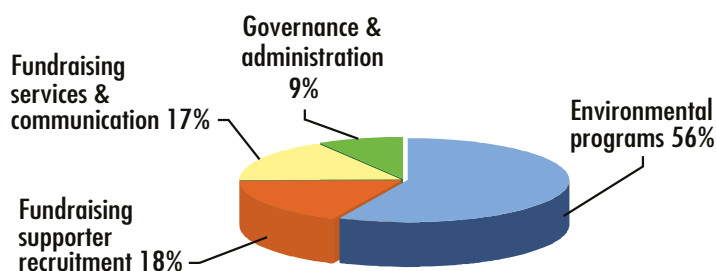
	2010 \$	2009 \$
<b>Income</b>	<b>*21,474,038</b>	<b>13,451,872</b>
Environmental programs expenses	8,483,791	6,745,374
Fundraising expenses - recruitment of new supporters	2,628,841	2,357,267
Fundraising expenses - service and communication	2,497,393	2,437,033
Administration expenses	1,281,060	1,984,261
<b>Expenses</b>	<b>14,891,085</b>	<b>13,523,934</b>
<b>Surplus (Deficit) from Continuing Operations</b>	<b>6,582,954</b>	<b>(72,061)</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE (DEFICIT) FOR THE YEAR</b>	<b>*6,582,953</b>	<b>(72,061)</b>

\*On 1 July 2009, ACF was gifted a building at 60-66 Leicester Street, Carlton, Victoria. The building, a premier 'green' office building known as 60L, was gifted to ACF by its developers and former owners, The Green Building Partnership. ACF was a foundation tenant at 60L and continues to occupy the building as its national headquarters together with a number of other tenants. The gift is reflected in these financial statements as a donation.

## ACF Income



## ACF Expenditure



## Statement of Financial Position as at 30 June 2010

	2010 \$	2009 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,899,145	7,876,173
Trade and other receivables	217,528	168,468
Financial assets	1,598,278	1,441,977
Other assets	98,476	79,266
<b>TOTAL CURRENT ASSETS</b>	<b>7,813,427</b>	<b>9,565,884</b>
<b>NON-CURRENT ASSETS</b>		
Financial assets	225,000	225,000
Artwork	19,500	19,500
Investment property	740,000	680,000
Property, plant and equipment	9,194,597	377,027
Intangible assets	101,775	101,775
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,529,067</b>	<b>1,403,302</b>
<b>TOTAL ASSETS</b>	<b>18,342,494</b>	<b>10,969,186</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,644,315	1,065,044
Provisions	1,171,566	945,275
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,815,882</b>	<b>2,010,319</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	89,692	104,900
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>89,692</b>	<b>104,900</b>
<b>TOTAL LIABILITIES</b>	<b>2,905,574</b>	<b>2,115,219</b>
<b>NET ASSETS</b>	<b>15,436,920</b>	<b>8,853,967</b>
<b>EQUITY</b>		
Reserves	15,436,920	8,639,628
Retained surplus/(deficit)	-	214,339
<b>TOTAL EQUITY</b>	<b>15,436,920</b>	<b>8,853,967</b>



## AUSTRALIAN CONSERVATION FOUNDATION INC. BOARD REPORT FOR YEAR ENDED 30 June 2010

The undersigned Board members submit the financial report of the Australian Conservation Foundation Inc. (ACF) for the financial year ended 30 June 2010.

### BOARD MEMBERS

ACF's legal governing authority is the ACF Board, a body with between 7 and 11 members selected by the ACF Council. The Board was appointed in March 2007.

The names of Board members throughout the year are set out below, with members who were appointed on 22 November 2009 marked with a \*, and members who retired as of the same date are marked with a ~.

Prof Ian Lowe	President
Dr Peter Christoff	Vice-President (Jul 2009 to Nov 2009)
Alex Gordon *	Vice-President (Nov 2009 to Jun 2010)
Dr Rosemary Hill	Vice-President
Kester Brown / Todd Davies #	Treasurer
Irina Cattalini	
Rob Fowler ~	
Chrissy Grant	
Nikki Parker	
Steven Ross *	
Katherine Wells ~	
Gavin Wigginton	
Mark Wootton	

# Kester Brown stepped down from his position as Treasurer on 30 May 2010, from which Todd Davies was appointed as the new Treasurer

### 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;
- supporting 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

On 1 July 2009, ACF was gifted a building at 60-66 Leicester Street, Carlton, Victoria. The building, a premier 'green' office building known as '60L', was gifted to ACF by its developers and former owners, The Green Building Partnership. ACF was a foundation tenant at 60L and continues to occupy the building as its national headquarters together with a number of other tenants.

The gift is reflected in these financial statements as a donation.

ACF continues to pay virtual rent into a 'sinking fund' to provide for capital works and improvements.

### EVENTS SUBSEQUENT TO BALANCE DATE

No significant change in the nature of these activities occurred after the reporting date.

### OPERATING RESULT

The surplus from ordinary activities amounted to \$6,582,953 (2008-9 deficit \$72,061). This surplus includes the donation of the land & 60L building, valued at \$8.8 million.

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

President - Ian Lowe  
06 October 2010

Treasurer - Todd Davies  
06 October 2010



**AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT BY THE BOARD  
FOR YEAR ENDED 30 June 2010**

In the opinion of the Board,

- (a) the financial report set out on pages 6 to 24 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2010 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.

.....  
President - Ian Lowe  
06 October 2010

.....  
Treasurer - Todd Davies  
06 October 2010



**AUSTRALIAN CONSERVATION FOUNDATION INC.  
TREASURER'S DECLARATION  
FOR YEAR ENDED 30 June 2010**

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, Todd Davies, Treasurer of the Australian Conservation Foundation Inc. declare that in my opinion:

- (a) the Statement of Comprehensive Income 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 its fundraising activities.

.....  
Treasurer - Todd Davies  
06 October 2010

We certify the declaration by the Treasurer.

.....  
Executive Director - Don Henry  
06 October 2010

.....  
Chief Operations Officer - Danny Vadasz  
06 October 2010



## Independent Auditor's Report



Grant Thornton  
ABN 13 871 256 387

Level 2  
215 Spring Street  
Melbourne  
Victoria 3000  
GPO Box 4984WW  
Melbourne  
Victoria  
3001

T +61 3 8663 6000  
F +61 3 8663 6333  
E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

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

We have audited the accompanying financial report of Australian Conservation Foundation Inc (the "Association"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the statement by members of the board the Association.

### Boards' responsibility for the financial report

The board of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1991. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the board of members also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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## Independent Auditor's Report continued



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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Electronic presentation of audited financial report

This auditor's report relates to the financial report of the Association and controlled entities for the year ended 30 June 2010 that may be included on the Association's web site. The Association's board is responsible for the integrity of the Association's web site. We have not been engaged to report on the integrity of the Association's web site. The auditor's report refers only to the statements that comprise the financial report as named above. It does not provide an opinion on any other information which may be on the web site or may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information that is included in the audited financial report presented on this web site.

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Auditor's opinion

In our opinion,:

- a the financial report of Australian Conservation Foundation Inc is in accordance with the Associations Incorporation Act 1991, including:
  - i giving a true and fair view of the Association's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1991.
- b The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

GRANT THORNTON  
Chartered Accountants

David Ashmore  
Partner  
Melbourne, 6th October 2010



**AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT OF COMPREHENSIVE INCOME  
FOR YEAR ENDED 30 June 2010**

	NOTES	2010 \$	2009 \$
<b>Income</b>	<b>2 (a)</b>	<b>21,474,038</b>	<b>13,451,872</b>
Environmental programs expenses		8,483,791	6,745,374
Fundraising expenses - recruitment of new supporters		2,628,841	2,357,267
Fundraising expenses - service and communication		2,497,393	2,437,033
Administration expenses	<b>2 (b)</b>	1,281,060	1,984,261
<b>Expenses</b>		<b>14,891,085</b>	<b>13,523,934</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>6,582,953</b>	<b>(72,061)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR</b>		<b>6,582,953</b>	<b>(72,061)</b>

The accompanying notes form part of this financial report



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	NOTES	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,899,145	7,876,173
Trade and other receivables	4	217,528	168,468
Financial assets	5	1,598,278	1,441,977
Other assets	8	98,476	79,266
<b>TOTAL CURRENT ASSETS</b>		<b>7,813,427</b>	<b>9,565,884</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	225,000	225,000
Artwork	6	19,500	19,500
Investment properties	7	740,000	680,000
Property, plant and equipment	9	9,194,597	377,027
Intangible assets	10	349,971	101,775
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,529,067</b>	<b>1,403,302</b>
<b>TOTAL ASSETS</b>		<b>18,342,494</b>	<b>10,969,186</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,644,315	1,065,044
Provisions	12	1,171,566	945,275
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,815,882</b>	<b>2,010,319</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	89,692	104,900
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>89,692</b>	<b>104,900</b>
<b>TOTAL LIABILITIES</b>		<b>2,905,574</b>	<b>2,115,219</b>
<b>NET ASSETS</b>		<b>15,436,920</b>	<b>8,853,967</b>
<b>EQUITY</b>			
Reserves		15,436,920	8,639,628
Retained surplus / (deficit)		(0)	214,339
<b>TOTAL EQUITY</b>		<b>15,436,920</b>	<b>8,853,967</b>

The accompanying notes form part of this financial report



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR YEAR ENDED 30 June 2010**

<b>2009-10</b>	Building Fund Reserve \$	Restricted Environment Program Fund Reserve \$	Endowment Fund Reserve \$	Unrestricted Operating Reserve \$	Retained Surplus (Deficit) \$	<b>Total \$</b>
Balance 1 July 2009	-	3,347,628	2,592,000	2,700,000	214,339	8,853,967
Transfers to reserves	9,069,380	1,840,272	-	-	(10,909,652)	-
Transfers from reserves		(3,822,970)	(289,390)	-	4,112,360	-
Surplus / (Deficit) for year		-	-	-	6,582,953	6,582,953
<b>Balance 30 June 2010</b>	<b>9,069,380</b>	<b>1,364,930</b>	<b>2,302,610</b>	<b>2,700,000</b>	<b>(0)</b>	<b>15,436,920</b>

<b>2008-09</b>		Restricted Environment Program Fund Reserve \$	Endowment Fund Reserve \$	Unrestricted Operating Reserve \$	Retained Surplus (Deficit) \$	<b>Total \$</b>
Balance 1 July 2008		2,239,919	2,492,000	2,100,000	2,094,109	8,926,028
Transfers to reserves		4,453,454	100,000	600,000	(5,153,454)	-
Transfers from reserves		(3,345,745)	-	-	3,345,745	-
Surplus / (Deficit) for year		-	-	-	(72,061)	(72,061)
<b>Balance 30 June 2009</b>		<b>3,347,628</b>	<b>2,592,000</b>	<b>2,700,000</b>	<b>214,339</b>	<b>8,853,967</b>

**Purposes of Reserves**

*Environment program fund reserve* - represents unexpended grants, sponsorships and donations received to fund specific environmental programs.

*Endowment fund reserve* - represents reserves set aside to fund the future growth and development needs of ACF.

*Operational reserve* - represents reserves set aside to provide the working capital needed to meet the cash flow requirements of ACF.

*Building Fund Reserve* - represents reserves set aside to provide for the 60L Building donated to the ACF on 01 July 2009 and future Capital Works and Improvements.

The accompanying notes form part of this financial report



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED 30 June 2010**

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, supporters and customers		10,320,661	10,413,230
Receipts from grants		1,230,426	1,815,334
Receipts from bequests (Cash bequests)		639,550	652,711
Borrowing costs paid			
Payments to suppliers, contractors and employees		(14,009,752)	(12,971,350)
Interest received		337,805	330,569
Other investment income received		-	90,613
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>14 (b)</b>	<b>(1,481,310)</b>	<b>331,107</b>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(151,141)	(147,471)
Payment for intangible assets		(326,986)	(60,895)
Proceeds on sale of financial assets (Bequested Assets)		-	160,000
Net addition (sale) of financial assets		(17,591)	35,263
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>		<b>(495,718)</b>	<b>(13,103)</b>
NET CASH USED IN FINANCING ACTIVITIES			
Repayment of borrowings			-
<b>NET CASH USED BY FINANCING ACTIVITIES</b>			<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,977,028)</b>	<b>318,004</b>
Cash at the beginning of the financial year	3	7,876,173	7,558,169
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>3</b>	<b>5,899,145</b>	<b>7,876,173</b>

The accompanying notes form part of this financial report



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### Corporate information

The financial report covers the Australian Conservation Foundation Inc. (ACF), its state offices, its unincorporated branches and its wholly owned subsidiary ACF Enterprises Pty Ltd as a consolidated entity. Separate disclosure is not made of ACF'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 ACF is comparable to the consolidated results of ACF and its subsidiary. Australian Conservation Foundation Inc. is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

##### Basis of preparation

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1991.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets.

##### Statement of compliance

The financial report of the Australian Conservation Foundation Inc. as a consolidated entity is prepared in accordance with full International Financial Reporting Standards (IFRS) as adopted in Australia.

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

##### Accounting Policies

##### 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 on the 8 June 2000 by the ATO as an income tax exempt charity from 1 July 2000.

Fringe Benefits Tax - ACF, 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 is applicable 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 - ACF, 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 - ACF 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. 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.



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

#### 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 and impairment losses.

##### *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 by Board members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment 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 are charged to the statement of comprehensive income during the financial period in which they are incurred.

##### *Depreciation*

The depreciable amounts of all plant and equipment are depreciated on a straight line basis over the useful lives of the assets to ACF, 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%
Communications and information technology equipment	10 - 50%
Leasehold improvements	20 - 25%
Motor vehicles and accessories	20%
Land & Buildings	2%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

##### 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.

##### Intangible Assets

##### *Computer Software*

Computer software costs are capitalised only when the application delivers future economic benefits and these benefits can be measured reliably. Computer software costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the application.



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

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

##### **Investment properties**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

##### **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 profit or loss. 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 expire. 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.

###### *Classification and Subsequent Measurement*

###### (i) Financial assets at fair value through profit or 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 profit and loss account (P&L)

###### (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 profit and loss account (P&L).

###### (iv) 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 INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

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

##### **Impairment of Assets**

At each reporting date, ACF reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. If the asset is held at fair value for the intention of short-term profit taking, then any excess of the asset's carrying value over its recoverable amount that is realised is expensed to the profit and loss account. In relation to assets that are held to maturity, then the unrealised portion will also be brought to account in the profit and loss account. Where it is not possible to estimate the recoverable amount of an individual asset, ACF estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **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.

###### *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 attached to the Commonwealth Governments bonds at the reporting date which have maturity dates approximating to the terms of ACF's obligations.

###### *Superannuation*

The amount charged to the Statement of Comprehensive Income in respect of superannuation represents the contributions made by ACF to superannuation funds. ACF is not a party to any defined benefit superannuation funds.

##### **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 three months or less.

##### **Comparative Figures**

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

##### **Critical Accounting Estimates and Judgments**

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.

##### **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, sponsorships and bequests where the supporter 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.



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

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

##### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to ACF and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Membership income is recorded on a proportional basis taking into account the prepaid component of the membership.

All grants are recognised as revenue when ACF has established that it has a right to receive the grant.

Legacy and bequest income is recognised as revenue when ACF has established that it has a right to receive the

Investment property revenue is recognised on a straight line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when ACF 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).

##### NSW Charitable Fundraising Act Requirements

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 the Statement of Comprehensive Income on page 6 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 recorded as income when ACF establishes that it has a right to receive the Donation or Bequest. 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 NSW 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 the Statement of Comprehensive Income.

Cost of Fundraising: costs used in the Statement of Comprehensive Income 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 the 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 the Statement of Comprehensive Income.



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

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

##### NSW Charitable Fundraising Act Requirements (cont.)

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. ACF 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 the Statement of Comprehensive Income.

##### 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 ACFID Code of Conduct.

Detailed disclosures and information are outlined in Note 15. No single appeal or other form of fundraising for an 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 Comprehensive Income of the program for the year as allowed by the Code of Conduct.

##### New Accounting Standard and AASB Interpretations

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 30 June 2010 reporting periods but contain an option for early adoption. The Foundation has reviewed each of these new standards and interpretations and is satisfied that they have no impact on the reported financial position and performance of the Foundation for the year ended 30 June 2010 and therefore there has been no early adoption of these standards.

At the date of authorisation of the financial report, the Standards and Interpretations listed below were issued but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures and presentation presently made in relation to the ACF financial report  
Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of ACF.

- AASB 7 Financial Instruments: Disclosures - February 2010 (Compilations)	- Effective for annual reporting periods beginning on or after 1 July 2010
- AASB 1048 Interpretation of Standards June 2010 (Principal)	- Effective for annual reporting periods beginning on or after 30 June 2010
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations - June 2009 (Compilation)	- Effective for annual reporting periods beginning on or after 1 January 2010 but before 1 January 2011
- AASB 8 Operating Segments - May 2009 (Compilation)	- Effective for annual reporting periods beginning on or after 1 January 2010 but before 1 January 2011
- AASB 101 Presentation of Financial Statements - June 2009 (Compilation)	- Effective for annual reporting periods beginning on or after 1 January 2010
- AASB 107 Statement of Cash Flows - June 2009 (Compilation)	- Effective for annual reporting periods beginning on or after 1 January 2010
Interpretation: Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments - December 2009 (Principal)	- Effective for annual reporting periods beginning on or after 1 July 2010
- Framework for the Preparation and Presentation of Financial Statements	
- Accounting Standard AASB 2 Share-based Payment	
- Accounting Standard AASB 3 Business Combinations	
- Accounting Standard AASB 101 Presentation of Financial Statements	
- Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors	
- Accounting Standard AASB 132 Financial Instruments: Presentation	
- Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement	



# **AUSTRALIAN CONSERVATION FOUNDATION INC.**

## **NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010**

	2010 \$	2009 \$
<b>2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR</b>		
Surplus for the year has been determined after:		
(a) Revenue		
<i>Operating activities</i>		
Donations	17,062,399	9,230,342
Legacies and bequests	639,550	687,255
Subscriptions	971,472	907,137
Grants	1,230,426	1,815,334
Merchandise and licensing	141,760	108,043
Other income	106,238	219,161
	<b>20,151,845</b>	<b>12,967,272</b>
<i>Non-operating activities</i>		
Investment income	359,234	438,560
Rental income from Investment properties	26,076	26,040
Rental income from Other Sources	741,011	-
Revaluation - Sydney Investment property	60,000	20,000
Unrealised gains on financial assets	140,511	-
Net profit on disposal of financial assets	(4,641)	-
	<b>1,322,191</b>	<b>484,600</b>
	<b>21,474,036</b>	<b>13,451,872</b>
(b) Selected Items included in Administration expenses		
Cost of sales	9,082	18,395
Direct operating expenses from investment property		
Finance costs - banking transaction expenses	84,516	73,162
Finance costs - interest expenses	-	-
Depreciation of property, plant and equipment	133,571	141,795
Amortisation of intangible assets	78,791	54,301
Net loss on disposal of financial assets	1,808	106,890
Net loss on disposal of property, plant and equipment	-	-
Unrealised loss on financial assets	-	232,634
Doubtful debts expense	716	2,545
	<b>308,484</b>	<b>629,721</b>
Remuneration of auditor		
- audit or review services	36,850	28,091
- other services	-	-
Total remuneration	<b>36,850</b>	<b>28,091</b>
Rental expenses		
- minimum lease payments on operating leases	84,450	323,640
- other rental expenses	7,248	59,922
Total rental expenses	<b>91,698</b>	<b>383,562</b>
(c) Investment Property		
Rental income from investment property - included investment income note 2(a)	26,076	26,040
Direct operating expenses from investment property	(7,248)	-
Net surplus on investment property	<b>18,828</b>	<b>26,040</b>

### **Significant Events**

Effective 01 July 2009, ACF Headquarters situated at 60 Leicester Street, along with the accompanying building assets were gifted to ACF and this has been brought to account in the 2009-10 year and is included in the donations figure for 2010. It has been decided that the property will be treated as Land and Buildings. The property earns income for ACF from the rental charged to other tenants.

The rent equivalent (previously Melbourne rent expense) for 2010 has been paid into a sinking fund that will act as a Provision for Capital Works for the 60L Building.

### **3. CASH AND CASH EQUIVALENTS**

<b>CURRENT</b>		
Cash on hand	2,000	9,261
Cash at bank	2,102,870	4,040,524
Cash on term deposit	3,794,275	3,826,388
	<b>5,899,145</b>	<b>7,876,173</b>

The effective interest rate on short-term deposits was 5.30% (2009: 4.24%); these deposits are currently available at call.

The Credit Facility with Westpac was undertaken in April 2008 and was on an Unsecured basis. The facility is not utilised at balance date June 2010.



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**NOTES TO THE FINANCIAL REPORT**  
**FOR YEAR ENDED 30 June 2010**

	2010 \$	2009 \$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Receivables	137,597	123,921
Provision for impairment of receivables	(2,545)	(2,545)
Other Receivables	82,476	47,092
	<b>217,528</b>	<b>168,468</b>

a) At 30 June the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
<b>2010</b>	137,597	98,843	32,148	-	6,606
<b>2009</b>	123,921	58,079	61,255	4,587	-

ACF is actively pursuing the debtors for funds and notes that a significant amount has come through during July.

Other balances within trade and other receivables do not contain impaired assets and it is expected that these other balances will be received.

b) Provision for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by ACF in the current year.

	2010 \$	2009 \$
<b>Movements in the impairment provision</b>		
1 July Balance	2,545	
Charge for the year	-	2,545
Amounts written off	-	
30 June Balance	<b>2,545</b>	<b>2,545</b>

**5. FINANCIAL ASSETS**  
**CURRENT**

Financial Assets at Fair Value through Surplus for the year

Equity trusts - at fair value	362,198	346,149
Property trusts - at fair value	87,277	68,940
Equity Portfolio - at fair value	1,148,803	1,026,888
	<b>1,598,278</b>	<b>1,441,977</b>

**NON-CURRENT**

**LOANS AND RECEIVABLES**

Direct mortgage - amortised cost	225,000	225,000
	<b>225,000</b>	<b>225,000</b>
	<b>1,823,278</b>	<b>1,666,977</b>

**6. ARTWORK**

**NON-CURRENT**

Artwork - at fair value	19,500	19,500
	<b>19,500</b>	<b>19,500</b>

**7. INVESTMENT PROPERTY**

**NON-CURRENT**

Property held for investment purposes - at fair value	740,000	680,000
	<b>740,000</b>	<b>680,000</b>

**Property Reconciliation**

Opening Value	680,000	660,000
Revaluation accounted for as income from non-operating activity in the Statement of Comprehensive	60,000	20,000

Closing Balance	<b>740,000</b>	<b>680,000</b>
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The fair value model is applied to the investment property. The investment property may be revalued each year, but is independently reviewed every three years. Values are based on an active liquid market value and are performed by a registered independent valuer.

**8. OTHER ASSETS**

**CURRENT**

Prepayments	57,420	59,639
Accrued investment income	41,056	19,627
	<b>98,476</b>	<b>79,266</b>


**AUSTRALIAN CONSERVATION FOUNDATION INC.**
**NOTES TO THE FINANCIAL REPORT  
FOR YEAR ENDED 30 June 2010**

<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2010</b>	<b>2009</b>
<b>NON-CURRENT</b>	<b>\$</b>	<b>\$</b>
Land & Buildings	8,805,902	-
Accumulated depreciation	(1,520)	-
	<b>8,804,382</b>	<b>-</b>
Office furniture and fittings - at cost	498,404	213,671
Accumulated depreciation	(345,168)	(115,752)
	<b>153,236</b>	<b>97,919</b>
Communications & information technology equipment - at cost	708,359	626,544
Accumulated depreciation	(471,380)	(378,553)
	<b>236,979</b>	<b>247,991</b>
Leasehold improvements - at cost	0	221,308
Accumulated depreciation	0	(190,391)
	<b>0</b>	<b>30,917</b>
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,532)
	<b>-</b>	<b>200</b>
<b>TOTAL Property Plant &amp; Equipment</b>	<b>9,194,597</b>	<b>377,027</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:

<b>2010</b>	<b>Balance 1/07/2009</b>	<b>Additions</b>	<b>Transfers</b>	<b>Depreciation expense</b>	<b>Balance 30/06/2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land & Buildings	-	8,805,902	-	(1,520)	8,804,382
Office furniture and fittings	97,919	56,509	27,404	(28,596)	153,236
Comm. & information technology	247,991	81,814	-	(92,826)	236,979
Leasehold improvements	30,917	6,916	(27,404)	(10,429)	0
Motor vehicles and accessories	200	-	-	(200)	0
	<b>377,027</b>	<b>8,951,141</b>	<b>-</b>	<b>(133,571)</b>	<b>9,194,597</b>

As the building is now gifted and no longer leased, leasehold improvements have been transferred to Furniture & Fittings accordingly.

<b>2009</b>	<b>Balance 1/07/2008</b>	<b>Additions</b>	<b>Disposals / Adjustments</b>	<b>Depreciation expense</b>	<b>Balance 30/06/2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Office furniture and fittings	117,737	-	-	(19,818)	97,919
Comm. & information technology	200,033	147,471	(633)	(98,880)	247,991
Leasehold improvements	41,868	-	-	(10,951)	30,917
Motor vehicles and accessories	12,346	-	-	(12,146)	200
	<b>371,984</b>	<b>147,471</b>	<b>(633)</b>	<b>(141,795)</b>	<b>377,027</b>

<b>10. INTANGIBLE ASSETS</b>	<b>2010</b>	<b>2009</b>
<b>NON-CURRENT</b>	<b>\$</b>	<b>\$</b>
Computer software - at cost	810,108	483,121
Accumulated amortisation	(460,138)	(381,346)
	<b>349,971</b>	<b>101,775</b>

**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:

<b>2010</b>	<b>Balance 1/07/2009</b>	<b>Additions</b>	<b>Disposals / Adjustments</b>	<b>Amortisation expense</b>	<b>Balance 30/06/2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer software	101,775	326,984	-	(78,789)	349,970
	<b>101,775</b>	<b>326,984</b>	<b>-</b>	<b>(78,789)</b>	<b>349,970</b>
<b>2009</b>	<b>Balance 1/07/2008</b>	<b>Additions</b>	<b>Disposals / Adjustments</b>	<b>Amortisation expense</b>	<b>Balance 30/06/2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer software	97,330	60,895	(2,149)	(54,301)	101,775
	<b>97,330</b>	<b>60,895</b>	<b>(2,149)</b>	<b>(54,301)</b>	<b>101,775</b>

As a result of ACF installing a new Management Information System, the Software and the Development work have been recorded in Intangibles.

<b>11. TRADE &amp; OTHER PAYABLES</b>	<b>2010</b>	<b>2009</b>
<b>CURRENT</b>	<b>\$</b>	<b>\$</b>
Trade payables	490,133	491,888
Sundry payables & accruals	762,005	191,848
Deferred membership income	339,163	381,308
Deferred investment income	53,015	-
	<b>1,644,316</b>	<b>1,065,044</b>

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



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**NOTES TO THE FINANCIAL REPORT**  
**FOR YEAR ENDED 30 June 2010**

	2010 \$	2009 \$
<b>12. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for employee benefits	1,171,566	945,275
<b>NON-CURRENT</b>		
Provision for employee benefits	89,692	104,900
	<b>1,261,258</b>	<b>1,050,175</b>

<b>13. LEASE COMMITMENTS</b>		
Operating lease commitments for rent of the Melbourne, Sydney, Cairns, Canberra, Adelaide and Broome offices.		
Payable within 1 year	83,107	76,071
Payable later than 1 but within 5 years	30,645	23,654
Payable later than 5 years	3,276	-
	<b>117,028</b>	<b>99,725</b>

As a result of the Deed of Gift the lease in relation to the Melbourne property terminated on 30 June 2009. With effect from 1 July 2009, ACF has created a provision into a sinking fund held for Capital Works Improvements.

The lease for the Sydney property is a non-cancellable lease with a one year term, with rent payable monthly in advance.

The lease for the Cairns property is a non-cancellable lease with a three year term, with rent payable monthly in advance.

The lease for the Canberra property is a non-cancellable lease with a five year term, with rent payable monthly in advance.

The sub-lease for the Adelaide property is non-cancellable with a three year term with rent payable quarterly in advance.

The lease for the Broome property is a non-cancellable lease with a one year term, with rent payable monthly in advance.

<b>14. NOTES TO CASH FLOW STATEMENT</b>		
<b>(a) Reconciliation of Cash</b>		
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>(b) Reconciliation of net cash provided by operating activities to surplus for the year</b>		
Surplus / (deficit) for the year	6,582,953	(72,061)
<i>Non-cash flows from surplus</i>		
Donation of Property including leasehold assets	(8,800,000)	
Depreciation of property, plant and equipment	133,571	141,795
Amortisation of intangible assets	78,791	54,301
Provision for doubtful debts	-	2,545
Net loss on disposal of financial assets	1,808	106,890
Revaluation of Investment Property	(60,000)	(20,000)
Unrealised (gains) / losses on financial assets	(140,508)	232,634
Bequest of non-cash financial assets	-	(34,544)
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in receivables	(49,061)	(58,490)
(Increase) / decrease in other assets	(19,209)	132,904
Increase / (decrease) in payables	579,262	(295,571)
Increase / (decrease) in provisions	211,083	140,704
<b>Net cash provided by operating activities</b>	<b>(1,481,310)</b>	<b>331,106</b>

(c) ACF has no credit stand-by or financing facilities in place.

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

<b>15. INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES</b>		
<b>Revenue</b>		
Donated funds & services	22,422	95,116
Grants	-	111,403
Other income	-	-
<b>Total revenue</b>	<b>22,422</b>	<b>206,519</b>
<b>Disbursements</b>		
Overseas projects	138,345	243,349
Internal labour effort	5,962	16,344
Community education	5,336	11,649
Fundraising	1,067	2,330
Administration	-	34,772
<b>Total disbursements</b>	<b>150,710</b>	<b>308,444</b>
<b>Excess of disbursements over revenue</b>	<b>(128,288)</b>	<b>(101,925)</b>
<b>In-kind volunteer services contribution (included above)</b>	<b>38,853</b>	<b>61,495</b>

The 2009 labour effort was not provided in last year's report so it is included here for comparative purposes.



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

#### 16. RELATED PARTIES

##### Board Members

The names of Board members who have held office during the financial year are listed on page 1 of this report.

##### Key Management Personnel

Key management personnel comprise ACF's Executive Management Team (EMT) who are responsible for planning, directing and managing ACF activities. Personnel who were members of EMT during the year, and their respective positions and appointment dates to those positions were:

Don Henry	Executive Director	Appointed: May 1998
Lucy Farmer	Communications Director	Appointed: April 2004
Denise Boyd	Campaigns Director	Appointed: February 2006
Anna Molan	People and Operations Director	Appointed: April 2007
Charles Berger	Director Strategic Ideas	Appointed: November 2007
Danny Vadasz	Chief Operating Officer	Appointed: 10 March 2010
David McLean	Acting People & Operations Director	Term Completed: 31 July 2009
David Robinson	Marketing Director	Appointed: 24 May 2010

	2010	2009
	\$	\$
<b>Short Term Benefits</b>		
Salary & fees	697,747	664,229
Bonus	-	-
<b>TOTAL Short-term benefits</b>	<b>697,747</b>	<b>664,229</b>
<b>Long Term Benefits</b>		
Superannuation Contributions	59,895	58,970
Long service leave	23,340	84,909
<b>TOTAL Long Term Benefits</b>	<b>83,235</b>	<b>143,879</b>
<b>Total Compensation</b>	<b>780,982</b>	<b>808,108</b>

#### 17. 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.

#### 18. SEGMENT INFORMATION

ACF operates predominantly in one business and geographical area segment to achieve a healthy environment for all Australians.



# AUSTRALIAN CONSERVATION FOUNDATION INC.

## NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

### 19. FINANCIAL INSTRUMENTS

#### (a) Financial risk management

ACF's financial instruments consist of deposits with banks, local money market instruments, investments, accounts receivable and payable. ACF does not have any derivative instruments at 30 June 2010

	NOTES	2010 \$	2009 \$
<b>Financial assets</b>			
Cash and cash equivalents	3	5,899,145	7,876,173
Loans and receivables	4	217,528	168,468
Financial assets at fair value through profit or loss			
- equity investments	5	1,598,278	1,441,977
- direct mortgages	5	225,000	225,000
		7,939,952	9,711,618
<b>Financial liabilities</b>			
Trade and other payables	11	1,644,316	1,065,044
		1,644,316	1,065,044

#### i. Treasury Risk Management

A Finance and Audit Committee consisting of Board members and external experts meets on a regular basis to analyse and advise the Board on treasury exposures and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### ii. Financial Risks

The main risks ACF is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*- Interest rate risk is managed through minimising the use of debt financing.

*Liquidity risk* - ACF manages liquidity risk by monitoring forecast cash flows and ensuring that adequate call funds are maintained.

*Credit risk* - The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements. ACF does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by ACF.

*Foreign currency risk* - ACF is not exposed to fluctuations in foreign currencies.

*Price risk*- ACF is not exposed to any material commodity price risk.

#### (b) Interest risk

ACF is exposed to interest rate risk on cash on deposit. The Association has no external borrowings, and cash at bank is maintained at variable rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonable possible change in the interest rates of +2% and -1% (2009: +2% and -1%), with effect from the beginning of the year. Taking into account past performance, future expectations and economic forecasts, the Board believes the movements are 'reasonably possible' over the next 12 months.

		2010 \$	2009 \$
<b>Cash on deposit</b>			
Net result - Increase/(Decrease)	+2%	137,753	76,528
Net result - Increase/(Decrease)	-1%	(68,877)	(38,264)
<b>Equity</b>			
Equity	+2%	137,753	76,528
Equity	-1%	(68,877)	(38,264)



## AUSTRALIAN CONSERVATION FOUNDATION INC.

### NOTES TO THE FINANCIAL REPORT FOR YEAR ENDED 30 June 2010

#### 20. FUNDRAISING ACTIVITIES AS CLASSIFIED BY THE NSW CHARITABLE FUNDRAISING ACT

ACF produced fundraising income of \$12,257,549 (2009: \$12,933,677). However, for the purposes of the NSW Charitable Fundraising Act only certain classes of income are included under the definition of 'fundraising income' (and income from bequests, membership and unsolicited donations is specifically excluded). The following figures are those applicable under the NSW Act's classification.

Details of total income and expenditure from fundraising activities (As classified by the NSW Charitable Fundraising Act)	2010 \$	2009 \$
Total income from fundraising activities	7,500,769	8,762,705
Less total expenditure on fundraising activities	3,853,439	3,541,533
Net surplus from fundraising activities	3,647,330	5,221,172

#### Information on material matters

All fundraising activities achieved the targeted returns under the NSW Charitable Fundraising Act, except for Key Relationships, which came in at a slight deficit of \$151,765.

For more information on revenue and costs of fundraising see the Statement of Comprehensive Income on page 6 and the significant accounting policies in Note 1 on pages 10-15.

#### Application of funds for charitable purposes

During the year ACF achieved a net surplus of \$3,646,407 (2009 \$5,221,173) from fundraising activities defined under the NSW Charitable Fundraising Act. Of this surplus, \$5,456,207 (2009 \$2,136,168) was used to fund environmental programs, no funds were allocated to the endowment fund and operating reserves (2009 \$700,000) for future development and cash flow needs leaving a deficit of \$1,809,801 allocated to organisational support (2009 \$2,385,004 surplus).

#### 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 EarthVoice monthly giving program, to assist in the development of our direct mail appeals, 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 EarthVoice monthly giving program.

	2010 \$	2009 \$
Gross income from fundraising activities involving external service providers	6,835,465	5,699,180
Gross expenditure on fundraising activities involving external service providers	2,781,123	2,522,794
Gross Contribution	4,054,342	3,176,386

#### Fundraising activities as classified by the NSW Charitable Fundraising Act conducted during the Financial year

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

(Note: Income from programs such as bequests, membership and unsolicited donations are not included under this classification).

#### Fundraising performance comparisons on activities classified by the NSW Charitable Fundraising Act

A divided by B	A \$	B \$	2010 %	2009 %
Total cost fundraising/Gross proceeds of fundraising	3,853,439	7,500,769	51%	40%
Net surplus from fundraising/Gross proceeds of fundraising	3,647,330	7,500,769	49%	60%
Environmental programs expenditure/Expenditure	8,483,791	14,891,077	57%	50%
Environmental programs expenditure/Income	8,483,791	21,474,038	40%	50%

As noted above ACF has made a significant investment in the EarthVoice monthly giving program. The return on this investment, as is usual for this type of program, is achieved over a number of years.