

The background of the entire page is a close-up photograph of tree bark, showing various textures, colors (grey, brown, red, green), and patterns. A solid green rectangular overlay is positioned in the center of the page, containing the title text.

# Annual Financial Report for the year ended 30 June 2016



**AUSTRALIAN  
CONSERVATION  
FOUNDATION**



ACF was incorporated in 1966. It is an incorporated association under the Associations Incorporation Act 1991 (A.C.T.) an Act administered by Access Canberra, of the Chief Minister, Treasury and Economic Development Directorate <http://www.accesscanberra.act.gov.au>

The governing body for the purposes of the Associations Incorporation Act 1991 (A.C.T.) is the Board.

For more information about the ACF structure and to read a copy of ACF's Constitution please visit: [https://www.acf.org.au/how\\_we\\_govern](https://www.acf.org.au/how_we_govern)

ACF registration details can be found on the Australian Business Register at <http://www.abr.business.gov.au>

ACF has tax exemption charitable status and is registered for the purposes of GST.



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**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

The Board members of the Australian Conservation Foundation (ACF) hereby present their report to all members, staff and supporters for the financial year 1 July 2015 to 30 June 2016.

## **THE BOARD**

Board members who served during the year and to the date of this report are:

### **Geoff Cousins AM – President**

*Appointed to the Board in September 2014*

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

### **Nadia McLaren - Vice-President (from November 2015)**

*Appointed to the Board in February 2012*

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

### **Piers Verstegen - Vice-President (from November 2015)**

*Appointed to the Board in November 2012.*

Piers is the Executive Director of the Conservation Council of WA. He has been named as one of WA's 100 most influential people by the Western Australian newspaper for his environmental advocacy and community leadership. He has been a senior policy advisor and has diverse experience in environmental science, law, politics and economics, and currently serves on the advisory board of the Curtin University Sustainability Policy Institute and NaturePlay WA. Piers has represented Western Australia on ACF Council since 2008.

### **Mary Latham - Treasurer**

*Appointed to the Board in November 2013*

Mary Latham is the honorary treasurer of ACF and chair of the Finance Audit & Risk Committee. She is charged with specific focus on the finance, audit and risk matters of the organisation. Mary is a chartered accountant, company director and consultant. She has worked in the financial services industry for 15 years, in Australia and England, and in the Australian not-for-profit sector for 10 years. She has worked at senior executive level as both a CFO and a Company Secretary with responsibility for finance, risk management, corporate governance, compliance, human resources and

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**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

membership services. Mary works on a voluntary basis for organisations in the human rights sector and is also a director of Australian Podiatry Association (Vic), ChildFund Australia and International Detention Coalition. She is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

**Jon Anstey - Honorary Secretary**

*Appointed to the Board in November 2013*

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

**Todd Davies - Board Member**

*Appointed to the Board in May 2010*

Todd is a Fellow of the Institute of Chartered Accountants and the Institute of Internal Auditors in recognition of his contributions to the fields of risk management and corporate governance, and to the accounting and auditing professions in Australia and abroad. Todd has a keen interest in mobilising financial capital for public and social good. He has been a serial disruptive innovator in areas including digital media, music and environmental markets and has mentored hundreds of business start-ups over the past 20 years. He also serves as trusted-insider with large multinationals on strategic risk and board governance. His work with the ACF is driven by the belief that healthy environment and ecosystems are critical to human wellbeing. He also holds governance roles in public institutions in health, public transport, local government and emergency management.

**Erika Avellaneda - Board Member**

*Appointed to the Board in December 2015*

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

**Jimmy Cocking - Board Member**

*Appointed to the Board in November 2012*

Jimmy is an environmentalist and community leader based in Alice Springs. He is the Director of the Arid Lands Environment Centre as well as having been a Trustee of Olive Pink Botanic Gardens, Founder and Co-Director of the Wide Open Space Festival, a member of the Management Committee of the Environmental Defenders' Office NT, and a member of the Board of Desert Management Australia. He has a strong connection to his local community and is keen to represent the issues

**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

facing northern and central Australia. Jimmy has represented the Northern Territory on the ACF Board and Council since 2012; also he is a member of the Finance Audit and Risk Committee since March 2013.

**David Morris - Board Member**

*Appointed to the Board in December 2015*

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

**Anne Poelina - Board Member**

*Appointed to the Board in May 2016*

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

**Andrew Reilly - Board Member**

*Appointed to the Board in February 2015*

Andrew is the Head of Impact and Evaluation for SYC Limited, a national not-for-profit based in Adelaide providing services for youth, employment and training. He has a strong background in implementing strategy and promoting growth in the not-for-profit sector. As the former CEO of the Nature Foundation SA, Andrew led the management and purchase of conservation reserves and negotiated the largest environmental watering agreement by an NGO with the Commonwealth, to improve Murray River wetlands. Andrew has represented South Australian on Council since 2009.

**Irina Cattalini – Vice President (until November 2015)**

*Appointed to the Board in 2006, retired in November 2015*

Irina is the Chief Executive Officer of the Western Australian Council of Social Service. 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.

Irina served as a Councillor from 2003 and joined the Board in 2006. Irina served as Vice President and a member of the Board's Remuneration Committee. Irina retired from the Board at the AGM in November 2015.

**Peter Christoff – Board Member (until November 2015)**

*Appointed to the Board in 2006, retired in November 2015*

Peter is an academic at the University of Melbourne, where he teaches and writes about environmental and climate politics and policy. He has served in government as the Assistant Commissioner for the Environment, and on various Victorian Government committees.

## AUSTRALIAN CONSERVATION FOUNDATION INC.

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### STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2016

Peter served as a Councillor from 2000 and joined the Board in 2006, serving as Vice President from 2006 to 2009 and again in 2011 and 2012. Peter retired from the Board at the AGM in November 2015.

#### **Rob Fowler – Vice President (until November 2015)**

*Appointed to the Board in 2006, retired in November 2015*

Rob is an adjunct professor of environmental law at the University of South Australia. Since retiring from full-time employment in 2008, he has devoted himself largely to voluntary work.

Rob served on ACF's Council from 1985 to 1989 and from 2003 to 2015. Rob served on the Board from 2006, as Vice President and member of the Remuneration Committee, before retiring at the AGM in November 2015.

## GOVERNANCE

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

Under the governance structure established by a vote of Members in 2006, the Board is a skills-based Board and is the organisation's governing body. The Board consists of 11 members: President, two Vice-Presidents, four Councillors (appointed by Council) and four co-opted members (appointed by Council). All Board members are non-executive positions and receive no remuneration for their services. However, out-of-pocket expenses may be paid to enable them to fulfil their duties.

The Board is committed to ensuring the highest standards of good governance. With advice from its Finance, Audit and Risk Committee, the Board is responsible for ensuring risk, legal and regulatory compliance and internal control systems are managed, monitored and reported on a timely basis, and are aligned with ACF's strategic goals and activities. The Board approves and monitors the implementation of the organisation's long term strategic plan. The Board does this by approving and evaluating the success of the three-year and annual operational plan and by determining campaign themes and directions.

To assist and advise the Board in the conduct of its role, the Board has the ability to appoint a number of specialist Committees. During the year, these committees have included:

#### *Finance, Audit and Risk Committee*

Purpose: Oversees effective management of risk, financial, strategic, operational, legal and regulatory compliance.

Composition: 2 Board members, including the Treasurer (Chair), up to 3 co-opted members with appropriate financial and risk management experience.

#### *60L Committee*

Purpose: Provides advice to the Board on strategic development of the 60L building, oversight of building operational management and ensures building-related legal and regulatory compliance.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

ABN 22 007 498 482

**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

Composition: up to 2 ACF Board members including the Treasurer, Director Finance & Operations, and at least 2 co-opted members with commercial/green building experience.

*Governance Committee*

Purpose: Promotes and ensures the good governance of the organisation, ensuring that the Board, Council and their committees conduct their affairs within the letter and spirit of the Constitution.

Composition: Up to seven members representing the Board and Council.

The Board is responsible for the appointment of the CEO. The Board requires the CEO and her team to commit to the achievement of best practice in the following areas:

- Achievement of ACF goals through implementation of the Strategic Plan
- Quality of organisational outputs
- Community relations
- Employee relations, including equal opportunity
- Financial probity
- Ethics
- Legal and regulatory provisions, including occupational health and safety

Board Members at 30 June 2016			Board Meetings Attended	
			A	B
Geoff Cousins	Ex-Officio	President	7	7
Nadia McLaren (term began 21/11/2015)	Ex-Officio	Vice-President	3	3
Piers Verstegan	Ex-Officio	Vice-President	7	7
Mary Latham	Co-opted	Treasurer	7	7
Jon Anstey	Co-opted	Hon. Secretary	6	7
Erika Avellaneda (term began 18/12/2015)	Councillor	Board Member	4	4
Jimmy Cocking	Councillor	Board Member	6	7
Todd Davies	Co-opted	Board Member	5	7
David Morris (term began 18/12/2015)	Councillor	Board Member	3	3
Anne Poelina (term began 15/5/2016)	Co-opted (Councillor)	Board Member	1	1
Andrew Reilly	Councillor	Board member	7	7
<b>Board Members Retired at 20 November 2015</b>				
Irina Cattalini (term ended 20/11/2015)	Ex-Officio	Vice-President	3	3
Peter Christoff (term ended 20/11/2015)	Councillor	Board Member	3	3
Rob Fowler (term ended 20/11/2015)	Ex-Officio	Vice-President	1	3

Column A is the number of Board meetings the Board member attended.

Column B is the number of meetings the Board member was entitled to attend.



**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

## **FINANCIAL REVIEW**

ACF is reporting a surplus for the year of \$631,943. This is lower than the surplus reported for the previous year, which had included two large legacy bequests. (2015: surplus \$1,972,757)

The surplus comprises the following:

- An unrestricted operating surplus of \$855,331 (2015: \$2,107,430 surplus)
- A deficit in Campaign-restricted funding reserves (income received in advance) of \$173,680. (2015: \$278,291 deficit)
- An unrealised loss in financial assets of \$49,708. (2015: \$143,618 gain)

Comprehensive Income for the year was \$13,189,154 (2015: \$14,672,315), a drop of 10.1 % on 2015.

More than 80% of ACF's income is received through the generosity and goodwill of our individual and private trust supporters. We encourage donors to make regular donations, through our EarthVoice program, providing ACF with a secure, long-term income stream and stability for longer-term commitments to environmental campaigns.

Donation income was \$12,046,610 (2015: \$13,497,479) from individuals through regular giving, direct appeals, private grants, legacies and bequests, government funding (less than 5% of total income) and membership.

Other income from investments, interest and dividends, and rental and outgoings income from the 60L tenants was \$1,142,544. (2015: \$1,174,836)

Expenditure was reduced to \$12,507,503 (2015: 12,843,176) as a result of ACF's substantial review of resources and staffing to ensure the future sustainability of the organisation and its programs.

Expenditure on environmental programs was \$6,675,834 (2015: \$6,140,908) and includes all expenditure directly attributable to those programs, such as staff costs, media, legal support, supporter engagement and Centrally Co-ordinated Support costs. This represents an 8.7% increase on 2015.

ACF continues to invest in our financial supporter base. Expenditure includes all direct staff, donor maintenance and acquisition and other direct costs. These fundraising costs have a return on investment over future years (but must be accounted for in the year of expenditure). Fundraising expenditure overall this year was \$4,293,961.

ACF administration and Restructure costs were \$992,128 (2015: \$1,039,768), 8 percent of total expenditure for the year and a 5% reduction over the prior year. ACF continues to actively seek to improve productivity and reduce these costs as a percentage of total income.

Cash holdings increased by 11.4 percent as at 30 June 2016 to \$5,552,228 (2015: \$4,986,023). Holdings of financial assets rose to \$3,479,445 (2015: \$3,377,196).

## **AUSTRALIAN CONSERVATION FOUNDATION INC.**

**ABN 22 007 498 482**

### **STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2016**

ACF plans, budgets and monitors its performance against annual and 3 year goals in the areas of campaign activity, fundraising and supporter engagement, communications, operations and human resources. Progress is reported monthly to the Executive team and 6 times per year to the Board.

ACF Board has achieved the goal this financial year of holding operating reserves of a 3 month minimum to provide for income security in unstable economic times and agility in future years.

### **INSURANCE**

The Australian Conservation Foundation ensures that appropriate insurance is in place to cover and indemnify, as permitted by law, the organisation, its Directors, Secretary and other Officers.

### **FUNDRAISING LICENCES**

ACF is required to monitor, apply and report against State laws governing fundraising and, in the following instances, hold specific licences for fundraising in those states:

Victoria	Licence No 10416
New South Wales	Licence No 14379
Queensland	Licence No CP4888
Australian Capital Territory	Licence No 19000043
Western Australia	Licence No CC 22011

### **EVENTS SUBSEQUENT TO REPORTING DATE**

There were no significant changes in the nature of the activities of ACF during the 2015-16 year, or since the reporting date, other than:

During the current financial year ACF applied to the Federal Court to have the Federal Minister's approval for the Carmichael mine overturned. Subsequent to 30 June 2016, the Federal Court found against ACF and awarded partial costs against ACF. The ACF Board resolved to appeal against this decision. Should ACF lose the appeal, it may be liable for court costs. Whilst the amount of the potential liability is unknown, significant funds have already been raised and there is a high level of confidence that additional fund raising would be successful.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

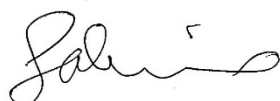
**ABN 22 007 498 482**

**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**


In the opinion of the Board,

- (a) the financial report set out on pages 9 to 28 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2016 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) at the date of this statement there are reasonable grounds to believe that the Australian Conservation Foundation Inc. will be able to pay its debts as and when they fall due.

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



**Geoff Cousins**  
President  
7 October 2016



**Mary Latham**  
Treasurer  
7 October 2016

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**STATEMENT BY MANAGEMENT**

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

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



**Kelly O'Shanassy**  
Chief Executive Officer  
7 October 2016



**Brad Armstrong**  
Acting Director of Finance & Operations  
7 October 2016

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

**ABN 22 007 498 482**

**STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2016**

**FUNDRAISING DECLARATION**

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

I, Mary Latham, Treasurer of the Australian Conservation Foundation Inc. declare on behalf of the Board, 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.



**Mary Latham**  
Treasurer  
7 October 2016



**Brad Armstrong**  
Acting Director of Finance & Operations  
7 October 2016



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## 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 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors.

### Responsibility of the Directors for the financial report

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

### 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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In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association'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.

#### Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

#### Auditor's Opinion

In our opinion,

- a the financial report of Australian Conservation Foundation Inc:
  - i presents fairly, in all material respects, the Association's financial position as at 30 June 2016 and of its performance and cash flows for the year then ended; and
  - ii complies with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Brock A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 7 October 2016

AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
AS AT 30 JUNE 2016



	NOTES	Restricted	Operating Unrestricted	2016 TOTAL \$	2015 \$
<b>Income</b>					
Operating activities		439,577	11,607,033	<b>12,046,610</b>	13,497,479
Non-operating activities		-	1,142,544	<b>1,142,544</b>	1,174,836
<b>Total Income</b>	<b>2 (a)</b>	<b>439,577</b>	<b>12,749,577</b>	<b>13,189,154</b>	<b>14,672,315</b>
<b>Expenditure</b>					
Environmental Impact Initiatives					
The Beautiful North		8,542	848,950	<b>857,492</b>	973,091
Healthy Ecosystems		151,441	974,137	<b>1,125,578</b>	1,131,491
Climate Change		72,910	764,174	<b>837,084</b>	1,039,912
Driving Sustainability		134,237	425,964	<b>560,201</b>	893,732
Community Engagement, Mobilising & Organising		172,003	3,123,476	<b>3,295,479</b>	2,102,682
<b>SubTotal</b>		<b>539,133</b>	<b>6,136,701</b>	<b>6,675,834</b>	<b>6,140,908</b>
Fundraising Expenditure					
Donor Acquisition		-	1,876,990	<b>1,876,990</b>	2,962,919
Donor Development		74,124	2,342,847	<b>2,416,971</b>	2,165,999
Operational costs of the 60 Leicester Street, Carlton Building		-	545,580	<b>545,580</b>	533,582
Administration and Restructure costs		-	992,128	<b>992,128</b>	1,039,768
<b>Total Expenses</b>	<b>2 (b)</b>	<b>613,257</b>	<b>11,894,246</b>	<b>12,507,503</b>	<b>12,843,176</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>(173,680)</b>	<b>855,331</b>	<b>681,651</b>	<b>1,829,139</b>
Net Unrealised gain / (loss) on revaluation of AFS financial assets	5	-	(49,708)	<b>(49,708)</b>	143,618
<b>TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR</b>		<b>(173,680)</b>	<b>805,623</b>	<b>631,943</b>	<b>1,972,757</b>

The Australian Conservation Foundation reports on its income and expenditure with transparency between: **unrestricted** funds -available for use at the Board's discretion, to further the objectives of the organisation- and **restricted** funds -set aside at the discretion of the Board for specific purposes and funds where the funder has suggested it to be used for a particular purpose (usually environmental initiatives).

**Environmental Impact Initiatives** expenditure includes all direct staff costs, campaign and travel expenditure incurred in relation to these environmental goals, including media, legal support, direct supporter engagement and (\*) Centrally Co-ordinated Support costs where directly attributable to those campaigns.

Fundraising Expenditure includes all direct staff, donor maintenance, direct costs and (\*) Centrally Co-ordinated Support costs. It also includes the upfront costs of acquiring new donors, which must be expensed in the year they are incurred, yet regular giving donors will supply income for years to come.

**Administration Costs** relate to the support functions such as Finance, General Operations, the office of the CEO, governance costs of the ACF Board and (\*) Centrally Co-ordinated Support costs.

(\*) Centrally Co-ordinated Support costs (Facilities, People and Culture and IT) have been apportioned on the basis of staff costs across the organisation.

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

AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016



	NOTES	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,552,228	4,986,021
Trade and other receivables	4	130,434	125,459
Financial assets	5	3,479,445	3,377,196
Other assets	6	159,479	37,042
<b>TOTAL CURRENT ASSETS</b>		<b>9,321,586</b>	<b>8,525,718</b>
<b>NON-CURRENT ASSETS</b>			
Artwork	7	10,775	10,250
Property, plant and equipment	8	9,032,906	9,070,686
Intangible assets	9	86,467	122,342
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,130,148</b>	<b>9,203,278</b>
<b>TOTAL ASSETS</b>		<b>18,451,734</b>	<b>17,728,996</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	749,905	713,513
Provisions	0	606,797	556,385
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,356,702</b>	<b>1,269,898</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	0	97,302	93,311
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>97,302</b>	<b>93,311</b>
<b>TOTAL LIABILITIES</b>		<b>1,454,004</b>	<b>1,363,209</b>
<b>NET ASSETS</b>		<b>16,997,730</b>	<b>16,365,787</b>
<b>EQUITY</b>			
Reserves & retained surplus		16,365,787	14,393,030
Surplus / (Deficit) for the current year		631,943	1,972,757
<b>TOTAL EQUITY</b>		<b>16,997,730</b>	<b>16,365,787</b>

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



**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR YEAR ENDED 30 June 2016**



<b>2015-16</b>	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Designated Purpose Funds Reserve	Unrestricted Operating Reserve	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Balance 1 July 2015</b>	9,069,380	239,214	3,231,753	358,000	3,467,440	16,365,787
Transfers to reserves	30,620	408,480	-	31,097	855,331	1,325,528
Transfers from reserves	-	(408,035)	-	(205,222)	(30,620)	(643,877)
Surplus / (Deficit) for year (subtotal)	30,620	445	-	(174,125)	824,711	681,651
Other Comprehensive Income	-	-	(49,708)	-	-	(49,708)
<b>Balance 30 June 2016</b>	<b>9,100,000</b>	<b>239,659</b>	<b>3,182,045</b>	<b>183,875</b>	<b>4,292,151</b>	<b>16,997,730</b>

<b>2014-15</b>	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Designated Purpose Funds Reserve	Unrestricted Operating Reserve	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Balance 1 July 2014</b>	9,069,380	517,505	2,438,705	-	2,367,440	14,393,030
Transfers to reserves	-	657,106	649,430	358,000	1,100,000	2,764,536
Transfers from reserves	-	(935,397)	-	-	-	(935,397)
Surplus / (Deficit) for year (subtotal)	-	(278,291)	649,430	358,000	1,100,000	1,829,139
Other Comprehensive Income	-	-	143,618	-	-	143,618
<b>Balance 30 June 2015</b>	<b>9,069,380</b>	<b>239,214</b>	<b>3,231,753</b>	<b>358,000</b>	<b>3,467,440</b>	<b>16,365,787</b>

**Purpose of Reserves**

Building fund reserve - represents reserves provided by the 60L Building donated to ACF on 01 July 2009 and set aside for future Capital Works and Improvements.

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, strategies and development needs of ACF. These reserves are underpinned by long term available for sale (AFS) financial assets. As such, the ACF Board has a policy of treating any unrealised movement in the value of the financial assets be allocated to the Endowment reserves.

Designated purpose fund reserve - specific purpose funds were allocated from the surplus of 2015 towards ACF's 50th year celebrations and expansion of our fundraising bequest and legacy programme for 3 years

Unrestricted operating reserve - represents reserves set aside from surpluses to provide the working capital needed to meet the fluctuating cash flow requirements of ACF, necessary due to the unequal nature of fundraising income receipts.

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

AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 30 June 2016



	NOTE	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, supporters and customers		11,693,427	10,986,139
Receipts from grants		186,775	544,968
Receipts from bequests		1,120,140	2,830,948
Interest & other investment income received		202,310	276,170
Payments to suppliers, contractors and employees		(12,255,105)	(12,714,064)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>14 (b)</b>	<b>947,547</b>	<b>1,924,161</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant & equipment; software & website		(195,594)	(249,118)
Net Proceeds on sale of financial assets		837,099	585,401
Net Payment for addition of financial assets		(1,022,845)	(1,395,331)
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>		<b>(381,340)</b>	<b>(1,059,048)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>566,207</b>	<b>865,113</b>
Cash and cash equivalents at the beginning of the financial year	<b>3</b>	<b>4,986,021</b>	4,120,908
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>3</b>	<b>5,552,228</b>	4,986,021

No single appeal, grant or other form of fundraising for a designated purpose generates 10% or more of the organisation's international aid and development revenue for the financial year.

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

## 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, and the Australian Charities and Not-For-Profits Commission Act 2012.

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 \$2,000 are included on each employees' payment summary.

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.

#### Property, plant and equipment

Each class of property, plant and equipment is carried at cost, 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 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 asset's 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 profit & loss and other 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.

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

The depreciation rates used for each class of depreciable asset are:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Office furniture and fittings	10 - 50%
Communications and information technology equipment	10 - 50%
Leasehold improvements	20 - 25%
Motor vehicles and accessories	20%
Buildings - at cost	2%
Intangibles (Software and Website)	30 - 50%

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

An asset's carrying amount is written down immediately to its recoverable amount if 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 Statement of Profit & Loss and Other Comprehensive Income. 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 costs are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The rapid evolution of web technology and digital engagement combined with the profound transformation of ACF itself combine to present great opportunity for ACF to update its web presence and capability in support of its strategic goals. This project will deliver a new website that is aligned with ACF strategy and centred on supporter needs. The new website was launched in June 2016 (the full upgrade will be completed by September 2016). Development costs have been capitalised and are amortised on a straight-line basis over their estimated useful life, as this asset is considered finite and subject to change in the technological age.

## Financial instruments

### *Recognition and Initial Measurement*

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

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

### *Derecognition*

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

### *Classification and subsequent measurement*

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

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

#### (ii) Loans and receivables

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

#### (iii) Held-to-maturity investments

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



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

(iv) Available for sale (AFS) financial assets

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

(v) Financial liabilities

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

*Fair value*

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

*Impairment*

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

**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 statement of comprehensive income. In relation to assets that are held to maturity, then the unrealised portion will also be brought to account in the statement of profit & loss and other comprehensive income. 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 determined by reference to market yields at the reporting date which have maturity dates approximating to the terms of ACF's obligations.

*Superannuation*

The amount charged to the Statement of Profit & Loss and Other 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**

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

**Critical accounting estimates and judgements**

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

**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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

**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 receives the bequest.
- 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 (and franking credits) are 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 profit and loss and other comprehensive income 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; therefore the fundraising activities income does not include 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 as compared to the income in the Statement of profit and loss and other comprehensive income.

Cost of fundraising: costs used in the Statement of Comprehensive Income include all direct fundraising costs in accordance with the Act. and (\*) Centrally Co-ordinated Support costs.

(\*) Centrally Co-ordinated Support costs (Facilities, People and Culture and IT) have been apportioned on the basis of staff costs across the organisation.

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 ceased being a signatory to the Australian Council for International Development Code of Conduct in March 2014.

**International aid and development programs**

The Australian Conservation Foundation ceased being a signatory to the ACFID Code of Conduct in March 2014, but remains committed to adhering to its high standards of corporate governance, public accountability and financial management.

The code sets out the standards of governance, management, financial control and reporting with which non-government development organisations must comply to maintain membership of ACFID. These organisations are required to become a signatory to and demonstrate compliance with the code before they are eligible to obtain accreditation with the Australian Government's overseas aid program. Compliance is met by submitting an annual report for assessment against established criteria and completing a self-assessment process designed by ACFID.

Information about the Code is available from [www.acfid.asn.au/code-of-conduct](http://www.acfid.asn.au/code-of-conduct) or by contacting ACFID on [main@acfid.asn.au](mailto:main@acfid.asn.au) or 02 6285 1816. Complaints relating to alleged breaches of the Code of Conduct by any signatory agency can be made by any member of the public to the ACFID Code of Conduct Committee.

Detailed disclosures and information are outlined in Note 20.

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 Profit & Loss and Other Comprehensive Income only if the value could be substantiated within the year as allowed by the Code of Conduct.

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.**

**New Accounting Standard and AASB Interpretations**

All new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (which are mandatory for annual periods beginning on or after 1 January 2015) were adopted in the current year where applicable. The adoption of these standards have not had a significant effect on the entity's financial position or performance.

**AASB 9 Financial instruments**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements

**AASB 15 Revenue from contracts with customers**

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue related Interpretations and:

- Establishes a new revenue recognition model
- Changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- Expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

**AASB 16 Financial instruments**

ACF is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the ACF's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

**Australian Charities & Not-for-profit Commission (ACNC)**

Australian Conservation Foundation successfully registered with the ACNC in 2012.  
ACF completed it's Annual Information Statement for submission by 31st December 2016.

## 2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR

Surplus for the year has been determined after:

	Restricted	Operating Unrestricted	2016 Total \$	2015 \$
<b>(a) Revenue</b>				
<u>Operating activities</u>				
Donations	6,625	10,323,167	10,329,792	9,807,258
Legacies and bequests	-	1,120,140	1,120,140	2,830,948
Subscriptions (Memberships)	-	151,219	151,219	210,665
Grants - Non-government	179,175	7,600	186,775	371,364
Grants - Government	-	-	-	173,604
Sponsorship, advertising & sales	28,772	43,879	72,651	20,559
Other income	225,005	(38,972)	186,033	83,081
<b>SubTotal</b>	<b>439,577</b>	<b>11,607,033</b>	<b>12,046,610</b>	<b>13,497,479</b>
<u>Non-operating activities</u>				
Investment income	-	200,206	200,206	244,727
Rental income from other sources	-	942,338	942,338	902,053
Net gain on disposal of financial assets	-	-	-	28,056
<b>SubTotal</b>	<b>-</b>	<b>1,142,544</b>	<b>1,142,544</b>	<b>1,174,836</b>
<b>Total Income</b>	<b>439,577</b>	<b>12,749,577</b>	<b>13,189,154</b>	<b>14,672,315</b>
<b>(b) Expenses</b>				
Administration & insurance	56,992	563,114	620,106	490,537
Depreciation and amortisation	-	268,724	268,724	310,372
Finance costs				
Auditor remuneration - audit or review services	1,500	37,028	38,528	38,000
Banking transaction costs	-	83,351	83,351	86,559
Net loss on disposal of financial assets	-	33,794	33,794	-
Net loss on disposal of property, plant and equipment	-	100,691	100,691	1,883
Bad debts expense	-	700	700	-
Investments	-	29,138	29,138	20,808
Marketing & fundraising (non-staff)	35,950	3,118,115	3,154,065	3,932,269
Occupancy costs	-	312,383	312,383	290,570
- Lease payments on operating leases	-	70,050	70,050	65,899
Program campaigning (non-staff)	381,071	490,222	871,293	844,533
Program travel	10,978	357,003	367,981	373,764
Recruitment and development	3,636	186,211	189,847	106,231
Staff and on-costs	123,130	6,243,722	6,366,852	6,281,751
<b>Total Expenditure</b>	<b>613,257</b>	<b>11,894,246</b>	<b>12,507,503</b>	<b>12,843,176</b>
<b>Surplus / (Deficit) for the year before Unrealised Movements</b>	<b>(173,680)</b>	<b>855,331</b>	<b>681,651</b>	<b>1,829,139</b>
Net Unrealised gain / (loss) on revaluation of AFS financial assets	-	(49,708)	(49,708)	143,618
<b>Surplus / (Deficit) for the year</b>	<b>(173,680)</b>	<b>805,623</b>	<b>631,943</b>	<b>1,972,757</b>

## 3. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
<b>CURRENT</b>		
Cash on hand	1,000	1,300
Cash at bank	2,841,778	2,925,855
Cash on term deposits	2,709,450	2,058,866
	<b>5,552,228</b>	<b>4,986,021</b>

The effective interest rate on short-term deposits was 2.85% (2015: 3.42%); these deposits are currently available at short notice.  
A credit facility with Westpac, undertaken in April 2008, was on an unsecured basis. The facility is not utilised at reporting date June 2016.

## 4. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
<b>CURRENT</b>		
Trade receivables	44,126	12,799
Provision for impairment of receivables	-	-
Other receivables	86,308	112,660
<b>Total trade and other receivables</b>	<b>130,434</b>	<b>125,459</b>



a) At 30 June 2016, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2016	44,126	44,126	-	-	-
2015	12,799	9,919	1,100	-	1,780

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

b) Provision for impairment loss

A provision for impairment loss is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment has been recognised in 2016 (2015: Nil)

## 5. FINANCIAL ASSETS

2016	Market Value 30/06/2015	Purchases / Acquisitions	Sales/ Withdrawals	Market Revaluation	Market Value 30/06/2016
	\$	\$	\$	\$	\$
Australian Equities - at fair value	2,513,745	480,432	(752,003)	(73,278)	2,168,896
Australian Property - at fair value	151,475	150,888	(41,812)	24,853	285,404
International Equities - at fair value	212,014	222,602	(77,075)	(5,090)	352,451
Fixed Interest - at fair value	199,962	368,925	-	3,807	572,694
Other financial securities	300,000	-	(200,000)	-	100,000
	<b>3,377,196</b>	<b>1,222,847</b>	<b>(1,070,890)</b>	<b>(49,708)</b>	<b>3,479,445</b>

All financial assets have been designated as available for sales (AFS) financial assets

ACF investments are separated into each of the major asset classes as this presentation better reflects the nature and performance of the financial assets held.

ACF investments were previously presented as: Equity Trust, Property Trust and Equity Shares.

## 6. OTHER ASSETS

	2016	2015
CURRENT	\$	\$
Prepayments	158,229	27,179
Accrued income	1,250	9,863
	<b>159,479</b>	<b>37,042</b>

## 7. ARTWORK NON-CURRENT

	2016	2015
	\$	\$
Artwork - at fair value	10,775	10,250
	<b>10,775</b>	<b>10,250</b>

## 8. PROPERTY, PLANT & EQUIPMENT NON-CURRENT

	2016	2015
	\$	\$
Land & buildings	9,129,117	9,055,391
Accumulated depreciation	(489,657)	(386,674)
	<b>8,639,460</b>	<b>8,668,717</b>
Office furniture and fittings - at cost	514,821	494,913
Accumulated depreciation	(434,925)	(412,462)
	<b>79,896</b>	<b>82,451</b>
Communications & information technology equipment - at cost	1,128,063	1,059,530
Accumulated depreciation	(934,507)	(869,408)
	<b>193,556</b>	<b>190,122</b>
Leasehold improvements - at cost	172,840	147,339
Accumulated depreciation	(52,846)	(17,943)
	<b>119,994</b>	<b>129,396</b>
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
	<b>-</b>	<b>-</b>
<b>TOTAL Property Plant &amp; Equipment Written-Down-Value (WDV)</b>	<b>9,032,906</b>	<b>9,070,686</b>

8. **PROPERTY, PLANT & EQUIPMENT (continued)**

**Movements in carrying amounts**

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

<b>2016</b>	<b>WDV Balance 1/07/2015 \$</b>	<b>Additions \$</b>	<b>Transfers &amp; Write-offs \$</b>	<b>Depreciation expense \$</b>	<b>WDV Balance 30/06/2016 \$</b>
Land & buildings	8,668,717	73,726	-	(102,983)	8,639,460
Office furniture and fittings	82,451	19,908	-	(22,463)	79,896
Computers & ICT	190,122	77,072	(261)	(73,377)	193,556
Leasehold improvements	129,396	25,501	-	(34,903)	119,994
	<b>9,070,686</b>	<b>196,207</b>	<b>(261)</b>	<b>(233,726)</b>	<b>9,032,906</b>

<b>2015</b>	<b>WDV Balance 1/07/2014 \$</b>	<b>Additions \$</b>	<b>Transfers &amp; Write-offs \$</b>	<b>Depreciation expense \$</b>	<b>WDV Balance 30/06/2015 \$</b>
Land & buildings	8,692,497	69,823	-	(93,603)	8,668,717
Office furniture and fittings	62,591	32,972	-	(13,112)	82,451
Computers & ICT	217,556	58,964	(1,619)	(84,779)	190,122
Leasehold improvements	63,052	82,202	-	(15,858)	129,396
	<b>9,035,696</b>	<b>243,961</b>	<b>(1,619)</b>	<b>(207,352)</b>	<b>9,070,686</b>

9. **INTANGIBLE ASSETS**

**NON-CURRENT**

	<b>2016 \$</b>	<b>2015 \$</b>
Computer software & website (development costs)	981,883	1,100,012
Accumulated amortisation	(895,416)	(977,670)
	<b>86,467</b>	<b>122,342</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>2016</b>	<b>WDV Balance 30/06/2015 \$</b>	<b>Additions \$</b>	<b>Transfers &amp; Write-offs \$</b>	<b>Amortisation expense \$</b>	<b>WDV Balance 30/06/2016 \$</b>
Website & computer software	122,342	88,586	(89,463)	(34,998)	86,467
	<b>122,342</b>	<b>88,586</b>	<b>(89,463)</b>	<b>(34,998)</b>	<b>86,467</b>

<b>2015</b>	<b>WDV Balance 30/06/2014 \$</b>	<b>Additions \$</b>	<b>Transfers &amp; Write-offs \$</b>	<b>Amortisation expense \$</b>	<b>WDV Balance 30/06/2015 \$</b>
Website & computer software	218,585	7,042	(264)	(103,021)	122,342
	<b>218,585</b>	<b>7,042</b>	<b>(264)</b>	<b>(103,021)</b>	<b>122,342</b>

10. **TRADE & OTHER PAYABLES**

**CURRENT**

	<b>2016 \$</b>	<b>2015 \$</b>
Trade payables	520,371	406,555
Sundry payables & accruals	172,281	232,281
Deferred membership income	57,253	74,677
	<b>749,905</b>	<b>713,513</b>

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

11. **PROVISIONS**

**a) CURRENT**

	<b>2016 \$</b>	<b>2015 \$</b>
Provision for employee benefits (annual and long-service leave)	606,797	556,385

**b) NON-CURRENT**

	<b>2016 \$</b>	<b>2015 \$</b>
Provision for employee benefits (long-service leave)	97,302	93,311
	<b>704,099</b>	<b>649,696</b>

As at 30 June 2016, there were 60 fulltime equivalent staff (FTE) (2015 - 60) within ACF. A further 4 FTE were vacant at 30 June (2015 - 3.6). Headcount was at 30 June 2016, 70 (2015 - 70).

12. LEASE COMMITMENTS	2016	2015
Operating lease commitments for rent of the Cairns, Canberra, Sydney, Brisbane and Broome offices.	\$	\$
Payable within 1 year	46,617	22,784
Payable later than 1 but within 5 years	35,307	-
Payable later than 5 years	-	-
	81,924	22,784

The lease for the Cairns property is a non-cancellable lease with a 1 yr term, with rent payable monthly in advance

The lease for the Canberra property is a non-cancellable lease with a 3 yr term, with rent payable monthly in advance

The lease for the Broome property is a non-cancellable lease with a 1 year term, with rent payable monthly in advance

For the Sydney and Brisbane property, ACF has signed monthly leases

13. AUDITOR'S REMUNERATION	2016	2015
	\$	\$
Audit of financial statements	38,528	38,000
Other services	-	-
<b>Total Auditor's Remuneration</b>	<b>38,528</b>	<b>38,000</b>

14. NOTES TO CASH FLOW STATEMENT	2016	2015
(a) Reconciliation of cash	\$	\$
For the purposes of the cash flow statement, cash includes cash on hand, cash at bank and cash on deposit as per Note 3.		
(b) Reconciliation of net cash provided by operating activities to surplus for the year		
Surplus / (deficit) for the year	631,943	1,972,757
<u>Non-cash flows from surplus</u>		
Depreciation of property, plant and equipment	233,726	207,352
Amortisation of intangible assets	34,998	103,020
Provision for doubtful debts	-	-
Net (gain) / loss on disposal of financial assets & property, plant and equipment	33,792	(28,056)
Unrealised (gains) / losses on financial assets	49,708	(143,618)
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in receivables	(31,327)	17,201
(Increase) / decrease in other assets	(96,088)	30,650
Increase / (decrease) in payables / other liabilities	36,392	(229,914)
Increase / (decrease) in provisions	54,403	(5,231)
<b>Net cash provided by operating activities</b>	<b>947,547</b>	<b>1,924,161</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.		

#### 15. 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) and are responsible for planning, directing and managing ACF activities. Personnel who were members of the Executive during the year, and their respective positions and appointment dates to those positions were:

Kelly O'Shanassy	Chief Executive Officer	Appointed: April 2014
Paul Sinclair	Director of Campaigns	Appointed: April 2013
Mal Lewis	Director Finance and Operations	Appointed: January 2011 / Resigned: July 2016
Brad Armstrong	Director Finance and Operations (Acting)	Appointed: April 2016
Angela Rutter	Director of Engagement	Appointed: November 2014
Cheryl Pultz	Director of Fundraising	Appointed: February 2015

	2016	2015
<b>Short term benefits</b>	<b>\$</b>	<b>\$</b>
Remuneration paid	776,428	645,755
<b>TOTAL Short-term benefits</b>	<b>776,428</b>	<b>645,755</b>
<b>Long term benefits</b>		
Superannuation contributions	72,148	61,375
Long service leave paid	-	16,706
<b>TOTAL Long term benefits</b>	<b>72,148</b>	<b>78,081</b>
<b>Total Compensation</b>	<b>848,576</b>	<b>723,836</b>

**16. ASSOCIATION INFORMATION**

Registered name	Australian Conservation Foundation Incorporated
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.

**17. SEGMENT INFORMATION**

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

**18. CONTINGENT LIABILITIES**

There are no contingent liabilities that have been incurred by ACF in relation to 2016 or 2015.

**19. EVENTS AFTER BALANCE DATE**

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

During the current financial year ACF applied to the Federal Court to have the Federal Minister's approval for the Carmichael mine overturned. Subsequent to 30 June 2016, the Federal Court found against ACF and awarded partial costs against ACF. The ACF Board resolved to appeal against this decision. Should ACF lose the appeal, it may be liable for court costs. Whilst the amount of the potential liability is unknown, significant funds have already been raised and there is a high level of confidence that additional fund raising would be successful.

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

	2016 \$	2015 \$
Total ACF fundraising income for the year	<u>12,046,610</u>	<u>13,497,479</u>
However, for the purposes of the NSW Charitable Fundraising Act only certain classes of income are included under the definition of 'fundraising income'		
<u>Excluded is income from</u> bequests, membership, government grants and unsolicited donations	<u>1,424,642</u>	<u>3,304,730</u>

The following figures are those applicable under the NSW Act's classification.

<b>Details of total income and expenditure from fundraising activities (As classified by the NSW Charitable Fundraising Act)</b>	2016 \$	2015 \$
Total income from fundraising activities	10,621,968	10,192,749
Less total expenditure on fundraising activities	(4,206,102)	(4,510,625)
Net surplus from fundraising activities	<u>6,415,866</u>	<u>5,682,124</u>

**Information on material matters**

All fundraising activities achieved the targeted returns under the NSW Charitable Fundraising Act. 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, and distorts the true return of ACF fundraising activities.

**Application of funds for charitable purposes**

During the year ACF achieved a net surplus of \$6,415,866 (2015 \$5,682,124) from fundraising activities as defined under the NSW Charitable Fundraising Act. Of this surplus, \$6,675,839 (2015 \$6,140,908) was used to fund environmental programs; no funds were available for allocation to the endowment fund and operating reserves for future development and cash flow needs. \$713,667 was allocated to organisational support (2015 \$807,752).

#### Fundraising conducted jointly with external service providers

ACF engages external service providers to assist in the face-to-face recruitment of new donors for its EarthVoice monthly giving program, to assist in the development of 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.

	2016 \$	2015 \$
Gross income from fundraising activities involving external service providers	7,010,000	5,720,000
Gross expenditure on fundraising activities involving external service providers	(1,213,954)	(1,922,103)
Gross Contribution	5,796,046	3,797,897

*ACF produces its appeal fundraising activity in-house, and only uses external suppliers for recruitment of supporters. Only face-to-face income and costs with external providers are detailed here.*

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

EarthVoice monthly giving program

Mail appeals - July, September, November, 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 \$	2016 %	2015 %
Total cost fundraising/Gross proceeds of fundraising	4,206,102	10,621,968	40%	44%
Net surplus from fundraising/Gross proceeds of fundraising	6,415,866	10,621,968	60%	56%
Environmental programs expenditure/Expenditure	6,008,150	12,507,503	48%	44%
Environmental programs expenditure/Income	6,008,150	13,189,154	46%	39%

ACF relies significantly on its regular giving program EarthVoice, and thus requires significant investment each year. The return on this investment, as is usual for this type of program, is achieved over a number of years, and distorts the true return of ACF fundraising activities, as reported against the NSW Charitable Fundraising Act provisions.

## 21. 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 2016.

	NOTES	2016 \$	2015 \$
<b>Financial assets</b>			
Cash and cash equivalents	3	5,552,228	4,986,021
Trade and other receivables	4	130,434	125,459
Financial assets at fair value through profit or loss			
- Equity investments	5	3,379,445	3,077,196
- Other financial securities	5	100,000	300,000
		9,162,107	8,488,676
<b>Financial liabilities</b>			
Trade and other payables	10	749,905	713,513
		749,905	713,513

#### i. Treasury risk management

A Finance, Audit & Risk Committee consisting of Board and independent members 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 at call funds are maintained.
- *Credit risk* - The maximum exposure to credit risk, excluding the value of any collateral or other security, at the 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's investment policy ensures a maximum exposure to individual stocks can be held, and across sectors, to ensure a balanced portfolio.

**(b) Interest rate risk**

ACF is exposed to interest rate risk on cash on deposit. The Foundation 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% (2015: +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.

		2016 \$	2015 \$
<b>Cash on deposit</b>			
Net result - Increase/(Decrease)	+2%	47,683	45,990
Net result - Increase/(Decrease)	-1%	(23,842)	(22,995)
<b>Equity</b>			
Equity	+2%	34,297	35,208
Equity	-1%	(17,149)	(17,604)

**(c) Liquidity risk**

Liquidity risk arises from the possibility that ACF might encounter difficulty in settling its obligations related to financial liabilities.

To help reduce these risks ACF has:

- a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitoring of budget to actual performance on a regular basis; and
- monitor, review and report the price movements of all investment assets on a monthly basis.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

2016	Within 1 Year	Greater than 1 Year	Total
<b>Financial liabilities due for payment</b>			
Trade and other payables	1,403,319	132,609	1,535,928
<b>Total expected outflows</b>	<b>1,403,319</b>	<b>132,609</b>	<b>1,535,928</b>
<b>Financial assets - cash flows realisable</b>			
Cash and cash equivalents	5,552,228	-	5,552,228
Trade and other receivables	130,434	-	130,434
Financial assets at fair value through profit or loss	-	-	-
- Equity investments	3,379,445	-	3,379,445
- Other financial securities	100,000	-	100,000
<b>Total anticipated inflows</b>	<b>9,162,107</b>	<b>-</b>	<b>9,162,107</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>7,758,788</b>	<b>(132,609)</b>	<b>7,626,179</b>

2015	Within 1 Year	Greater than 1 Year	Total
<b>Financial liabilities due for payment</b>			
Trade and other payables	1,292,682	93,311	1,385,993
<b>Total expected outflows</b>	<b>1,292,682</b>	<b>93,311</b>	<b>1,385,993</b>
<b>Financial assets - cash flows realisable</b>			
Cash and cash equivalents	4,986,023	-	4,986,023
Loans and receivables	125,459	-	125,459
Financial assets at fair value through profit or loss	-	-	-
- Equity investments	3,077,196	-	3,077,196
- Other financial securities	300,000	-	300,000
<b>Total anticipated inflows</b>	<b>8,488,678</b>	<b>-</b>	<b>8,488,678</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>7,195,996</b>	<b>(93,311)</b>	<b>7,102,685</b>

**(d) Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

ACF is exposed to securities price risk on financial assets at fair value through profit or loss. Such risk is managed through diversification of investments across industries.

**(e) Net fair values**

The net fair values of listed investments have been valued at the quoted market bid price at the reporting date.

For other assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.



(f) Fair value hierarchy

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

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

2016	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Australian Equities	2,118,896	-	50,000	<b>2,168,896</b>
Australian Property	285,404	-	-	<b>285,404</b>
International Equities	352,451	-	-	<b>352,451</b>
Fixed Interest	572,694	-	-	<b>572,694</b>
Other financial securities	100,000	-	-	<b>100,000</b>
	<b>3,429,445</b>	-	<b>50,000</b>	<b>3,479,445</b>

ACF investments are separated into each of the major asset classes as this presentation better reflects the nature and performance of the financial assets held.

ACF investments were previously presented as: Equity Trust, Property Trust and Equity Shares.

The Level 3 investment is a minority interest in a business that provides banking services to the Australian non for profit sector

2015	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Equity trusts	-	565,276	-	<b>565,276</b>
Property trusts	90,424	-	-	<b>90,424</b>
Equity share portfolio	2,371,496	-	50,000	<b>2,421,496</b>
Other financial securities	300,000	-	-	<b>300,000</b>
	<b>2,761,920</b>	<b>565,276</b>	<b>50,000</b>	<b>3,377,196</b>