

Annual Financial Report

For the year ended
30 June 2018



**AUSTRALIAN
CONSERVATION
FOUNDATION**

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

The Board of the Australian Conservation Foundation Inc. (ACF) presents their statement together with the financial statements for the financial year ended 30 June 2018 and the Independent Auditor's Report thereon.

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

THE BOARD

The role of the Board is to oversee the governance, compliance, review and risk management of the organisation with a focus on the broader issues of organisational purpose and strategy. Importantly, this includes approving and monitoring the implementation of ten-year, three-year and annual plans and ensuring that the organisation operates efficiently and effectively.

We are grateful to have the expertise of a diverse, volunteer Board, comprising of seven ACF Councillors – ACF's President and Vice Presidents and four Councillors elected to the Board – and up to four further members appointed (co-opted) by Council.

Board members contribute a broad range of expertise, interest and involvement in environmental work, dedication to ACF's purpose, values and strategy for change, and commitment to the organisation.

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

Mara Bún – President and Chair of the Board (*Appointed December 2017*)

Businesswoman, executive and activist, Mara Bún, is ACF's first female President. Mara's impressive career includes positions at CSIRO, Macquarie Bank, Canstar, CHOICE, The Allen Consulting Group, Greenpeace, Morgan Stanley, overseas development (Nepal), and most recently at Green Cross Australia. As Chair of the Board of Gold Coast Waterways Authority and a non-executive director on the Boards of Australian Ethical Investment Ltd and Enova Community Energy, Mara has extensive expertise in finance, technology, climate resilience, public policy and community sectors. She combines a passion for protecting our wildlife and beautiful places, with an innovative and strongly collaborative approach and an enormous respect for community and people power. In her private life, Mara was born in Brazil, schooled in the USA and now is a Queenslander, living in the hinterlands above the Gold Coast.

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

Nadia is a human ecologist and social change agent currently serving as the President of the Conservation Council of South Australia. She has an extensive history of work in the environment and sustainability arena and 30 years' experience with NGO management, with expertise in 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.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

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

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

Mary Latham – Treasurer (*Appointed November 2013*)

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

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

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

Erika Avellaneda (*Appointed December 2015*)

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

Jimmy Cocking (*Appointed November 2012*)

Jimmy is an environmentalist and community leader based in Alice Springs. He is the CEO of the Arid Lands Environment Centre as well as being a Director of Desert Knowledge Australia, a founding co-Director of Wide Open Space Festival and an Alice Springs Town Councillor. He has a strong connection to his local community and is keen to represent the issues facing northern and central Australia. Jimmy has represented the Northern Territory on the ACF Council since 2012 and is a member of the Board's Finance, Audit and Risk Committee.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

David Morris (*Appointed December 2015*)

David is Chief Executive Officer – Solicitor at EDO NSW. Previously Principal Lawyer and Executive Officer of EDONT, David has a litigation background, practising public interest environmental law with particular focus on legal issues related to mining, gas, water and cultural heritage. Prior to EDONT, David worked in Maddocks Planning and Environment Team and was a prosecutor with the Victorian Department of Sustainability and Environment. David has also played a leadership role in policy and law reform advocacy and taught various environment and planning law subjects at Charles Darwin University. In 2015, David, was awarded the Mahla Pearlman AO, Young Australian Environmental Lawyer of the Year Award by the Law Council of Australia.

Anne Poelina (*Appointed May 2016*)

Anne is a Nyikina Warrwa 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) a Director and Deputy Chair of the Walalakoo Prescribed Body Corporate and the Chair of the Martuwarra Fitzroy River Council, Anne has represented Western Australia on Council since 2015.

Timothy Chapman (*Appointed July 2017*)

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

Bob Welsh (*Appointed November 2017 and Resigned February 2018*)

Bob was briefly a member of the Board, however was unable to remain for personal reasons.

ACF is indebted to **Geoff Cousins AM**, who resigned in November 2017 having provided outstanding service to ACF over his three-year tenure as President and Chair of the Board.

Board Committees

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

Finance, Audit and Risk Committee

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

60L Management Committee

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

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD**

Board Meetings Held and Attended During the Year

		Board Meetings Attended *
Geoff Cousins	Ex-Officio	3 of 3
Mara Bún	Ex-Officio	3 of 3
Nadia McLaren	Ex-Officio	5 of 6
Piers Verstegen	Ex-Officio	6 of 6
Mary Latham	Co-opted	6 of 6
Jon Anstey	Co-opted	3 of 6
Erika Avellaneda	Councillor	3 of 6
Jimmy Cocking	Councillor	6 of 6
David Morris	Councillor	6 of 6
Anne Poelina	Co-opted & Councillor	3 of 6
Tim Chapman	Councillor	6 of 6
Bob Welsh	Co-opted	0 of 0

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

Corporate Governance Standards

The Board of ACF is a strong advocate of good corporate governance, high ethical standards and the importance of a strong and positive organisational culture. The Board is committed to fulfilling its governance obligations as a charity and an incorporated association for the best interests of members, staff, supporters and stakeholders.

The Board is governed by the Constitution, Regulations and Policies including the Board Accountability Statement and is committed to ensuring all statutory, regulatory and compliance duties are adhered to.

Conflicts of Interest

ACF’s Conflicts of Interest Guideline provides a comprehensive and practical process for identifying and managing conflicts of interest for Board, Council and staff. Board members’ declared standing and potential perceived conflicts, and the Board’s management of them, are recorded in the Minutes of Board meetings and on the Board’s Register of Interests.

Performance

The Board’s Accountability Statement includes a set of key performance indicators for the effective conduct of its role and responsibilities. During each three-year term, the Board reviews its Accountability Statement and ACF Council conducts a review of the Board’s performance, meeting process and reporting. The Board’s skills matrix is reviewed annually by the Hon. Secretary, the Board and Council, or more frequently as required.

Delegations

Effective oversight is achieved through delegation to the CEO and her team who report on activity and performance. In particular, the CEO is accountable to the Board for

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD**

implementation of the three-year and annual plans, and for operational outcomes within the framework of policy and systems determined by the Board. The CEO reports to the Board on activities and progress against well-defined performance targets.

Auditors Independence Declaration

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

AUSTRALIAN CONSERVATION FOUNDATION INC.**STATEMENT BY THE BOARD**


In the opinion of the Board,

- (a) the financial report set out on pages 12 to 29 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2018 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.



Mara Bún
President
27 September 2018



Mary Latham
Treasurer
27 September 2018

STATEMENT BY MANAGEMENT

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

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



Kelly O'Shanassy
Chief Executive Officer
27 September 2018



Anthony Moore
Director of Finance & Operations
27 September 2018

**AUSTRALIAN CONSERVATION FOUNDATION INC.
FUNDRAISING DECLARATION FOR THE YEAR ENDED 30 JUNE 2018**

This declaration is made in accordance with Authority Condition 7(3) issued by the Minister under Section 19 of the NSW Charitable Fundraising Act 1991 ("the Act").

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

- a. the statement of profit or loss gives a true and fair view of all income and expenditure of ACF with respect to fundraising appeals;
- b. the statement of financial position gives a true and fair view of the state of affairs of ACF with respect to fundraising appeals conducted by ACF;
- c. the provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by ACF; and
- d. the internal controls exercised by ACF are appropriate and effective in accounting for income received and applied by ACF from any of its fundraising appeals.



Mary Latham

Treasurer

27 September 2018

State and Territory Government Fundraising Legislation Requirements

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

Australian Conservation Foundation holds the following licences:

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

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

Auditor's Independence Declaration

To the Members of Australian Conservation Foundation Inc

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Australian Conservation Foundation Inc for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner - Audit & Assurance

Melbourne, 27 September 2018

Independent Auditor's Report

To the Members of Australian Conservation Foundation Inc

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Conservation Foundation Inc (the "Foundation"), which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Australian Conservation Foundation Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Foundation's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities – Reduced Disclosure Requirements and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 27 September 2018

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenue			
Operating activities		12,581,025	11,978,430
Non-operating activities		1,455,563	1,475,634
Total revenue	2(a)	14,036,588	13,454,064
Expenses			
Environmental impact initiatives			
Nature and places		1,033,710	1,392,475
Climate		984,750	966,099
Environmental economics and democracy		482,576	402,065
Community organising		1,149,117	683,831
Community mobilising and engagement		3,019,472	2,529,226
		6,669,625	5,973,696
Fundraising		4,613,734	4,582,690
Management and operations		1,357,689	1,316,208
Non-operating activities		502,174	482,646
Total expenses	2(b)	13,143,222	12,355,240
Net surplus for the year		893,366	1,098,824
Surplus generated from current year revenues		1,091,316	1,292,374
Expenses funded from reserves		(197,950)	(193,550)
Net surplus for the year		893,366	1,098,824

Refer to Note 1b for an explanation of the expense categories.

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	3	6,680,792	6,985,225
Trade and other receivables	4	114,931	146,740
Investments	5	4,282,872	3,526,817
Other assets	6	157,856	69,579
Total current assets		11,236,451	10,728,361
Non-current assets			
Property, plant and equipment	7	8,927,028	8,951,979
Intangible assets	8	477,851	78,575
Total non-current assets		9,404,879	9,030,554
Total assets		20,641,330	19,758,915
Current liabilities			
Trade and other payables	9	712,994	740,431
Provisions	10	772,797	782,931
Other liabilities	11	74,341	73,754
Total current liabilities		1,560,132	1,597,116
Non-current liabilities			
Provisions	10	91,278	65,245
Total non-current liabilities		91,278	65,245
Total liabilities		1,651,410	1,662,361
Net assets		18,989,920	18,096,554
Equity			
Reserves		18,096,554	16,997,730
Net surplus for the year		893,366	1,098,824
Total equity		18,989,920	18,096,554

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Operating activities			
Receipts from members, donors and supporters		11,156,848	11,096,079
Receipts from bequests		1,451,059	881,846
Receipts from investments and tenants		1,323,984	1,340,087
Payments to staff and suppliers		(12,877,392)	(11,641,934)
Net cash provided by operating activities		<u>1,054,499</u>	<u>1,676,078</u>
Investing activities			
Purchase of property, plant & equipment		(253,778)	(207,277)
Payments for capitalised software		(477,851)	-
Proceeds from disposal of investments		622,353	1,355,383
Purchase of investments		(1,249,656)	(1,391,188)
Net cash used in investing activities		<u>(1,358,932)</u>	<u>(243,082)</u>
Net change in cash and cash equivalents		(304,433)	1,432,996
Cash and cash equivalents at the beginning of the year		6,985,225	5,552,229
Cash and cash equivalents at the end of the year	3	<u>6,680,792</u>	<u>6,985,225</u>

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

2018	<u>Unrestricted Reserves</u>					<u>Restricted</u>	Accumulated Surplus	Total
	Operating	Environ-mental Impact	Designated Purpose	Endowment Fund	60L Building	Environ-mental Programs		
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	4,584,525	1,000,000	115,034	3,182,045	9,100,000	114,950	-	18,096,554
Net surplus for the year	-	-	-	-	-	-	893,366	893,366
Expenses funded from reserves	-	(4,150)	(78,850)	-	-	(114,950)	197,950	-
	4,584,525	995,850	36,184	3,182,045	9,100,000	-	1,091,316	18,989,920
Reserve allocations	341,316	750,000	-	-	-	-	(1,091,316)	-
Balance at 30 June 2018	4,925,841	1,745,850	36,184	3,182,045	9,100,000	-	-	18,989,920
2017	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	4,292,151	-	183,875	3,182,045	9,100,000	239,659	-	16,997,730
Net surplus for the year	-	-	-	-	-	-	1,098,824	1,098,824
Expenses funded from reserves	-	-	(68,841)	-	-	(124,709)	193,550	-
	4,292,151	-	115,034	3,182,045	9,100,000	114,950	1,292,374	18,096,554
Reserve allocations	292,374	1,000,000	-	-	-	-	(1,292,374)	-
Balance at 30 June 2017	4,584,525	1,000,000	115,034	3,182,045	9,100,000	114,950	-	18,096,554

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

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

**AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information and statement of compliance

Australian Conservation Foundation Inc. (ACF) is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991* (ACT). These financial statements cover ACF, its state offices, its unincorporated branches and its wholly owned, non-trading subsidiary ACF Enterprises Pty Ltd as a consolidated entity. The address of its registered office is Suite 12, Floor 1, Bailey's Corner, 143 London Circuit, Canberra, ACT 2601 and its principal place of business is Level 1, 60 Leicester Street, Carlton, Victoria 3053. ACF registered with the ACNC in 2012 and has complied with its obligations to submit Annual Information Statements. The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board on 27 September 2018.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. ACF is a not-for-profit entity for the purpose of preparing the financial statements. Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year and this has been disclosed.

Early adoption of standards

The company has elected to apply AASB 9 *Financial Instruments* as issued in December 2014 for the period beginning 1 July 2017. The early adoption has resulted in the financial assets (investments) being reclassified from available for sale (AFS) investments to fair value through profit or loss (FVTPL) investments. This has not resulted in a change to carrying values however it has resulted in a reclassification of the unrealised gain on the change in carrying value of \$128,754 (2017: \$115,209) from Other Comprehensive Income to Revenue in the profit and loss statement. The early adoption has not had any significant impact on financial assets (trade receivables) and financial liabilities (trade payables) as they are accounted for at amortised costs during the current and prior financial years. The early adoption has necessitated the revision of related accounting policies as detailed in part (f) of this note.

Accounting policies

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

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense and are more fully described below.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

a. Revenue

Revenue comprises fundraising activities, investment income and rent from tenants located in ACF's building in Carlton. Revenue is measured by reference to the fair value of consideration received or receivable by ACF and is stated net of the amount of goods and services tax (GST). Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of ACF's different activities have been met. Details of the activity-specific recognition criteria are described below:

- Memberships subscription revenue is initially recognised as deferred income, then recognised in the profit or loss account over the period to which the membership relates.
- Donation revenue is recognised when the funds are transferred into ACF's bank account.
- Monetary bequests are recognised as revenue when the funds are transferred into ACF's bank account. Bequests of shares or other property are recognised at market value on the date ACF becomes legally entitled to the asset.
- Rental income is recognised on a straight-line basis over the period of the lease term to reflect a constant periodic rate of return.
- Revenue from the sale of goods or provision of services is recognised upon the delivery of goods or services to the supporter.
- Interest income is recognised on an accrual basis using the effective interest method. Dividend and other investment income is recognised at the time the right to receive payment is established.

b. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. The statement of profit or loss categorises operating expenses according to activity under the following headings:

Nature and places:	Campaigning to create strong laws to protect the air we breathe, the water we drink and the places and wildlife we love
Climate:	Campaigning to cut pollution and power Australia with clean energy from the sun and wind
Environmental economics and democracy:	Campaigning to make economic decisions that support life, not damage it
Community organising:	Growing an active community of volunteers who are prepared to show up and speak out for nature
Community mobilising and engagement:	Building people power through our more than half a million supporters
Fundraising:	Caring for our existing donors and acquiring new donors
Management and operations:	Providing the critical organisational resources that underpin our work

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

c. Intangible assets

Acquired software licences and website development are capitalised based on the costs incurred to acquire and install the intangible asset. Capitalised costs are amortised on a straight-line basis over their estimated useful lives (typically 3 to 5 years), as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date and are subject to impairment testing. Subsequent expenditure on the maintenance of software and website is expensed in the period it is incurred.

d. Property, plant and equipment

Plant and equipment are initially recognised at acquisition cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by ACF. Plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually to ensure it is not more than its recoverable amount. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's use and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Property, plant and equipment assets are depreciated on a straight-line basis over their useful lives, commencing from the time an asset is held ready for use. The following useful lives are applied:

- Buildings 50 years
- Office furniture 2 - 10 years
- Office fit-out 2 - 10 years
- ICT equipment 2 - 5 years
- Motor vehicles 5 years

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount is written down immediately to its recoverable amount if it is greater than that recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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e. Leases

Where ACF is a lessee of office space, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

f. Financial instruments

ACF has changed its accounting policy for financial instruments following early adoption of AASB 9 *Financial Instruments*. From 1 July 2017, ACF classifies financial assets into three measurement categories at initial recognition (or on transition to AASB 9):

- those measured at fair value through the profit and loss,
- those measured at amortised cost, and
- those measured at fair value through other comprehensive income.

In accordance with the standard, the classification depends upon the business objective for holding the financial asset and the characteristics of the cash flows that will be derived from the asset.

Recognition and initial measurement and derecognition

Financial instruments, incorporating financial assets and financial liabilities, are recognised when ACF becomes a party to the contractual provisions of the financial instrument.

Financial instruments are initially measured at fair value adjusted by transaction costs, except instruments classified as at fair value through profit or loss where transaction costs are expensed to profit or loss immediately.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

(ii) Payables

Payables are non-derivative financial liabilities, measured at amortised cost using the effective interest rate method. If applicable, interest-related charges are reported in profit or loss and included within finance costs.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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(iii) Investments

ACF's investments are held with the business objective of both collecting the cash flows (interest, dividends, distributions and principal) and to profit from the sale of investments that have increased in value. ACF's investments are all exposed to the risk of volatility in value and in the cashflows that are derived from the investment. Accordingly, ACF's investments are classified as "financial assets at fair value through profit or loss (FVTPL)." Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

g. Taxes

Income Taxes - No provision for income tax has been raised as ACF is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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

Good and Services Tax (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 Taxation Office. In these circumstances the GST is recognised as part of the cost of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows. The net amount of GST recoverable from the ATO is included as part of receivables.

h. Employee benefits

Wages, salaries and annual leave

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

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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
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Superannuation

ACF provides post-employment benefits to employees through defined contribution superannuation plans. Contributions are expensed to the profit or loss account as they are incurred.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call and other short-term highly liquid investments that are readily converted into known amounts of cash and which are subject to an insignificant risk of changes in value.

j. Reserves

The purpose of ACF reserves are as follows:

Operating Reserve - The purpose of this reserve is to stabilise short term fluctuations in cashflows to ensure ACF is financially resilient and can continue its environmental activities uninterrupted.

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

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

60L Building Reserve - A reserve representing the 2009 donated value of the 60L Green Building in Carlton, Victoria, recognising ACF's long-term intention to maintain it as its home.

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

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

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

k. Restricted / unrestricted funds

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

l. Critical accounting estimates and judgements

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. NET SURPLUS FOR THE YEAR

	2018	2017
	\$	\$
Net surplus for the year has been determined after:		
a) Revenue		
Operating activities		
Donations	10,957,221	10,925,776
Bequests	1,451,059	881,846
Membership subscriptions	135,104	117,817
Sponsorship, events, royalties and other revenue	37,641	52,991
	12,581,025	11,978,430
Non-operating activities		
Rent and outgoings income from tenants	1,012,971	988,915
Investment income:		
Interest income	129,197	134,450
Dividend income	184,641	225,486
Net gain on disposal of investments	-	11,574
Net gain on change in value of FVTPL investments	128,754	115,209
	1,455,563	1,475,634
Total Revenue	14,036,588	13,454,064
b) Expenses		
Salaries, superannuation and other staff costs	6,838,890	6,197,489
Events and community activities	526,438	526,392
External service provider donor acquisition costs	2,349,998	2,221,092
Marketing and communication expenses	959,341	1,058,394
Technology and operational expenses	669,486	547,607
Building expenses	317,462	312,776
Office lease expenses	65,974	62,016
Professional fees and consultants	574,084	689,017
Travel costs	355,881	322,672
Finance costs	124,800	110,915
Net loss on disposal of investments	3,563	-
Depreciation & amortisation	279,994	306,870
Net loss on disposal of equipment and software	77,311	-
Total Expenses	13,143,222	12,355,240

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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3. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash on hand	1,000	1,000
Cash at bank	2,120,059	3,426,091
Short-term deposits	4,559,733	3,558,134
	<u>6,680,792</u>	<u>6,985,225</u>

4. TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
Trade receivables	1,042	6,260
Other receivables	36,074	42,422
GST recoverable from Australian Taxation Office	77,815	98,058
Provision for impairment of receivables	-	-
	<u>114,931</u>	<u>146,740</u>

All receivables have been reviewed for indicators of impairment and no provision for impairment has been recognised in the current or prior financial years.

5. INVESTMENTS

	2018	2017
	\$	\$
Fixed interest	748,559	751,619
Australian property	415,878	299,051
Australian equities	2,199,222	1,781,548
International equities	818,123	594,169
Alternatives	101,090	100,430
	<u>4,282,872</u>	<u>3,526,817</u>

6. OTHER ASSETS

	2018	2017
	\$	\$
Prepayments	132,993	68,329
Accrued income	24,863	1,250
	<u>157,856</u>	<u>69,579</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings	9,379,880	9,254,634
Accumulated depreciation	(722,919)	(604,118)
Written down value	<u>8,656,961</u>	<u>8,650,516</u>
Office fit-out - at cost	143,916	172,840
Accumulated depreciation	(94,555)	(88,887)
Written down value	<u>49,361</u>	<u>83,953</u>
Office furniture - at cost	235,443	537,781
Accumulated depreciation	(154,873)	(470,596)
Written down value	<u>80,570</u>	<u>67,185</u>
ICT equipment - at cost	513,877	1,163,703
Accumulated depreciation	(384,516)	(1,024,153)
Written down value	<u>129,361</u>	<u>139,550</u>
Motor vehicles - at cost	-	60,732
Accumulated depreciation	-	(60,732)
Written down value	-	-
Artwork - at fair value	10,775	10,775
	<u>8,927,028</u>	<u>8,951,979</u>

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:

2018	Balance at 1 Jul 2017	Additions	Disposals	Depreci- -ation	Balance at 30 Jun 2018
	\$	\$	\$	\$	\$
Land and buildings	8,650,516	125,246	-	(118,801)	8,656,961
Office fit-out	83,953	-	(140)	(34,452)	49,361
Office furniture	67,185	35,593	(864)	(21,344)	80,570
ICT equipment	139,550	92,939	(26,119)	(77,009)	129,361
Motor vehicles	-	-	-	-	-
Artwork	10,775	-	-	-	10,775
	<u>8,951,979</u>	<u>253,778</u>	<u>(27,123)</u>	<u>(251,606)</u>	<u>8,927,028</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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8. INTANGIBLE ASSETS

	2018	2017
	\$	\$
Acquired software & website development costs	2,386	1,005,043
Accumulated amortisation	(2,386)	(926,468)
Written down value	-	78,575
Acquired software – work in progress	477,851	-
	<u>477,851</u>	<u>78,575</u>

Movements in carrying amounts

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

2018	Balance at 1 Jul 2017	Additions	Disposals	Amorti- sation	Balance at 30 Jun 2018
	\$	\$	\$	\$	\$
Acquired software & website development	78,575	-	(47,456)	(31,119)	-
Acquired software – work in progress	-	477,851	-	-	477,851
	<u>78,575</u>	<u>477,851</u>	<u>(47,456)</u>	<u>(31,119)</u>	<u>477,851</u>

During the year, ACF wrote off most of its fully amortised legacy software and website development costs. A project to implement replacement fundraising software commenced during the year and external costs plus attributable internal ACF costs have been capitalised (refer note 12).

9. TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Trade payables	516,718	505,692
Other creditors and accruals	196,276	234,739
	<u>712,994</u>	<u>740,431</u>

10. PROVISIONS

	2018	2017
	\$	\$
Current		
Carmichael mine court case costs	111,628	140,000
Provision for employee benefits (annual and long-service leave)	661,169	642,931
	<u>772,797</u>	<u>782,931</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
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The Carmichael mine court case costs provision of \$111,628 (2017: \$140,000) represents the Board's estimate of costs that would be sought against ACF following unsuccessful litigation against the approval of the Carmichael coal mine. The final liability was agreed in August 2018, prior to the signing of this report and, as a consequence, the closing balance at 30 June 2018 was adjusted accordingly.

	2018	2017
Non-current	\$	\$
Provision for employee benefits (long-service leave)	91,278	65,245
	91,278	65,245

As at 30 June 2018, there were 66 full-time equivalent (FTE) staff (2017: 60) and total head count was 71 (2017: 65).

11. OTHER LIABILITIES

	2018	2017
	\$	\$
Deferred income	74,341	73,754
	74,341	73,754

Deferred income consists of membership subscriptions received in advance and is amortised over the relevant membership period.

12. COMMITMENTS

Lease commitments

	2018	2017
	\$	\$
Operating lease commitments for rent of office space:		
Payable within 1 year	52,089	59,079
Payable later than 1 year but within 5 years	-	60,193
Payable later than 5 years	-	-
	52,089	119,272

During the financial year, ACF closed its offices in Cairns and Broome and opened a new office in Brisbane, under a non-cancellable, operating lease with a 2-year term, rent payable monthly in advance.

Financial commitments

ACF has an unsecured \$350,000 corporate credit card facility for the purpose of general business expenses. Any liabilities owing under this facility are fully repaid by ACF each month.

AUSTRALIAN CONSERVATION FOUNDATION INC.
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Capital commitments

During the year, the Board approved the acquisition of a new fundraising software platform to replace ageing legacy systems. The project budget is \$1.2 million and it expected to be completed mid-2019. As at 30 June 2018, costs amounting to \$477,851 for work-in-progress have been capitalised as an intangible asset (refer note 8) comprising part of the project budget plus attributable internal costs directed to the implementation of the software.

13. AUDITOR'S REMUNERATION

	2018	2017
	\$	\$
Audit of financial statements - Grant Thornton	<u>38,000</u>	<u>38,107</u>

14. RELATED PARTIES

Board members

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

Key management personnel

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

Kelly O'Shanassy	Chief Executive Officer	Appointed: April 2014
Paul Sinclair	Director of Campaigns	Appointed: April 2013
Angela Rutter	Director of Engagement	Appointed: November 2014 Resigned: November 2017
Paul Sheridan	Director of Engagement	Appointed: February 2018
Cheryl Pultz	Director of Fundraising	Appointed: February 2015
Anthony Moore	Director Finance and Operations	Appointed: September 2016

	2018	2017
	\$	\$
Key management personnel compensation		
Short-term benefits - Remuneration paid	791,919	746,182
Post-employment benefits - Superannuation contributions	71,668	78,307
	<u>863,587</u>	<u>824,489</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
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15. EVENTS AFTER THE REPORTING DATE

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

In 2017 ACF appealed against the Federal Court's decision that the Federal Minister's approval for the Carmichael mine was lawful. The Federal Court dismissed ACF's appeal, upholding the original decision. ACF was liable for court costs relating to the appeal. After the reporting date, the final liability was agreed and the financial statements for the year ended 30 June 2018 have been adjusted to reflect this.

16. FINANCIAL INSTRUMENTS

a) Types of financial instruments

ACF's financial instruments consist of cash and term deposits with banks, equity and other investments, accounts receivable and accounts payable. ACF does not have any derivative instruments at 30 June 2018.

	Notes	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	3	6,680,792	6,985,225
Trade and other receivables	4	114,931	146,740
Investments	5	4,282,872	3,526,817
		<u>11,078,595</u>	<u>10,658,782</u>
Financial liabilities			
Trade and other payables	9	712,994	740,431
		<u>712,994</u>	<u>740,431</u>

b) Financial instrument risk management

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

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
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17. FUNDRAISING APPEALS

The provisions of the NSW Charitable Fundraising Act 1991 (“the Act”), the regulations under the Act and the conditions attached to the fundraising authority require disclosure of additional information in respect of ACF’s fundraising appeals conducted during the year. The following information relates to ACF’s fundraising appeals conducted across Australia.

	2018	2017
	\$	\$
Total income from fundraising appeals	10,957,221	10,925,776
Total expenditure on fundraising appeals	(3,380,779)	(3,452,875)
Net cash raised from fundraising appeals	<u>7,576,442</u>	<u>7,472,901</u>

The net cash raised from fundraising appeals is deposited into ACF’s bank account and subsequently applied in the conduct of environmental initiatives. Environmental initiatives include campaigns for nature and a clean energy future. Funds are also used to communicate with and mobilise ACF’s supporters and to cover the costs of managing and operating the programs. Any unexpended funds are allocated to reserves and will be expended on ACF’s charitable purpose in later financial years.

ACF conducts a range of appeals including:

- EarthVoice regular giving program
- 4-5 periodic direct marketing appeals
- Online and social media fundraising program
- Major donor program
- Business partnerships program

ACF engages external service providers to assist in face-to-face and telemarketing recruitment of new donors in return for a fee-for-service. It is the Board’s opinion that engaging service providers, increases the funds received by ACF over the long-term, when compared with the cost of establishing and maintaining its own infrastructure and staff. ACF has processes to ensure that service providers meet legislative requirements for employment, payment processing and data security.

	2018	2017
	\$	\$
Gross income from fundraising appeals involving external service providers	6,999,801	6,965,172
Gross expenditure on fundraising appeals involving external service providers (includes ACF, service provider and other related costs)	<u>(2,730,915)</u>	<u>(2,787,199)</u>