

Annual Financial Report

For the year ended
30 June 2021



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 2021 and the Independent Auditor's Report thereon.

ACF is an incorporated association registered in 1966, in the 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 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 six ACF Councillors – ACF's Vice Presidents and four Councillors elected to the Board – and up to five 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 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. Mara was born in Brazil, schooled in the USA and now is a Queenslander, living in the hinterlands above the Gold Coast.

Tim Chapman – Vice President (*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 ACF Council since 2015.

AUSTRALIAN CONSERVATION FOUNDATION INC.

STATEMENT BY THE BOARD

Shar Molloy – Vice President *(Appointed June 2021)*

Shar Molloy is the Co-Director of the Environment Centre NT and has led the organisation since 2017. Shar has over 25 years working in environmental organisations and her qualifications are in finance, management, governance, mediation and campaigning. Shar has served on the board of the Environmental Defenders Office (NT) and is currently a Board member of the Darwin Asylum Seeker Support and Advocacy Network (DASSAN). Shar designed and delivered the 10GW Vision in collaboration with Beyond Zero Emissions, and the successful and award-winning Repower NT campaign in 2020, which changed the conversation about renewable energy in the Northern Territory.

Miles George – Treasurer *(Appointed November 2018)*

As former Managing Director of Infigen Energy Limited, and previous Chair of the Clean Energy Council, Miles has been a strong advocate for renewable energy for 20 years. This has been underscored by his earlier, extensive career in investment banking, specialising in infrastructure, project finance and investment. Miles served as Interim CEO of CleanCo Queensland Limited in 2019 and served on the Advisory Board of CGN Capital Partners Infrastructure Fund III, a renewable energy fund based in China. Miles is also a former Expert Panel member of the AEMO, and former Generator Representative on the AEMC Reliability Panel. Miles is a graduate member of the Australian Institute of Company Directors.

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

Jon has 25 years' experience as a lawyer, leader and executive in 20+ countries, including the United Nations in Europe and Asia. He has built and led teams in law, strategy, policy, regulation and innovation, with a focus on energy and climate. Currently, Jon is Senior Legal Counsel at the Australian Energy Market Operator, as well as advising private energy clients. Previously, in 2010-2019, Jon worked on national, state and regional water and energy issues as Executive General Manager and Legal Counsel 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. 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, and a 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.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

Donna Bagnall (*Appointed December 2018*)

Donna is a lawyer of the Supreme Court of NSW, a Chartered Tax Adviser (CTA) and holds a Master of Sustainability and Climate Policy. Donna is actively involved in environmental protection, advocating for healthy tax, legal and economic systems to deliver sustainable outcomes. Donna has Indigenous/First Nations ancestry with a connection to Biripi Country (Manning River), as well as 'First Fleet' ancestry. Since 2015, she has co-researched closely with Dr Anne Poelina in protecting the priceless National Heritage 'Mardoowarra' in the Kimberley and is passionate about advancing Indigenous engagement. Donna has represented New South Wales on ACF Council since 2018 and is a member of the Board's Finance, Audit and Risk Committee. Donna is Senior Tax Advocate with Chartered Accountants Australia and New Zealand (CA ANZ), and has worked in Tax technical, advisory and law reform roles in both Australia and New Zealand for more than 20 years.

Garry Gale (*Appointed March 2019*)

Former Head of Agribusiness Development & Asia Desk at the National Australia Bank, now retired, Garry's 40+ year career with the NAB also included roles as a business capability coach and regional business executive. Garry's expertise encompasses banking, finance, and agriculture. He is considered a global leader on the protection and regeneration of nature through agricultural lending. Since retiring from NAB, Garry was on the Food Agility CRC Strategic Investment Committee (selecting projects to fund) and then had a role as Head of Partner Experience with the Food Agility CRC. He is currently a strategic advisor with Digital Agriculture Services and an Adjunct Professor of Research Innovation and Entrepreneurship at RMIT University.

Ros Harvey (*Appointed November 2018*)

An entrepreneur and experienced global executive in the field of technology, particularly the data analytics and Internet of Things (IoT), Ros is founder, Managing Director and CEO of The Yield, a cutting-edge agricultural technology company. Her background as an economist has seen her work previously for the UN and the World Bank Group in Geneva in many countries around the world. Ros is co-founder and Non-Executive Director of Food Agility CRC and a co-founder and strategy advisor to the Knowledge Economy Institute. Ros is a graduate of the Australian Institute of Company Directors.

Ash Peplow Ball (*Appointed December 2018*)

Ash has a background in community development, policy development and community organising, having worked with not for profit organisations and government in Australia and internationally. Currently, Ash is a manager at Women Transforming Cities. Ash is a co-founder and director of Shift Australia, an organisation that works to empower people to become active and engaged citizens. Ash is a Non-Executive Director of Robogals, and a graduate of the Australian Institute of Company Directors and Pathway to Politics for Women. Ash has represented Victoria on ACF Council since 2018.

Sarah Reid (*Appointed February 2021*)

Sarah coordinates the Canberra ACF Community Group, having started it two years ago. She has first-hand knowledge of how ACF's community organising strategy is implemented and believes there is great value and strength in engaging people at the community level. Sarah has been the ACT's representative on ACF Council since 2018 and is the Vice President of the Board of the ACT Conservation Council. She has over 20 years' experience in the public service sector in Australia and is qualified to practice law in Australia and the US. Sarah combines legal expertise with strong strategic relationship management and communication skills.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

ACF is indebted to the following Board Members, who retired during the year:

Jimmy Cocking (*Appointed November 2012, retired April 2021*)

David Hood AM (*Appointed December 2018, retired January 2021*)

Board Committees

To assist and advise the Board in fulfilling its duties the Finance, Audit and Risk Committee oversees the financial performance of ACF, the effective management of financial and operational risk, processes to ensure legal and regulatory compliance and stewardship and operation of the 60L Building and the relationship with tenants.

Board Meetings Held and Attended During the Year

		Board Meetings Attended *
Mara Bún	Ex-officio	6 of 6
Tim Chapman	Ex-officio	4 of 6
Jimmy Cocking	Ex-officio	4 of 4
Shar Molloy	Ex-officio	1 of 1
Miles George	Co-opted	6 of 6
Jon Anstey	Co-opted	2 of 6
Erika Avellaneda**	Councillor	4 of 5
Donna Bagnall	Councillor	5 of 6
Garry Gale	Co-opted	6 of 6
Ros Harvey	Co-opted	6 of 6
David Hood	Councillor	1 of 3
Ash Peplow Ball	Councillor	5 of 6
Sarah Reid	Councillor	3 of 3

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

** Period of leave of absence approved by the Board.

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.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

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 is accountable to ACF Council for annual appraisals of the Board's performance. The Board's skills matrix is reviewed annually by the 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 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 in the Independent Auditor's Report on page 10 of this financial report and forms part of the Statement by the Board.

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

Board Declaration

In the opinion of the Board:

- a. the financial report set out on pages 13 to 34 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2021 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; and
- 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.
- c. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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



Mara Bún
President
23 September 2021



Miles George
Treasurer
23 September 2021

AUSTRALIAN CONSERVATION FOUNDATION INC.

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 report is complete and presents a true and fair view, in all material respects, of the financial conditions and operational results of ACF; and
- 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
23 September 2021



Anthony Moore
Director of Finance & Operations
23 September 2021

AUSTRALIAN CONSERVATION FOUNDATION INC.
FUNDRAISING DECLARATION FOR THE YEAR ENDED 30 JUNE 2021

This declaration is made in accordance with Authority Condition 6(3) issued by the Minister under Section 19 of the *NSW Charitable Fundraising Act 1991*.

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

- a. the statement of profit or loss and other comprehensive income gives a true and fair view of all income and expenditure 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.



Miles George
Treasurer
23 September 2021

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 FR0010416
Western Australia	Licence No CC22011

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

Auditor's Independence Declaration

To the Directors 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 the Australian Conservation Foundation Inc. for the year ended 30 June 2021, 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



C S Gangemi
Partner – Audit & Assurance

Melbourne, 23rd September 2021

Independent Auditor's Report

To the Members of Australian Conservation Foundation Inc.

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Conservation Foundation Inc. (the "Association"), which comprises of the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of the Association 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 Association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) 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.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2021, 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 Management and those charged with governance 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 - Reduced Disclosure Requirement 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, Management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

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 Association'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 Association'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 Association 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



C S Gangemi
Partner – Audit & Assurance

Melbourne, 23 September 2021

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	\$	restated \$
Revenue			
Operating activities		16,519,324	13,517,143
Non-operating activities		1,866,043	1,530,912
Total revenue	3(a)	18,385,367	15,048,055
Expenses			
Environmental impact initiatives			
Nature and places		773,897	805,438
Climate		1,382,909	1,176,887
Environmental economics and democracy		857,771	696,460
Community organising		1,458,319	1,262,184
Community mobilising, media and engagement		3,929,518	3,617,604
		8,402,414	7,558,573
Fundraising		4,427,714	4,081,754
Management and operations		1,731,603	1,522,964
Non-operating activities		559,664	733,011
Total expenses	3(b)	15,121,395	13,896,302
Net surplus for the year		3,263,972	1,151,753
Other comprehensive income		-	-
Total comprehensive income for the year		3,263,972	1,151,753
Surplus generated from current year revenues		3,942,437	1,453,171
Expenses funded from reserves		(678,465)	(301,418)
Net surplus for the year		3,263,972	1,151,753

Refer to Note 1(b) 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 2021

		2021	2020
	Notes	\$	restated \$
Current assets			
Cash and cash equivalents	4	10,617,588	8,780,331
Trade and other receivables	5	212,656	232,156
Investments	6	5,641,763	4,559,220
Other assets	7	358,828	204,357
Total current assets		16,830,835	13,776,064
Non-current assets			
Property, plant and equipment	8	8,893,393	9,244,212
Intangible assets	9	-	-
Total non-current assets		8,893,393	9,244,212
Total assets		25,724,228	23,020,276
Current liabilities			
Trade and other payables	10	748,268	987,458
Provisions	11	981,911	866,037
Lease liabilities	12	127,797	109,051
Other liabilities	13	92,021	402,929
Total current liabilities		1,949,997	2,365,475
Non-current liabilities			
Provisions	11	68,886	85,631
Lease liabilities	12	108,724	236,521
Total non-current liabilities		177,610	322,152
Total liabilities		2,127,607	2,687,627
Net assets		23,596,621	20,332,649
Equity			
Reserves		20,332,649	19,180,896
Net surplus for the year		3,263,972	1,151,753
Total equity		23,596,621	20,332,649

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 2021

	Notes	2021 \$	2020 \$
Operating activities			
Receipts from members, donors and supporters		13,288,199	12,172,788
Receipts from bequests		3,193,827	1,278,686
Receipts from investments and tenants		1,355,269	1,455,184
Receipt of government COVID subsidies		51,000	50,000
Receipt of JobKeeper subsidy		189,000	372,000
Voluntary repayment of JobKeeper subsidy		(561,000)	-
Payments to staff and suppliers		(14,872,894)	(13,071,478)
Net cash provided by operating activities		2,643,401	2,257,180
Investing activities			
Purchase of property, plant & equipment		(129,316)	(260,272)
Net sale (purchase) of investments		(567,777)	420,566
Net cash provided by (used in) investing activities		(697,093)	160,294
Financing activities			
Payment of lease liabilities		(109,051)	(16,436)
Net cash used in financing activities		(109,051)	(16,436)
Net change in cash and cash equivalents		1,837,257	2,401,038
Cash and cash equivalents at the beginning of the year		8,780,331	6,379,293
Cash and cash equivalents at the end of the year	4	10,617,588	8,780,331

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 2021

	Operating Reserve	Environmental Impact Fund	Endowment Fund	60L Building Reserve	Accumulated Surplus	Total
2021	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020 restated	6,068,760	3,163,510	2,000,379	9,100,000	-	20,332,649
Net surplus for the year	-	-	-	-	3,263,972	3,263,972
Expenses funded from reserves	-	(656,222)	(22,243)	-	678,465	-
	6,068,760	2,507,288	1,978,136	9,100,000	3,942,437	23,596,621
Reserve allocations	942,437	3,000,000	-	-	(3,942,437)	-
Balance at 30 June 2021	7,011,197	5,507,288	1,978,136	9,100,000	-	23,596,621
2020 restated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	5,365,589	2,714,928	2,000,379	9,100,000	-	19,180,896
Net surplus for the year	-	-	-	-	1,151,753	1,151,753
Expenses funded from reserves	-	(301,418)	-	-	301,418	-
	5,365,589	2,413,510	2,000,379	9,100,000	1,453,171	20,332,649
Reserve allocations	703,171	750,000	-	-	(1,453,171)	-
Balance at 30 June 2020	6,068,760	3,163,510	2,000,379	9,100,000	-	20,332,649

Refer to Note 1(l) for an explanation of the purpose of each reserve.

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 2021

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 on Ngunawal Country at Suite 11, Floor 1, Bailey's Corner, 143 London Circuit, Canberra, ACT 2601 and its principal place of business is on Wurundjeri Country at 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 2021 were approved and authorised for issue by the Board on 23 September 2021.

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 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.

New or amended Accounting Standards and Interpretations adopted

ACF adopts all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. No new Accounting Standards were adopted during the current financial year.

Accounting policies

The significant accounting policies used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. 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.

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 in accordance with *AASB 1058 Income of Not-for-Profit Entities*, except where *AASB 15 Revenue from Contracts with Customers* is deemed to apply. Details of activity-specific recognition criteria are described below:

AUSTRALIAN CONSERVATION FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

- Donation and bequest income is recognised when ACF gains control of the funds and is only recognised as income when the funds have been provided to further ACF's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.
- Monetary bequests are recognised as revenue when the funds are received in 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.
- Grant funds received by ACF that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds. Grant or sponsorship income where a performance obligation exists is recognised when the performance obligation is satisfied. Where this occurs after the receipt of funds, it is initially recognised as deferred income.
- Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.
- Dividend and other investment income are recognised when ACF gains control of the funds.
- Membership subscription revenue is initially recognised as deferred income, then recognised in the profit or loss account over the period to which the membership relates.
- 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 recipient.

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 to 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, media and engagement:	Building people power through our more than half a million supporters. Includes activities such as organising community events and advertising.
Fundraising:	Caring for our existing donors and acquiring new donors
Management and operations:	Providing the critical organisational resources that underpin our work

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c. Intangible assets

Acquired software is 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 is expensed in the period it is incurred.

d. Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing ACF with the right to access the cloud provider's application software over the contract period. As such, ACF does not receive a software intangible asset at the contract commencement date. The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	<ul style="list-style-type: none"> • Fee for use of the application software • Customisation costs
Recognise as an operating expense as the service is received	<ul style="list-style-type: none"> • Configuration costs • Data conversion and migration costs • Testing costs • Training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets as per (c.), above.

e. 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

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

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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.

f. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

ACF has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

g. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, ACF's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

h. Financial instruments

ACF classifies financial assets into the three measurement categories, at initial recognition:

- 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.

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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.

(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.

i. 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

AUSTRALIAN CONSERVATION FOUNDATION INC.
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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.

j. 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.

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.

k. 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.

l. Reserves

The purpose of each of the reserves is as follows:

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

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

Endowment Fund - 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.

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

m. Critical accounting estimates and judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and

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expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to ACF's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. ACF reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what ACF estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus pandemic

Judgement has been exercised in considering the impacts that the coronavirus pandemic has had, or may have, on ACF, including supporter donations, suppliers, tenants, employees, investments and operating locations. As at the reporting date and subsequently, there does not appear to be any significant impact upon the financial statements nor any significant uncertainties with respect to events or conditions which may impact on ACF as a result of the pandemic.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. CHANGE IN ACCOUNTING POLICY

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- *Customer's right to receive access to the supplier's software hosted on the cloud* (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- *Configuration or customisation costs in a cloud computing arrangement* (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what period the expenditure is expensed.

Historically, ACF's accounting policy has been to capitalise configuration, project management and other costs related to implementation of major SaaS arrangements as intangible assets in the Statement of Financial Position. For the financial years ended 30 June 2018 and 30 June 2019, ACF capitalised relevant costs associated with the implementation and configuration of the Blackbaud CRM SaaS. The adoption of the above agenda decisions has resulted in recognition of the SaaS arrangement as an expense in the Statement of Profit or Loss rather than an intangible asset; impacting both the current and prior periods presented.

The new accounting policy is presented in Note 1(d).

AUSTRALIAN CONSERVATION FOUNDATION INC.
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Historical financial information has been restated to account for the impact of the change in accounting policy in relation to the SaaS arrangement, as follows:

	2020	2020	2020	2019	2019	2019	2018	2018	2018
	Previously reported	Adjustment	Restated	Previously reported	Adjustment	Restated	Previously reported	Adjustment	Restated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Statement of Profit or Loss</u>									
Management and operations expense	1,759,297	(236,333)	1,522,964	1,488,664	644,120	2,132,784	1,357,689	477,851	1,835,540
Total expenses	14,132,635	(236,333)	13,896,302	14,582,062	644,120	15,226,182	13,143,222	477,851	13,621,073
Net surplus for the year	915,420	236,333	1,151,753	1,312,947	(644,120)	668,827	893,366	(477,851)	415,515
Total comprehensive income for the year	915,420	236,333	1,151,753	1,312,947	(644,120)	668,827	893,366	(477,851)	415,515
Expenses funded from reserves	(537,751)	236,333	(301,418)	(1,126,801)	(644,120)	(1,770,921)	(197,950)	(477,851)	(675,801)
<u>Statement of Financial Position</u>									
Intangible assets	885,638	(885,638)	-	1,121,971	(1,121,971)	-	477,851	(477,851)	-
Total non-current assets	10,129,850	(885,638)	9,244,212	10,079,423	(1,121,971)	8,957,452	9,404,879	(477,851)	8,927,028
Total assets	23,905,914	(885,638)	23,020,276	21,943,630	(1,121,971)	20,821,659	20,641,330	(477,851)	20,163,479
Net assets	21,218,287	(885,638)	20,332,649	20,302,867	(1,121,971)	19,180,896	18,989,920	(477,851)	18,512,069
Reserves	20,302,867	(1,121,971)	19,180,896	18,989,920	(477,851)	18,512,069	18,096,554	-	18,096,554
Net surplus for the year	915,420	236,333	1,151,753	1,312,947	(644,120)	668,827	893,366	(477,851)	415,515
Total equity	21,218,287	(885,638)	20,332,649	20,302,867	(1,121,971)	19,180,896	18,989,920	(477,851)	18,512,069
<u>Statement of Cash Flows</u>									
Payments to staff and suppliers	(13,071,478)	-	(13,071,478)	(14,213,929)	(703,815)	(14,917,744)	(12,877,392)	(477,851)	(13,355,243)
Net cash provided by operating activities	2,257,180	-	2,257,180	1,248,071	(703,815)	544,256	1,054,499	(477,851)	576,648
Payments for capitalised software	-	-	-	(703,815)	703,815	-	(477,851)	477,851	-
Net cash provided by investing activities	160,294	-	160,294	(1,549,570)	703,815	(845,755)	(1,358,932)	477,851	(881,081)
<u>Statement of Changes in Equity</u>									
Endowment fund	2,886,017	(885,638)	2,000,379	3,122,350	(1,121,971)	2,000,379	3,182,045	(477,851)	2,704,194
Total equity	21,218,287	(885,638)	20,332,649	20,302,867	(1,121,971)	19,180,896	18,989,920	(477,851)	18,512,069

AUSTRALIAN CONSERVATION FOUNDATION INC.
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3. NET SURPLUS FOR THE YEAR

	2021	2020
	\$	restated \$
Net surplus for the year has been determined after:		
a) Revenue		
Operating activities		
Donations	13,188,346	12,029,162
Bequests	3,193,826	1,278,686
Membership subscriptions	67,187	114,377
Government subsidies	51,000	50,000
Sponsorship, events, royalties and other revenue	18,965	44,918
	16,519,324	13,517,143
Non-operating activities		
Rent and outgoings income from tenants	997,389	1,127,963
Investment income:		
Interest income	55,072	81,216
Dividend income	276,437	321,733
Net gain on change in value of FVTPL investments	537,145	-
	1,866,043	1,530,912
Total revenue	18,385,367	15,048,055
b) Expenses		
Salaries, superannuation and other staff costs	8,102,426	7,753,917
Events and community activities	811,752	481,286
External service provider donor acquisition costs	1,411,050	1,404,100
Marketing and communication expenses	1,917,136	1,406,509
Technology and operational expenses	815,728	720,507
Building expenses	324,201	319,109
Office lease expenses	14,756	60,547
Professional fees and consultants	928,858	783,128
Travel costs	98,961	304,163
Finance costs	194,013	142,821
Net loss on disposal of investments	22,379	128,811
Net loss on change in value of FVTPL investments	-	72,319
Depreciation & amortisation	401,233	319,085
Net loss on disposal of equipment and software	78,902	-
Total expenses	15,121,395	13,896,302

The depreciation & amortisation expense for the year ended 30 June 2020 has been restated following a change in accounting policy as described in Note 2.

AUSTRALIAN CONSERVATION FOUNDATION INC.
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4. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash on hand	962	1,000
Cash at bank	4,071,468	3,726,530
Short-term deposits	6,545,158	5,052,801
	<u>10,617,588</u>	<u>8,780,331</u>

5. TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Trade receivables	50,262	61,847
Other receivables	61,257	80,363
GST recoverable from Australian Taxation Office	101,137	89,946
Expected credit loss allowance	-	-
	<u>212,656</u>	<u>232,156</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.

6. INVESTMENTS

	2021	2020
	\$	\$
Fixed interest	1,234,088	1,120,306
Australian property	673,479	554,645
Australian equities	2,670,970	1,987,991
International equities	1,063,226	896,278
	<u>5,641,763</u>	<u>4,559,220</u>

7. OTHER ASSETS

	2021	2020
	\$	\$
Prepayments	334,996	191,680
Accrued income	23,832	12,677
	<u>358,828</u>	<u>204,357</u>

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8. PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Land and buildings	9,310,790	9,604,967
Accumulated depreciation	(859,297)	(992,905)
Written down value	8,451,493	8,612,062
Office fit-out - at cost	19,438	163,354
Accumulated depreciation	(10,529)	(143,464)
Written down value	8,909	19,890
Office furniture - at cost	91,700	292,276
Accumulated depreciation	(33,148)	(202,853)
Written down value	58,552	89,423
ICT equipment - at cost	269,362	720,788
Accumulated depreciation	(121,520)	(544,828)
Written down value	147,842	175,960
Office buildings - right-of-use	360,841	360,841
Accumulated depreciation	(146,035)	(25,755)
Written down value	214,806	335,086
Artwork - at fair value	11,791	11,791
	8,893,393	9,244,212

The amount disclosed as land and buildings represents ACF's head office located in Carlton, Victoria. 69% of the building is rented out under operating lease agreements issued on commercial terms. The remaining portion of the building is occupied by ACF.

ACF leases office buildings for its branch offices, under agreements of between two to three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

AUSTRALIAN CONSERVATION FOUNDATION INC.
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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:

	Balance at 1 Jul 2020	Additions	Disposals	Depreci- -ation	Balance at 30 Jun 2021
	\$	\$	\$	\$	\$
Land and buildings	8,612,062	51,942	(78,902)	(133,609)	8,451,493
Office fit-out	19,890	-	-	(10,981)	8,909
Office furniture	89,423	2,165	-	(33,036)	58,552
ICT equipment	175,960	75,209	-	(103,327)	147,842
Office buildings – right-of-use	335,086	-	-	(120,280)	214,806
Artwork	11,791	-	-	-	11,791
	9,244,212	129,316	(78,902)	(401,233)	8,893,393

9. INTANGIBLE ASSETS

	2021	2020 restated
	\$	\$
Acquired software	-	2,386
Accumulated amortisation	-	(2,386)
Written down value	-	-

The intangible asset balance as at 30 June 2020 has been restated following a change in accounting policy as described in Note 2.

10. TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Trade payables	644,737	833,684
Other creditors and accruals	103,531	153,774
	748,268	987,458

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11. PROVISIONS

	2021	2020
	\$	\$
Current		
Provision for employee benefits (annual and long-service leave)	981,911	866,037
	981,911	866,037
Non-current		
Provision for employee benefits (long-service leave)	68,886	85,631
	68,886	85,631

As at 30 June 2021, there were 73 full-time equivalent staff (2020: 68) and total head count was 84 (2020: 76).

12. LEASE LIABILITIES

	2021	2020
	\$	\$
Current		
Office buildings lease liabilities	127,797	109,051
	127,797	109,051
Non-current		
Office buildings lease liabilities	108,724	236,521
	108,724	236,521

Office buildings lease liabilities are unsecured.

13. OTHER LIABILITIES

		2021	2020
		\$	\$
Deferred income	i	92,021	30,929
JobKeeper subsidy voluntarily repayable	ii	-	372,000
		92,021	402,929

- i. Deferred income consists of membership subscription revenue received in advance, which is recognised over the relevant membership period, and grant income received prior to performance of required obligations.
- ii. In April 2020, ACF applied for Federal Government JobKeeper subsidy having forecast that the coronavirus pandemic would cause a significant decline in revenue. Owing to the extraordinary generosity of supporters, in actuality, ACF suffered only a marginal decline in revenue and well

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below the subsidy eligibility threshold specified in the JobKeeper rules. ACF confirmed that it was eligible to retain the subsidy on the grounds that its forecasts were reasonable at the time they were prepared. Nevertheless, the Board resolved to return the subsidy to the Federal Government on the basis that JobKeeper was intended to assist businesses that had suffered a substantial decline in turnover due to the impacts of coronavirus to cover the costs of wages of their employees, whereas ACF did not require such assistance. At 30 June 2020, an amount of \$372,000 of subsidy had been received and was deemed repayable, pending payment instructions from the ATO. ACF fully repaid JobKeeper subsidies received in September 2020.

14.COMMITMENTS

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.

Capital commitments

ACF had no capital commitments at the end of the financial year.

15.CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by ACF as at 30 June 2021 (2020: nil).

16.AUDITOR'S REMUNERATION

	2021 \$	2020 \$
Grant Thornton		
- Audit of financial statements	39,000	38,500
- Non-audit services	12,950	-
	<hr/>	<hr/>

17.RELATED PARTIES

Board members

The names of Board members who have held office during the financial year are listed on pages 2 to 5 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:

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Kelly O'Shanassy	Chief Executive Officer	Appointed: April 2014
Paul Sinclair	Director of Campaigns	Appointed: April 2013
Anthony Moore	Director of Finance & Operations	Appointed: September 2016
Paul Sheridan	Director of Engagement	Appointed: February 2018

Cheryl Pultz was appointed Director of Fundraising in February 2015 and retired in July 2021. She was succeeded as Director of Fundraising by Christine Anderson, who was appointed in May 2021.

	2021	2020
Key management personnel compensation	\$	\$
Short-term benefits - Remuneration paid	857,689	840,750
Post-employment benefits - Superannuation contributions	106,864	106,264
	<u>964,553</u>	<u>947,014</u>

18. EVENTS AFTER THE REPORTING DATE

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

19. 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 2021.

	Notes	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	4	10,617,588	8,780,331
Trade and other receivables	5	212,656	232,156
Investments	6	5,641,763	4,559,220
		<u>16,472,007</u>	<u>13,571,707</u>
Financial liabilities			
Trade and other payables	10	748,268	987,458
		<u>748,268</u>	<u>987,458</u>

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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.

20.FUNDRAISING APPEALS

The provisions of the *NSW Charitable Fundraising Act 1991*, 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.

	2021	2020
	\$	\$
Total income from fundraising appeals	13,188,346	12,029,162
Total expenditure on fundraising appeals	(3,041,805)	(2,755,463)
Net cash raised from fundraising appeals	<u>10,146,541</u>	<u>9,273,699</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 per annum
- Online and social media fundraising program
- Major donor program
- Business partnerships program

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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.

	2021	2020
	\$	\$
Gross income from fundraising appeals involving external service providers	7,689,921	7,304,502
Gross expenditure on fundraising appeals involving external service providers (includes ACF, service provider and other related costs)	<u>(1,862,933)</u>	<u>(1,801,234)</u>