

Annual Financial Report

For the year ended
30 June 2020



**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 2020 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 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 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 is an activist, academic, researcher and business owner with a successful career in consulting, campaigning and education. With experience leading union campaigns for a better life for working people, and involvement in the environment movement in Australia and Papua New Guinea, Tim is a passionate advocate for people to live in harmony with nature and each other. Tim teaches at the University of Technology, Sydney and advises environmental, legal and social organisations on

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

political campaigns and strategy. He has represented New South Wales on the ACF Council since 2015.

Jimmy Cocking – Vice President (*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 keenly represents the issues facing northern and central Australia. Jimmy has represented the Northern Territory on the ACF Council since 2012.

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 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.

Ros Harvey (*Appointed November 2018*)

An entrepreneur and experienced global executive in the field of technology, particularly data analytics and the 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

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

advisor to the Knowledge Economy Institute. Ros is a graduate of the Australian Institute of Company Directors.

David Hood (*Appointed December 2018*)

David is a civil and environmental engineer and a trained climate leader with Al Gore's Climate Reality Project. He is an Adjunct Professor at the University of Queensland and teaches Sustainability in the Master of Engineering Management programs at Southern Cross University. David's Board level experience includes a number of professional and industry associations. He is founder and chair of the Long Future Foundation and has held chair roles on both public and private company boards. David is a Member of the Order of Australia in recognition of his contribution to engineering through industry associations, and for lifting public awareness of sustainability. David has represented Queensland on ACF Council since 2015.

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.

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. Currently, Garry is Head of Partner Experience with the Food Agility CRC, a strategic advisor with Digital Agriculture Services and an Adjunct Professor of Research Innovation and Entrepreneurship at RMIT University.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD

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	6 of 6
Jimmy Cocking	Ex-officio	5 of 6
Miles George	Co-opted	5 of 6
Jon Anstey	Co-opted	5 of 6
Erika Avellaneda**	Councillor	4 of 5
Ash Peplow Ball	Councillor	6 of 6
Donna Bagnall	Councillor	6 of 6
Garry Gale	Co-opted	6 of 6
Ros Harvey	Co-opted	4 of 6
David Hood	Councillor	6 of 6

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

** Period of 3 months' 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.

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

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY 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 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 9 of this financial report and forms part of the Statement by the Board.

Board Declaration

In the opinion of the Board:

- a. the financial report set out on pages 12 to 33 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2020 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 become due and payable; and
- 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
24 September 2020



Miles George
Treasurer
24 September 2020

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
24 September 2020



Anthony Moore
Director of Finance & Operations
24 September 2020

**AUSTRALIAN CONSERVATION FOUNDATION INC.
FUNDRAISING DECLARATION FOR THE YEAR ENDED 30 JUNE 2020**

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 (“the Act”).

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 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
24 September 2020

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 Directors of Australian Conservation Foundation

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor for the audit of the Australian Conservation Foundation Inc. for the year ended 30 June 2020, 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, 24 September 2020

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 2020, 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 accompanying financial report of the Foundation is 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 2020 and of its 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 Regulations 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 Company 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 Foundation's annual report for the year ended 30 June 2020, 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 Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act. This responsibility also includes such internal control as 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 is 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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



C S Gangemi
Partner – Audit & Assurance

Melbourne, 24 September 2020

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue			
Operating activities		13,517,143	14,080,874
Non-operating activities		1,530,912	1,814,135
Total revenue	2(a)	15,048,055	15,895,009
Expenses			
Environmental impact initiatives			
Nature and places		805,438	966,016
Climate		1,176,887	923,849
Environmental economics and democracy		696,460	604,637
Community organising		1,262,184	1,092,209
Community mobilising and engagement		3,617,604	4,299,769
		7,558,573	7,886,480
Fundraising		4,081,754	4,618,219
Management and operations		1,759,297	1,488,664
Non-operating activities		733,011	588,699
Total expenses	2(b)	14,132,635	14,582,062
Net surplus for the year		915,420	1,312,947
Other comprehensive income		-	-
Total comprehensive income for the year		915,420	1,312,947
Surplus generated from current year revenues		1,453,171	2,439,748
Expenses funded from reserves		(537,751)	(1,126,801)
Total comprehensive income for the year		915,420	1,312,947

Refer to Note 1 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 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	3	8,780,331	6,379,293
Trade and other receivables	4	232,156	148,978
Investments	5	4,559,220	5,180,917
Other assets	6	204,357	155,019
Total current assets		13,776,064	11,864,207
Non-current assets			
Property, plant and equipment	7	9,244,212	8,957,452
Intangible assets	8	885,638	1,121,971
Total non-current assets		10,129,850	10,079,423
Total assets		23,905,914	21,943,630
Current liabilities			
Trade and other payables	9	987,458	645,063
Provisions	10	866,037	837,776
Lease liabilities	11	109,051	-
Other liabilities	12	402,929	60,106
Total current liabilities		2,365,475	1,542,945
Non-current liabilities			
Provisions	10	85,631	97,818
Lease liabilities	11	236,521	-
Total non-current liabilities		322,152	97,818
Total liabilities		2,687,627	1,640,763
Net assets		21,218,287	20,302,867
Equity			
Reserves		20,302,867	18,989,920
Net surplus for the year		915,420	1,312,947
Total equity		21,218,287	20,302,867

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 2020

	Notes	2020 \$	2019 \$
Operating activities			
Receipts from members, donors and supporters		12,172,788	12,148,331
Receipts from bequests		1,278,686	2,116,197
Receipts from investments and tenants		1,455,184	1,197,472
Receipt of government subsidies		422,000	-
Payments to staff and suppliers		(13,071,478)	(14,213,929)
Net cash provided by operating activities		<u>2,257,180</u>	<u>1,248,071</u>
Investing activities			
Purchase of property, plant & equipment		(260,272)	(235,912)
Payments for capitalised software		-	(703,815)
Net sale (purchase) of investments		420,566	(609,843)
Net cash provided by (used in) investing activities		<u>160,294</u>	<u>(1,549,570)</u>
Financing activities			
Payment of lease liabilities		(16,436)	-
Net cash used in financing activities		<u>(16,436)</u>	<u>-</u>
Net change in cash and cash equivalents		2,401,038	(301,499)
Cash and cash equivalents at the beginning of the year		6,379,293	6,680,792
Cash and cash equivalents at the end of the year	3	<u>8,780,331</u>	<u>6,379,293</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 2020

2020	<u>Unrestricted Reserves</u>						
	Operating	Environmental	Designated	Endowment	60L	Accumulated	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	5,365,589	2,714,928	-	3,122,350	9,100,000	-	20,302,867
Net surplus for the year	-	-	-	-	-	915,420	915,420
Expenses funded from reserves	-	(301,418)	-	(236,333)	-	537,751	-
	5,365,589	2,413,510	-	2,886,017	9,100,000	1,453,171	21,218,287
Reserve allocations	703,171	750,000	-	-	-	(1,453,171)	-
Balance at 30 June 2020	6,068,760	3,163,510	-	2,886,017	9,100,000	-	21,218,287
2019	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	4,925,841	1,745,850	36,184	3,182,045	9,100,000	-	18,989,920
Net surplus for the year	-	-	-	-	-	1,312,947	1,312,947
Expenses funded from reserves	-	(1,030,922)	(36,184)	(59,695)	-	1,126,801	-
	4,925,841	714,928	-	3,122,350	9,100,000	2,439,748	20,302,867
Reserve allocations	439,748	2,000,000	-	-	-	(2,439,748)	-
Balance at 30 June 2019	5,365,589	2,714,928	-	3,122,350	9,100,000	-	20,302,867

Refer to Note 1 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 2020**

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 2020 were approved and authorised for issue by the Board on 24 September 2020.

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.

New or amended Accounting Standards and Interpretations adopted

ACF has adopted all of the 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. The following new Accounting Standards are most relevant to ACF:

a. AASB 16 Leases

ACF has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are now recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained surplus as at 1 July 2019 was as follows:

	\$
Operating lease commitments as at 1 July 2019	43,345
Short-term leases not recognised as a right-of-use asset	(43,345)
Right-of-use assets as at 1 July 2019	<u>-</u>

When adopting AASB 16 from 1 July 2019, ACF has accounted for leases with a remaining lease term of 12 months or less as at 1 July 2019 as short-term leases.

b. AASB 15 Revenue from Contracts with Customers

ACF has adopted AASB 15 from 1 July 2019. This standard provides a single comprehensive model for revenue recognition. The standard requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a good or service to a customer at an amount that reflects the consideration to which the entity expects to be entitled. Where performance obligations extend over time, revenue must be allocated appropriately across the customer contract period.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

In adopting AASB 15, ACF has elected to apply the practical expedient allowed on completed contracts. As a result, no adjustment to opening retained earnings is required on adoption of this new standard. Management has determined that there is no material difference in accounting for revenue under AASB 15 when compared with previous standards.

The accounting policies covered by AASB 15 that are relevant to ACF are:

- 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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

c. AASB 1058 Income of Not-for-Profit Entities

ACF has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where:

- an asset is received in a transaction, such as by way of grant, bequest or donation;
- there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
- where the main intention is to enable ACF to further its objectives.

Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

In adopting AASB 1058, management have elected to apply the practical expedient allowed on completed contracts. As a result, no adjustment to opening retained earnings is required on adoption of these new standards. ACF has elected not to recognise the value of volunteer services as the cost of collecting information would outweigh the benefit to users of the financial statements. Management has determined that there is no material difference in accounting for revenue under AASB 1058 when compared with previous standards.

The accounting policies covered by AASB 1058 that are relevant to ACF are:

- 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.
- Grant funds received by ACF that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.
- 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.

Other accounting policies

The significant accounting policies that have been 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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

a. 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 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

b. 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.

c. 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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 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.

d. 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.

e. 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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

f. 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.

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 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 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.

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

k. 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 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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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
FOR THE YEAR ENDED 30 JUNE 2020

2. NET SURPLUS FOR THE YEAR

	2020	2019
	\$	\$
Net surplus for the year has been determined after:		
a) Revenue		
Operating activities		
Donations	12,029,162	11,723,772
Bequests	1,278,686	2,186,197
Membership subscriptions	114,377	137,501
Government subsidies	50,000	-
Sponsorship, events, royalties and other revenue	44,918	33,404
	<u>13,517,143</u>	<u>14,080,874</u>
Non-operating activities		
Rent and outgoings income from tenants	1,127,963	1,059,291
Investment income:		
Interest income	81,216	124,864
Dividend income	321,733	293,104
Net gain on change in value of FVTPL investments	-	336,876
	<u>1,530,912</u>	<u>1,814,135</u>
Total revenue	<u>15,048,055</u>	<u>15,895,009</u>
b) Expenses		
Salaries, superannuation and other staff costs	7,753,917	7,494,341
Events and community activities	481,286	616,042
External service provider donor acquisition costs	1,404,100	2,295,071
Marketing and communication expenses	1,406,509	1,368,237
Technology and operational expenses	720,507	757,539
Building expenses	319,109	329,891
Office lease expenses	60,547	134,637
Professional fees and consultants	783,128	672,812
Travel costs	304,163	386,680
Finance costs	142,821	142,955
Net loss on disposal of investments	128,811	48,674
Net loss on change in value of FVTPL investments	72,319	-
Depreciation & amortisation	555,418	325,556
Net loss on disposal of equipment and software	-	9,627
Total expenses	<u>14,132,635</u>	<u>14,582,062</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on hand	1,000	1,000
Cash at bank	3,726,530	2,317,566
Short-term deposits	5,052,801	4,060,727
	<u>8,780,331</u>	<u>6,379,293</u>

4. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	61,847	5,921
Other receivables	80,363	66,339
GST recoverable from Australian Taxation Office	89,946	76,718
Provision for impairment of receivables	-	-
	<u>232,156</u>	<u>148,978</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

	2020	2019
	\$	\$
Fixed interest	1,120,306	964,886
Australian property	554,645	506,211
Australian equities	1,987,991	2,748,067
International equities	896,278	860,183
Alternatives	-	101,570
	<u>4,559,220</u>	<u>5,180,917</u>

6. OTHER ASSETS

	2020	2019
	\$	\$
Prepayments	191,680	136,172
Accrued income	12,677	18,847
	<u>204,357</u>	<u>155,019</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

7. PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Land and buildings	9,604,967	9,557,662
Accumulated depreciation	(992,905)	(831,855)
Written down value	<u>8,612,062</u>	<u>8,725,807</u>
Office fit-out - at cost	163,354	143,916
Accumulated depreciation	(143,464)	(122,714)
Written down value	<u>19,890</u>	<u>21,202</u>
Office furniture - at cost	292,276	246,437
Accumulated depreciation	(202,853)	(176,254)
Written down value	<u>89,423</u>	<u>70,183</u>
ICT equipment - at cost	720,788	589,908
Accumulated depreciation	(544,828)	(459,898)
Written down value	<u>175,960</u>	<u>130,010</u>
Office buildings - right-of-use	360,841	-
Accumulated depreciation	(25,755)	-
Written down value	<u>335,086</u>	<u>-</u>
Artwork - at fair value	11,791	10,250
	<u>9,244,212</u>	<u>8,957,452</u>

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.

Additions to the right-of-use assets during the year were \$360,841. 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.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 2019	Additions	Disposals	Depreci- -ation	Balance at 30 Jun 2020
	\$	\$	\$	\$	\$
Land and buildings	8,725,807	117,305	(70,000)	(161,050)	8,612,062
Office fit-out	21,202	19,438	-	(20,750)	19,890
Office furniture	70,183	45,839	-	(26,599)	89,423
ICT equipment	130,010	130,880	-	(84,930)	175,960
Office building – right-of-use	-	360,841	-	(25,755)	335,086
Artwork	10,250	1,541	-	-	11,791
	8,957,452	675,844	(70,000)	(319,084)	9,244,212

8. INTANGIBLE ASSETS

	2020	2019
	\$	\$
Acquired software	1,184,052	1,184,052
Accumulated amortisation	(298,414)	(62,081)
Written down value	885,638	1,121,971

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets for the current financial year are as follows:

	Balance at 1 Jul 2019	Additions	Disposals	Amorti- -sation	Balance at 30 Jun 2020
	\$	\$	\$	\$	\$
Acquired software	1,121,971	-	-	(236,333)	885,638
	1,121,971	-	-	(236,333)	885,638

9. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	833,684	455,251
Other creditors and accruals	153,774	189,812
	987,458	645,063

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. PROVISIONS

	2020	2019
Current	\$	\$
Provision for employee benefits (annual and long-service leave)	<u>866,037</u>	<u>837,776</u>
	<u>866,037</u>	<u>837,776</u>
Non-current	\$	\$
Provision for employee benefits (long-service leave)	<u>85,631</u>	<u>97,818</u>
	<u>85,631</u>	<u>97,818</u>

As at 30 June 2020, there were 68 full-time equivalent staff (2019: 67) and total head count was 76 (2019: 75).

11. LEASE LIABILITIES

	2020	2019
Current	\$	\$
Office buildings lease liabilities	<u>109,051</u>	-
	<u>109,051</u>	-
Non-current	\$	\$
Office buildings lease liabilities	<u>236,521</u>	-
	<u>236,521</u>	-

Office buildings lease liabilities are unsecured.

12. OTHER LIABILITIES

		2020	2019
		\$	\$
Deferred income	i	30,929	60,106
COVID subsidy payable	ii	<u>372,000</u>	-
		<u>402,929</u>	<u>60,106</u>

- i. Deferred income consists of membership subscription revenue received in advance and is recognised over the relevant membership period.
- 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 below the subsidy eligibility threshold specified in the

**AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

JobKeeper rules. ACF has 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 has 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. COVID subsidy repayable therefore represents JobKeeper subsidies received from the Federal Government that ACF has repaid subsequent to year end.

13.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.

14.CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by ACF as at 30 June 2020 (2019: \$nil).

15.AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Audit of financial statements - Grant Thornton	38,500	38,500

16.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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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
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

	2020	2019
Key management personnel compensation	\$	\$
Short-term benefits - Remuneration paid	840,750	824,981
Post-employment benefits - Superannuation contributions	106,264	79,009
	<u>947,014</u>	<u>903,990</u>

17. EVENTS AFTER THE REPORTING DATE

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

18. 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 2020.

	Notes	2020	2019
		\$	\$
Financial assets			
Cash and cash equivalents	3	8,780,331	6,379,293
Trade and other receivables	4	232,156	148,978
Investments	5	4,559,220	5,180,917
		<u>13,571,707</u>	<u>11,709,188</u>
Financial liabilities			
Trade and other payables	9	987,458	645,063
		<u>987,458</u>	<u>645,063</u>

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

19.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.

	2020	2019
	\$	\$
Total income from fundraising appeals	12,029,162	11,723,772
Total expenditure on fundraising appeals	(2,755,463)	(3,352,956)
Net cash raised from fundraising appeals	<u>9,273,699</u>	<u>8,370,816</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

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.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020**

ACF has processes to ensure that service providers meet legislative requirements for employment, payment processing and data security.

	2020	2019
	\$	\$
Gross income from fundraising appeals involving external service providers	7,304,502	7,169,508
Gross expenditure on fundraising appeals involving external service providers (includes ACF, service provider and other related costs)	<u>(1,801,234)</u>	<u>(2,575,812)</u>