

# TASMANIAN LAND CONSERVANCY INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the reporting requirements of the Association Incorporation Act 1964 Tasmania. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the mandatory requirements of the Associations Incorporation Act Tasmania and the Australian Accounting Standards.

The financial statements have been prepared on the basis of historical cost except for the following:

- Land donated or gifted to the association is valued by the directors at fair value at the date when acquired.
- Investments are carried at fair value and any subsequent market movements are taken directly to profit and loss.

In order to meet the annual financial report information needs of the associations stakeholders a special purpose financial report has been prepared. As such, the financial report may not be suitable for another purpose other than for the annual financial report.

#### **Significant Accounting Policies:**

##### **a) Grant Income**

Grants are only recognised as income when it is likely that all conditions associated with the funding have been met or are likely to be met within the income year. All grants are initially recorded as grants in advance and shown as a liability. This is in accordance with AASB1004 'Contributions'.

##### **b) Interest Income**

Interest income is measured on an accruals basis and an accrual adjustment is made at 30 June each year.

##### **c) Depreciation Expense**

Depreciation is calculated based on the effective lives of all assets worth more than \$1,000.

**d) Plant & Equipment**

Plant & equipment is capitalised when the cost exceeds \$1,000. All Plant & Equipment is recorded at cost less accumulated depreciation.

**e) Land**

Land is recorded at cost with the exception of donated or gifted land which is initially recorded at fair value and reviewed annually for movement.

**f) Shares and Investments**

All investments are recorded at the market value as at 30 June. An adjustment is made each year to record the change in market value. This movement is recorded as either an unrealized capital gain or loss. Dividend income is treated as income when it is payable to the association.

**g) GST**

The association is registered for GST on a cash basis and reports to the ATO monthly.

**h) New Leaf cost recovery income**

The association is entitled to claim back the net cost of managing the New Leaf property portfolio. The net cost is calculated as total costs for managing the New Leaf properties less any income derived by the New Leaf properties. This cost recovery is calculated once a year. The revenue is recognised at the end of the 12 months to which it relates and the loan to the Else Cameron Foundation is reduced accordingly at the same date.

**Directors/Office Holders**

No directors or officeholders receive any remuneration for their role on the board.

**Independent Auditor**

The association's independent auditor is Michael J Burnett B.Com. FCA, Registered Company Auditor, Partner of Accru+ Hobart Pty Ltd.

For the 2012 financial year the auditor's remuneration is \$9,500 + GST. No additional services or engagements were performed for the association by the auditor.

**Subsequent Events & Going Concern**

As at the date this report was signed there were no material subsequent events or going concern issues.

## TASMANIAN LAND CONSERVANCY INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2012

#### NOTE 3: PROJECT & CONSULTANCY SERVICES

	2012	2011
Consultancy Services	734,196	611,604
Revolving Fund Management	441,477	445,512
New Leaf cost recovery	203,048	295,079
Reserve Income	130,191	15,451
<b>Total Core Services</b>	<b>1,508,912</b>	<b>1,367,645</b>

#### NOTE 4: DONATIONS & BEQUESTS

	2012	2011
General Donations	686,501	879,118
New Leaf donation	-	5,580,839
Foundation contributions	680,000	85,173
<b>Total Donations &amp; Bequests</b>	<b>1,366,501</b>	<b>6,459,957</b>

#### NOTE 5: SUNDRY INCOME

	2012	2011
Audit Adjustments	-	(356)
Awards received	1,765	1,500
Miscellaneous Income	2,577	(1,750)
<b>Total Sundry Income</b>	<b>4,342</b>	<b>(606)</b>

**TASMANIAN LAND CONSERVANCY INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 6: GENERAL ADMINISTRATION**

	<b>2012</b>	<b>2011</b>
Audit & Assurance Fees	12,005	7,525
Bank Fees & ATO Interest	3,495	1,085
Board Expenses	2,695	956
Computer	7,639	11,273
Entertainment	-	116
Government Charges	394	412
Insurance	12,434	17,866
Legal Fees	17,432	350
O H & S	1,508	197
General Office	2,794	4,484
Photocopying & Printing	1,738	201
Postage & Freight	9,772	6,557
Publications & Ref. Material	514	766
Office Lease	16,749	17,252
Stationary, Supplies & Equipment	11,277	11,424
Subscriptions & Dues	3,999	1,763
Telephone/Fax/ISP	20,224	21,777
Travel & Accommodation	22,891	31,417
Utilities	5,078	3,601
Volunteer Expenses	3,677	6,377
<b>Total General Admin</b>	<b>156,315</b>	<b>145,399</b>

**NOTE 7: EMPLOYMENT**

	<b>2012</b>	<b>2011</b>
Wages & Salaries	1,103,155	942,086
Superannuation	98,206	84,436
Consultants & Contractors	201,907	39,729
Training & Development	3,439	6,140
Recruitment	1,580	-
Workers Compensation	8,503	7,630
<b>Total Employment</b>	<b>1,416,791</b>	<b>1,080,021</b>

**TASMANIAN LAND CONSERVANCY INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 8: FUNDRAISING**

	<b>2012</b>	<b>2011</b>
Advertising & Insert Fees	3,711	4,791
Annual Report	6,182	4,714
Brochure Design, Prod. & Print	10,265	21,104
Events	16,186	18,822
Merchant Fees	-	8,000
Newsletter Design, Prod. & Print	5,920	4,423
Reply Paid Mail	117	186
<b>Total Fundraising</b>	<b>42,380</b>	<b>62,039</b>

**NOTE 9: RESERVES - LAND MANAGEMENT**

	<b>2012</b>	<b>2011</b>
Land Management	78,421	29,732
Conservation Program Support	-	30,000
Marketing	16,079	3,297
Planning & Subdivision	64,738	74,791
Property Search & Acquisitions	-	108,956
Rates & Taxes	53,072	40,746
Repairs & Maint. - Buildings	513	8,165
Insurance	14,500	15,000
Vehicle Maintenance	18,466	16,636
Fuel	23,112	17,931
Tools & Equipment	11,965	8,540
Valuations	4,461	10,658
<b>Total Reserve</b>	<b>285,328</b>	<b>364,451</b>

**TASMANIAN LAND CONSERVANCY INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 10: CASH ASSETS**

	<b>2012</b>	<b>2011</b>
Cheque Account	342,688	683,715
Gift Fund Account	1,059,469	786,274
Roaring 40's	460,481	62,814
Midlands Stewardship Fund	346,506	344,835
FCF Revolving Fund	480,401	260,927
DPIW Revolving Fund	22,316	110,291
Spring Water Farm Account	50,856	50,858
King Island Revolving Fund	150,129	151,388
FCF Term Deposit #1	1,000,296	-
FCF Term Deposit #2	-	877,123
Mystate Term Deposit - NRS	2,319,296	-
Credit Card - Visa	11,451	16,750
<b>Total Cash Assets</b>	<b>6,243,888</b>	<b>3,344,975</b>

**NOTE 11: TLC FOUNDATION FUNDS**

	<b>2012</b>	<b>2011</b>
Cathy Gibbons Fund	50,000	50,000
Dorothy Reeves Fund	30,000	30,000
Miriam Obendorf Fund	95,000	95,000
Brown Mountain Fund	16,700	16,700
Michael Buxton Fund	20,000	20,000
Tom Hay Bequest	141,929	141,749
Carolyn Parsons Bequest	16,155	15,500
Elizabeth Ann James Bequest	166,867	146,550
Joseph Bedford Bequest	310,031	310,031
Susan Gough Fund	10,000	10,000
Sam Hignett Fund	39,120	34,120
Jupe Family Fund	60,000	60,000
Potts Family Fund	15,000	10,000
Bosworth Family Fund	10,000	10,000
Barry Family Fund	30,000	15,000
Couser Family Fund	10,000	-
Voller Family Fund	10,000	-
Endemic Crustacean Fund	59,233	50,173
Foundation Fund	1,428,134	826,289
Market value movement	16,227	-
	<b>2,534,395</b>	<b>1,841,111</b>

**NOTE 12: RECEIVABLES**

	<b>2012</b>	<b>2011</b>
Trade Debtors	4,794	22,687
Accrued Revenue	36,811	-
	<u><b>41,606</b></u>	<u><b>22,687</b></u>

**NOTE 13: PERMANENT RESERVES**

	<b>2012</b>	<b>2011</b>
Flat Rock Reserve	342,070	342,070
Lutregala Marsh	23,895	23,895
Recherche Bay	2,296,319	2,296,319
Long Point	154,689	154,689
Egg Islands	303,293	303,293
Skullbone Plains	1,742,235	1,742,235
Silver Peppermint Reserve	75,000	75,000
Liffey Reserve	50,000	50,000
Brown Mountain Reserve	130,000	130,000
Vale of Belvoir	1,249,987	1,249,987
<b>Total Permanent Reserves @ Cost</b>	<u><b>6,367,487</b></u>	<u><b>6,367,487</b></u>

**TASMANIAN LAND CONSERVANCY INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 14: REVOLVING FUND LAND**

	<b>2012</b>	<b>2011</b>
Mole Creek	576,414	534,599
King Island	192,693	191,434
Forest Conservation Fund	4,384,118	4,883,841
	<u>5,153,226</u>	<u>5,609,874</u>

**NOTE 15: PLANT & EQUIPMENT**

	<b>2012</b>	<b>2011</b>
Plant & Equipment @ Cost	10,506	2,248
Less: Accumulated Depreciation	<u>(3,825)</u>	<u>(673)</u>
	<u>6,681</u>	<u>1,574</u>
Furniture & Fittings @ Cost	25,159	25,159
Less: Accumulated Depreciation	<u>(14,320)</u>	<u>(11,118)</u>
	<u>10,839</u>	<u>14,041</u>
Computer & Equipment @ Cost	50,485	56,316
Less: Accumulated Depreciation	<u>(42,301)</u>	<u>(46,042)</u>
	<u>8,184</u>	<u>10,274</u>
Motor Vehicles @ Cost	129,117	129,117
Less: Accumulated Depreciation	<u>(80,985)</u>	<u>(67,424)</u>
	<u>48,132</u>	<u>61,693</u>
<b>Total Plant &amp; Equipment</b>	<u><b>73,836</b></u>	<u><b>87,582</b></u>



**TASMANIAN LAND CONSERVANCY INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 16: PAYABLES**

	<b>2012</b>	<b>2011</b>
Trade Creditors	9,790	-
GST Payable	36,084	105,027
Key Deposits	1,550	-
PAYG Withholding Payable	17,198	21,357
<b>Total Payables</b>	<b>64,622</b>	<b>126,384</b>

**NOTE 17: UNEXPENDED GRANTS**

	<b>2012</b>	<b>2011</b>
King Island NRM/Commonwealth	214,541	214,541
NRS - Property Acquisition	2,319,296	-
MCF - CfoC Funding	297,000	-
Mole Creek Revolving Fund	534,337	534,337
Springwater Farm Mole Creek	339,698	339,698
FCF Revolving Funds	5,269,524	5,593,945
FCF Rent	51,254	42,179
State Government Revolving Fund	102,984	102,984
Midlands Bio Diversity Program	319,013	316,646
Birds Australia	160,194	149,300
Roaring 40's	-	77,677
	<b>9,607,843</b>	<b>7,371,308</b>

**NOTE 18: PRIVATE LOANS**

	<b>2012</b>	<b>2011</b>
Cathy Clayton (Dorothy Reeves Fund)	10,000	10,000
David & Jane Jupe (Jupe Family Fund)	60,000	60,000
Elsie Cameron Foundation	13,528,451	13,731,499
David Obendorf (Miriam Obendorf Fund)	95,000	95,000
Carol Hurst (Cathy Gibbons Fund)	8,000	15,000
	<b>13,701,451</b>	<b>13,911,499</b>

TASMANIAN LAND CONSERVANCY INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012

<b>NOTE 19: CASH FLOW INFORMATION</b>	<b>\$ 2012</b>	<b>\$ 2011</b>
<b>Net surplus for year</b>	1,121,656	7,500,269
Less: Unrealised Foundation Income	(16,402)	-
Less: ECF Cost Recovery	(203,048)	(295,079)
Less: Depreciation	(26,901)	(25,620)
<b>(Increase)/Decrease in assets</b>		
Inventories	-	-
Trade and other receivables	(18,919)	(63,574)
<b>Increase/(Decrease) in liabilities</b>		
Trade creditors	(61,762)	64,813
Grants in advance	2,236,535	13,643,444
Other	106,479	386,748
<b>Net cash flow from operations</b>	<b><u>3,137,638</u></b>	<b><u>21,211,002</u></b>

## **INDEPENDENT AUDITOR'S REPORT**

To the members of the Tasmanian Land Conservancy Inc.

We have audited the accompanying financial report, being a special purpose report, of Tasmanian Land Conservancy Inc. which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income for the year then ended, statement of cash flows for the year then ended, special purpose cash source and usage summary report for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the officers assertion statement.

### **Officers Responsibility for the Financial Report**

The officers of Tasmanian Land Conservancy Inc. are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporated Act 1964* and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the officers, as well as evaluating the overall presentation of the financial report.

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

## Opinion


In our opinion, the financial report presents fairly, in all material respects, the financial position of Tasmanian Land Conservancy Inc. as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporated Act (1964)*

## Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the officers financial reporting requirements under the *Associations Incorporation Act 1964* and as such may be unsuitable for another purpose.

The officers have determined that the financial report shall be prepared in accordance with a special purpose framework. As a result, the financial report may not be suitable for another purpose as only the accounting standards specifically stated in note 1 to the accounts have been applied in the preparation of this special purpose financial report.

As such, this report should not be distributed or used by parties other than Tasmanian Land Conservancy Inc. and its members as part of the annual financial report.

  
.....  
Michael J Burnett FCA  
Registered Company Auditor  
Partner, Accru<sup>+</sup> Hobart  
Lvl 3, 6 Bayfield Street  
ROSNY PARK TAS 7018

Date: 5/9/12