



**Tasmanian Land Conservancy Inc.**

**Annual Financial Report**

**For the year ended 30 June 2019**

# **Tasmanian Land Conservancy Inc.**

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## Tasmanian Land Conservancy Inc. Corporate Information

ABN 88 743 606 934

Committee members	Mr Stuart Barry                      Chair Ms Jennie Churchill                  Vice chair Ms Clare Bower                        Member Mr Peter Cosier                         Member Mr Peter Downie                        Member Ms Erika Korosi                         Member Prof Ted Lefroy                         Member Mr Nathan Males                        Member Mr Mark Temple-Smith                Member Mr Julian von Bibra                    Member
Public Officer and CEO	Mr James Hattam
Registered office and principal place of business	827 Sandy Bay Road Sandy Bay TAS 7005
Bankers	Bendigo and Adelaide Bank Limited 45 Murray Street Hobart TAS 7000
Auditors	Accru Hobart Level 1, 18 Ross Avenue
Investment advisers	JB Were Level 16, 101 Collins Street Melbourne VIC 3000
Website	<a href="http://www.tasland.org.au/">http://www.tasland.org.au/</a>
Acronyms	AASB      Australian Accounting Standards Board ABN        Australian Business Number ACCU      Australian Carbon Credit Units ACNC      Australian Charities and Not-for-Profits Commission ALCA      Australian Land Conservation Alliance BHA        Bush Heritage Australia DPIPWE    Department of Primary Industries, Parks, Water and Environment FCF        Forest Conservation Fund GST        Goods and Services Tax MCF        Midlands Conservation Fund PALRC     Protected Areas Learning and Research Collaboration TLC        Tasmanian Land Conservancy Inc.

## Tasmanian Land Conservancy Inc. Officers' Report

Your officers present this report to the members of the Tasmanian Land Conservancy Inc. for the year ended 30 June 2019.

The names of each person who has been an officer during the year and to the date of this report, and the total number of meetings attended by each officer are:

Name	Position	Appointed	Retired	Meetings attended	Eligible to attend
Mr Stuart Barry	Chair	October 2009		5	6
Ms Jennie Churchill	Vice chair	November 2012		5	6
Ms Clare Bower	Member	February 2018		6	6
Mr Peter Cosier	Member	October 2010		4	6
Mr Peter Downie	Member	November 2012		3	6
Ms Erika Korosi	Member	November 2015		2	6
Prof Ted Lefroy	Member	November 2015		4	6
Ms Lyn Maddock	Member	October 2009	November 2018	0	2
Mr Nathan Males	Member	November 2015		5	6
Mr Mark Temple-Smith	Member	November 2016		5	6
Mr Julian von Bibra	Member	November 2016		6	6

Details of officers' qualifications, experience and special responsibilities can be found on page 7 of the Annual Financial Report.

### **The Tasmanian Land Conservancy's 2050 Vision for Tasmania**

Our vision is for Tasmania to be a global leader in nature conservation.

### **Tasmanian Land Conservancy's 2050 Mission**

In partnership with other organisations, communities, individuals and governments the Tasmanian Land Conservancy will:

- 1 Take a leadership role in building a landscape-scale approach to conservation, including a world class system of reserves
- 2 Demonstrate excellence in management for nature conservation
- 3 Contribute to Tasmania becoming a centre of knowledge in nature conservation and planning
- 4 Develop and implement innovative mechanisms for achieving nature conservation
- 5 Provide opportunities and mechanisms for communities and individuals to achieve nature conservation
- 6 Demonstrate organisational leadership through exceptional governance, a positive working environment and financial sustainability.

### **Performance measures**

The Tasmanian Land Conservancy measures performance through the establishment and monitoring of benchmarks and budgets. These are reviewed in detail by the Board monthly and any exceptions investigated further.

**Auditor's independence**

The auditor's declaration of independence appears on page 5 of the Annual Financial Report and forms part of the officers report for the year ended 30 June 2019.

Signed in accordance with a resolution of the officers.

On behalf of the committee:

A handwritten signature in black ink, appearing to read 'Barn', written over a horizontal line.

15 October 2019

Chair  
Hobart

Date

## Tasmanian Land Conservancy Inc

# Auditor's Independence Declaration

For the Year Ended 30 June 2019

Dear Members

As auditor for the Tasmanian Land Conservancy Inc for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- 1) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the above-mentioned charity.

Yours sincerely



.....  
**Michael Burnett** B.Com.F.C.A.  
Registered Company Auditor: 281  
Partner  
Level 1/18 Ross Avenue, Rosny Park TAS 7018

Dated ..... / ..... / 2019

**Tasmanian Land Conservancy Inc.  
Committee Statement  
For the year ended 30 June 2019**

The Committee has determined that the Tasmanian Land Conservancy Inc. is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outline in Note 1 to the financial statements.

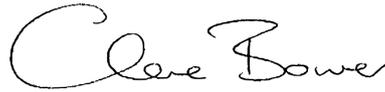
In the opinion of the Committee, the attached financial report:

1. Presents a true and fair view of the financial position of the Tasmanian Land Conservancy Inc. as at 30 June 2019 and its performance for the period 1 July 2018 to 30 June 2019;
2. At the date of this statement there are reasonable grounds to believe that the Tasmanian Land Conservancy Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Chair



Chair Risk and Audit Committee

Dated: \_\_\_\_\_  
15 October 2019

Dated: \_\_\_\_\_  
15 October 2019

## Tasmanian Land Conservancy Inc.

### Officers' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Special Responsibilities
Mr Stuart Barry	B.Bus, MBA, CFP	Expertise in global investment markets, financial risk management and derivatives. Stuart owns a local financial advisory firm, specialising in ethical investing.	Chair
Ms Jennie Churchill	Bachelor of Veterinary Science, Grad Dipl. Marketing, Graduate Australian Institute of Company Directors	A veterinarian with more than 30 years leadership and management experience across a range of other professional fields including not-for-profit organisations, government advisory roles, media and small business. Experienced non-Executive Director on not-for-profit and government boards.	Vice Chair, Chair of Foundation Committee
Ms Clare Bower	Bachelor of Arts (Honours) History and Philosophy, Certified Internal Auditor, Graduate of the Australian Institute of Company Directors	Providing financial and operational audit, governance and risk advice to Australian and global organisations including major ASX listed companies, public sector departments and the not-for-profit sector. Her most recent role was as a senior partner at Deloitte where she was the Lead Partner of the Australian Risk Services Public Sector and Not-for-Profit industry group. She was a founding Director of the Deloitte Foundation and a recognised advocate of work place diversity as an executive of the firm's Inspiring Women program. She is a Director of Smart Recovery Australia and Treasurer of the Australian Watercolour Institute.	Chair of Risk and Audit Committee
Mr Peter Cosier	Bachelor of Science, Diploma Urban and Regional Planning	Member of the Wentworth Group of Concerned Scientists and chair of Accounting for Nature Limited. He has a background in environmental policy, institutional reform, catchment management and land use planning.	Chair of Science Council
Mr Peter Downie		Farmer with 150 years of family tradition. Member of United Nations reference group on climate change in Kyoto.	Chair of Property Subcommittee
Ms Erika Korosi	B.Sc. Honours, Masters in Environmental Engineering	Erika has extensive experience providing company-wide leadership, governance and advice on environment, climate change and sustainability across global operations spanning Australia, Asia, South and North America and Africa. Erika currently works as a senior manager contributing to BHP Billiton's approach to environment and climate change.	
Prof Ted Lefroy	B.Sc. Agriculture, PhD Agriculture	Director of the Centre for Environment at the University of Tasmania. Ted trained in agricultural science and has worked in rural development and extension in Australia and overseas and agricultural and environmental research in Australia.	
Ms Lyn Maddock	Bachelor of Economics	Extensive experience as a senior executive in the public and private sectors. Micro economist. Resigned November 2018.	
Mr Nathan Males	Bachelor Degree in Environmental Studies, Masters Degree in Protected Area Management	Worked for the Tasmanian Government and Bush Heritage Australia before becoming one of the founders of the Tasmanian Land Conservancy. Nathan was the CEO of the Tasmanian Land Conservancy for 10 years before founding and managing his own software company. Nathan serves on the boards of several not for profit organisations in Tasmania.	Chair of Nominations Committee
Mr Mark Temple-Smith	Bachelor of Laws	Between 1979 and 2015 Mark was a partner in, and Principal of, a Devonport law firm. Mark practiced for fifteen years as a barrister and solicitor in the civil and criminal jurisdiction of the Supreme Court, and then for twenty five years providing advice to individuals and corporations in commercial, property, planning, estate and trust law. He has been a member of the Tasmanian Bar Association, a committee member of the Tasmanian Law Council and a member of the Tasmanian Legal Disciplinary Tribunal. Mark retired from legal practice in 2015. Mark has been actively involved as a member, Board appointee, Secretary and President of a number of community not for profit organisations.	
Mr Julian von Bibra	Bachelor of Commerce	Julian is a farmer at <i>Beaufront</i> , a family property, running from the Macquarie River to the Eastern Tiers, at Ross in the Midlands of Tasmania. The family farm at Ross is 12,400 hectares and contains considerable conservation values. The family also manages a higher rainfall property in the NorthEastern tip of Tasmania at Gladstone covering 6,300 hectares.	

**Tasmanian Land Conservancy Inc.**  
**Income statement**  
**For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
<b>Income</b>			
Donations and bequests	3	2,812,217	3,079,065
Project and consultancy services	5	562,484	576,947
Conservation grants		347,940	372,336
Contributed labour (volunteering)		180,416	263,503
Carbon income	12	194,250	194,250
Foundation redemption	4	135,000	180,000
Five Rivers redemption	4	144,000	192,000
Interest income		52,401	41,086
Sale of properties	13	-162,843	467,149
Reserve income		16,425	13,459
Sundry income		11,760	71,095
<b>Total income</b>		<u>4,294,049</u>	<u>5,450,892</u>
<b>Expenses</b>			
Employment	6	1,363,249	1,315,015
Conservation management	7	512,061	505,990
Organisational support	8	273,496	294,877
Contributed labour (volunteering)		180,416	263,503
Fundraising and engagement	9	172,472	275,987
Vehicles (fuel and maintenance)		48,542	36,042
Depreciation		26,482	27,447
<b>Total expenses</b>		<u>2,576,719</u>	<u>2,718,861</u>
<b>Net Operating Surplus</b>		<u>1,717,330</u>	<u>2,732,030</u>
<b>Other income</b>			
TLC Foundation income	4	759,872	482,497
<b>Current year earnings</b>		<u>2,477,202</u>	<u>3,214,528</u>

*The income statement is to be read in conjunction with the attached notes.*

**Tasmanian Land Conservancy Inc.**  
**Statement of Financial Position and Changes in Equity**  
**As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and equivalents	10	4,013,651	3,939,869
TLC Foundation funds	4	13,930,196	12,017,614
Receivables		193,435	257,600
<b>Total current assets</b>		<u>18,137,281</u>	<u>16,215,083</u>
<b>Non-current assets</b>			
Permanent reserves	11	16,613,647	16,103,647
New Leaf properties	12	8,443,663	8,443,663
Revolving Fund properties	13	2,807,754	3,348,154
Other properties	14	510,500	500,000
Plant and equipment	15	77,688	66,457
<b>Total non-current assets</b>		<u>28,453,252</u>	<u>28,461,920</u>
<b>Total assets</b>		46,590,533	44,677,003
<b>Current liabilities</b>			
Payables	16	125,436	213,879
Unexpended grants	17	4,024,991	4,360,943
Provision for employee entitlements	18	230,335	241,283
<b>Total current liabilities</b>		<u>4,380,762</u>	<u>4,816,105</u>
<b>Non-current liabilities</b>			
Capital provisions	19	216,268	264,735
Private loans	20	75,000	157,668
Provision for employee entitlements	18	26,851	24,045
<b>Total non-current liabilities</b>		<u>318,118</u>	<u>446,448</u>
<b>Total liabilities</b>		4,698,881	5,262,553
<b>Net assets</b>		<u>41,891,652</u>	<u>39,414,450</u>
<b>Equity</b>			
Retained earnings		39,414,450	36,199,922
Current year earnings		2,477,202	3,214,528
<b>Total equity</b>		<u>41,891,652</u>	<u>39,414,450</u>

*The statement of financial position and statement of changes in equity is to be read in conjunction with the attached notes.*

**Tasmanian Land Conservancy Inc.**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Donations and bequests		2,302,582	2,596,285
Grants received		345,250	441,707
Carbon income		213,675	213,675
Consultancy services		155,229	53,280
Interest received		52,401	41,086
Reserve income		23,248	14,925
Sales income		6,337	75,012
Rental income		6,390	3,059
Franking credits received		-	71,655
Payments to suppliers and employees		-2,144,547	-3,174,094
Other		4,889	86,645
Net cash flows from operating activities	21	965,454	423,236
Cash flows from investing activities			
Proceeds from sales of property		895,379	1,533,517
Purchases of plant and equipment		-37,713	-26,100
Purchases of properties		-528,322	-1,048,676
Contributions to Foundation Funds		-1,226,015	-533,383
Net cash flows from investing activities		-896,672	-74,642
Cash flows from financing activities			
Loans advanced		5,000	-
Repayment of borrowings		-	-162,737
Net cash flows from financing activities		5,000	-162,737
Net increase/(decrease) in cash and cash equivalents		73,782	185,858
Cash and cash equivalents at beginning of year		3,939,869	3,754,011
Cash and cash equivalents at end of year	10	4,013,651	3,939,869

*The statement of cash flows is to be read in conjunction with the attached notes.*

# Tasmanian Land Conservancy Inc.

## Notes To and Forming Part of the Accounts

### For the year ended 30 June 2019

#### Note 1 – Statement of significant accounting policies

##### Basis of preparation

The committee has determined that the association is not a reporting entity, and this financial report is a special purpose financial report prepared in order to satisfy the reporting requirements of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*. The financial report may not be suitable for any another purpose.

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

- Land donated or gifted to the association is recorded at fair market value at the date of acquisition
- Investments are carried at fair value and any subsequent market movements are taken directly to profit and loss.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

The following Australian Accounting Standards have been used in the preparation of the report:

† AASB 12	<i>Disclosure of Interests in Other Entities</i>
† AASB 15	<i>Revenue from Contracts with Customers</i>
AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 1004	<i>Contributions</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1054	<i>Additional Australian Disclosures</i>
† AASB 1058	<i>Income of Not-for-profit Entities</i>

†—adopted during the year.

##### New accounting standards adopted

AASB 12 *Disclosure of Interests in Other Entities* requires an entity to disclose information that enables users of its financial statements to evaluate (a) the nature of, and risks associated with, its interests in other entities; and (b) the effects of those interests on its financial position, financial performance and cash flows. The Tasmanian Land Conservancy has a non-controlling interest in the Midlands Conservation Fund Ltd (MCF), which is a separate public company limited by guarantee with its own Board of Directors and constitutional objectives. The adoption of AASB 12 has resulted in additional disclosures being reported in these financial statements.

AASB 15 *Revenue from Contracts with Customers* introduces a new principle for the recognition of revenue, and requires an entity to recognise revenue to depict the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces a formal 5-step model for the recognition of revenue, which applies to enforceable contracts with performance obligations which are sufficiently specific to enable the Tasmanian Land Conservancy to determine when they have been satisfied. The adoption of AASB 15 has not had a material impact on the revenue recognised by the Tasmanian Land Conservancy.

AASB 1058 *Income of Not-for-profit Entities* applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The adoption of AASB 1058 has resulted in 'contributed labour' being recognised as both revenue and an expense (resulting in no net change to the operating result for the period).

## **Changes to accounting policies**

The accounting policy for recognising interest income has changed. All interest income received is recorded as income, including interest associated with certain grant liabilities. In prior years, the interest received has been directly credited to the corresponding grant liability, and has not appeared in the operating statement. The policy is now to recognise all interest received as income, and to recognise the interest credited to grant liabilities as an expense.

### **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.

### **b. Interest income and interest credited to grant liabilities**

Interest income is measured on an accrual basis. Interest income earned on the bank accounts for the Forest Conservation Fund (Revolving Fund) and the Midlands Stewardship Fund is credited to the corresponding liability.

### **c. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with the use of the resources.

### **d. Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank held directly by the association. Cash and cash equivalents attributable to Foundation investments are not included.

### **e. Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount, less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven (7) to ninety (90) days.

### **f. Plant and equipment and depreciation expense**

Plant and equipment is capitalised when the cost exceeds \$10,000. All plant and equipment is recorded at cost less accumulated depreciation. Depreciation is calculated based on the effective lives of all assets worth more than \$10,000.

### **g. Land**

Land is recorded at historical cost, except for land donated or gifted to the association which is recorded at fair market value at the date when acquired.

### **h. Shares and investments (Foundation Funds)**

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 unrealised capital gain or loss. Dividend and distribution income is recognised as income when it is payable to the association.

Additional details on the Foundation are reported in the Annual Report, available at <https://tasland.org.au/about-the-tlc/newsletters-and-annual-reports/>.

### **i. Trade creditors and other payables**

Trade creditors and other payables represent liabilities for goods and services provided prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

### **j. GST**

The association is registered for GST on a cash basis and reports to the Australian Taxation Office monthly. Revenue, expenses and assets are recognised net of the amount of GST except where the amount of GST is not recoverable from the Australian Taxation Office. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

#### **k. Taxes**

The Tasmanian Land Conservancy is certified as an Income Tax Exempt Charity and consequently no income tax is reported. The Tasmanian Land Conservancy is eligible to receive a refund of franking credits that it earns from its Foundation investments. The Tasmanian Land Conservancy is also certified as a Deductible Gift Recipient and issues tax deductible receipts for donations received over \$2.

#### **l. Contributed labour**

The value of contributed labour is calculated using guidelines published and endorsed by Volunteering Tasmania. For 2019, a replacement cost of \$35.21 per hour has been used. This value was published in the Tasmanian State Government commissioned report *The Economic Value of Volunteering in Tasmania* published in May 2014. This figure is considered to be conservative.

#### **m. Provision for employee entitlements**

The provision for annual leave is a current liability and is accrued on a pro-rata basis of 4 weeks per annum less any leave taken during the year.

The liability for long service leave is recognised for all employees at the reporting date. It is recognised as a current liability for employees that have been employed for 9 years or more, and as a non-current liability for all other employees without taking into account the present value of future cash flows. The calculation of the non-current liability uses estimates of the likelihood that employees will satisfy the conditions for entitlement to long service leave. The accrual rate is 1.3 weeks for each year of service.

#### **n. Midlands Conservation Fund**

The Tasmanian Land Conservancy and Bush Heritage Australia each hold a 50% interest in the Midlands Conservation Fund Ltd (MCF). The MCF is a separate public company limited by guarantee with its own Board of Directors and constitutional objectives. Under the MCF Constitution Bush Heritage has the capacity to control MCF, and the financial statements for MCF are consolidated with the Bush Heritage financial statements. Under the MCF Constitution, MCF cannot pay financial dividends to its members. The Tasmanian Land Conservancy provides administration services to the MCF and processes stewardship payments to land owners on its behalf. Other returns to the Tasmanian Land Conservancy are indirect, and result from the MCF achieving conservation objectives that contribute directly to the Tasmanian Land Conservancy's conservation objectives.

#### **o. Rounding**

Unless otherwise stated all financial figures have been rounded off to the nearest dollar.

#### **Office Holders**

No office holders receive any remuneration for their role on the board.

#### **Independent Auditor**

The independent auditor is Accru Hobart. For the 2019 financial year the remuneration paid to Accru Hobart was \$12,000 (excluding GST).

#### **Subsequent events and going concern**

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

## Note 2 – Operating segments

Segment information	Note	Land management Conservation and Science 2019	Fundraising 2019	Foundation 2019	Total 2019
<b>Income</b>					
Donations and bequests	3	-	2,812,217	-	2,812,217
TLC Foundation	4	-	-	1,103,462	1,103,462
Other income		1,202,832	-	-	1,202,832
<b>Expenses</b>					
Direct employment		1,012,830	350,419	-	1,363,249
Direct expenses		767,502	172,472	64,589	1,004,563
Organisational support (*)	8	273,496			273,496
Segment result		-850,996	2,289,326	1,038,872	2,477,202
Transfer from Foundation		279,000		-279,000	
Net income		-571,996	2,289,326	759,872	2,477,202
Transfer to Foundation			-1,147,709	1,147,709	
Loans to Foundation				5,000	
Increase in Foundation corpus	4			1,912,581	

(\*)—Organisational expenses incurred support the fundraising and Foundation activities, but haven't been apportioned or allocated.

## Note 3 – Donations and bequests

	2019	2018
General donations	1,456,840	977,179
Bequests	373,011	175,852
Loan relief Elsie Cameron Foundation	87,668	976,000
Foundation donations	384,698	450,034
Gifts of property	510,000	500,000
Donations and bequests	2,812,217	3,079,065

## Note 4 – Tasmanian Land Conservancy Foundation

The TLC Foundation is an endowment fund established in 2009 to secure the long-term resourcing required to ensure effective management of reserves. The TLC Foundation investments are managed by JB Were, with governance and oversight provided by the Foundation Committee (a subcommittee of the TLC Board). Quarterly redemptions are drawn from the Foundation Funds to provide funding for the costs of managing and maintaining the TLC reserve properties. The investment earnings generated from the TLC Foundation Funds includes the dividends, distributions, interest and the movement in market value of the underlying assets.

	2019	2018
Investment earnings	1,043,775	838,588
Franking credits	59,687	71,655
Investment fees	-64,589	-55,746
Foundation redemption	-135,000	-180,000
Five Rivers redemption	-144,000	-192,000
Net Foundation income	759,872	482,497

The decrease in Foundation and Five Rivers redemption is attributable to the timing of the payments received. There were three payments received during 2019, four payments received in 2018 and five payments received in 2017. Due to a timing issue, the franking credits for the 2018 financial year will be received during the 2020 financial year.

Reconciliation of the movement in the Foundation capital:

	<b>2019</b>	<b>2018</b>
Capital contributions	1,147,709	540,034
Net Foundation income (per above)	759,872	482,497
Loans advanced	5,000	-
Increase in Foundation corpus	<u>1,912,581</u>	<u>1,022,532</u>
Opening Foundation balance	12,017,614	10,995,083
Closing Foundation balance	13,930,196	12,017,614

#### **Note 5 – Project and consultancy services**

	<b>2019</b>	<b>2018</b>
Consultancy services	212,417	74,346
Revolving fund management	257,734	253,283
New Leaf cost recovery	-	162,737
PALRC income	<u>92,333</u>	<u>86,582</u>
Project and consultancy income	562,484	576,947

The Tasmanian Land Conservancy now owns the New Leaf properties (note 12) unencumbered and no longer receives reimbursement for the expenses incurred in land management.

The Tasmanian Land Conservancy administers the Protected Area Learning and Research Collaboration project, and the income received offsets the administration costs incurred.

#### **Note 6 – Employment**

	<b>2019</b>	<b>2018</b>
Wages and salaries	1,117,144	1,025,420
Superannuation	112,336	104,240
Annual leave expense	94,927	84,159
Training and development	14,531	17,044
Workers compensation insurance	11,326	15,550
Long service leave expense	9,693	41,727
Recruitment	1,690	24,871
Staff amenities	<u>1,602</u>	<u>2,002</u>
Employment expenses	1,363,249	1,315,015

The number of staff employed by the Tasmanian Land Conservancy as at 30 June 2019 was:

	Number of staff	Full time equivalent
Administration	3	3.0
Philanthropy and engagement	5	4.2
Reserves management	5	3.8
Science and planning	4	3.2
Conservation programs	<u>5</u>	<u>3.0</u>
	22	17.2

**Note 7 – Conservation management**

	<b>2019</b>	<b>2018</b>
Consultants and external contractors	145,893	143,511
Rates and taxes	67,130	63,627
Land management expenses	63,747	119,880
Ecological monitoring	34,164	3,500
Conservation stewardship payments	30,532	-
Interest credited to grant liabilities	27,404	8,878
Travel and accomodation	24,720	37,673
PARLC scholarships	24,000	-
Access management	16,776	10,803
Tools and equipment	16,479	25,639
Land sales and advertising	16,250	16,200
IT and computer	15,419	16,773
Research and surveys	13,172	10,338
Government charges	7,316	30,725
Property valuations	6,025	3,800
Visitor management	906	5,223
Repairs and maintenance	884	8,173
Management plans	697	-
Planning and subdivision	545	1,247
Conservation management expenses	<u>512,061</u>	<u>505,990</u>

**Note 8 – Organisational support**

	<b>2019</b>	<b>2018</b>
IT and computer	46,886	48,905
Insurance	46,494	47,948
Office rent	37,130	32,791
Telephone, fax and internet	27,218	33,168
Accounting support	15,420	15,514
General office	12,999	11,745
Audit and assurance fees	12,000	9,500
Postage and freight	11,635	15,155
Subscriptions and dues	10,904	10,780
Board expenses	10,858	8,100
Utilities	10,067	6,820
Legal fees	8,917	20,736
Travel and accomodation	6,748	2,670
Photocopying and printing	4,990	4,043
Workplace health and safety	3,294	4,337
Stationary, supplies and equipment	3,165	5,051
Consultants	3,079	14,768
Bank fees	1,289	1,017
Volunteer expenses	233	1,497
Publications and reference material	168	332
Organisation support expenses	<u>273,496</u>	<u>294,877</u>

## Note 9 – Fundraising and engagement

	2019	2018
IT and computer (★)	62,299	24,412
Consultants (★)	30,091	61,198
Publications	22,837	28,099
Events (◇)	15,631	102,074
Advertising and marketing	14,813	15,677
Travel and accomodation	11,621	21,889
Relationship management	9,481	12,620
Merchant fees	5,699	10,017
Fundraising and engagement expenses	<u>172,472</u>	<u>275,987</u>

(★)—the increase in the computer expenses is attributable to the implementation of a new customer relationship management (CRM) system. The costs of scoping and implementing the new system were incurred during the 2018 financial year and reported as a consulting expense.

(◇)—the prior year events expense included costs incurred hosting the National Private Conservation Conference during the year for the Australian Land Conservation Alliance (ALCA).

## Note 10 – Cash and equivalents

	2019	2018
Operating account	455,989	534,028
Gift fund account	522,322	654,171
Debit card	19,614	12,235
Operating cash assets	<u>997,925</u>	<u>1,200,434</u>
FCF Revolving Fund	1,645,535	1,499,947
Nature Bank	757,762	557,672
Midlands Stewardship Fund	304,231	318,952
New Leaf and Five Rivers Capital Provision	249,638	304,874
DPIPWE Revolving Fund	44,215	43,645
King Island Revolving Fund	14,345	14,345
Other cash assets	<u>3,015,726</u>	<u>2,739,434</u>
Total cash assets	4,013,651	3,939,869

**Note 11 – Permanent reserves**

	<b>2019</b>	<b>2018</b>
Blue Tier	60,871	60,871
Brown Mountain	130,000	130,000
Daisy Dell	237,135	237,135
Egg Islands	303,293	303,293
Five Rivers	9,041,841	9,041,841
Flat Rock	342,070	342,070
Gordonvale	154,710	154,710
Kings Run	347,665	347,665
Liffey	50,000	50,000
Long Point	154,688	154,688
Little Swanport	495,000	495,000
Lutregala Marsh	23,895	23,895
Panatana	178,250	178,250
Recherche Bay	2,296,319	2,296,319
Silver Peppermint	75,000	75,000
Stoney Farm	30,000	30,000
Tall Trees	510,000	-
The Big Punchbowl	852,922	852,922
Tom Hay	80,000	80,000
Vale of Belvoir	<u>1,249,987</u>	<u>1,249,987</u>
Permanent reserves	16,613,647	16,103,647

**Note 12 – New Leaf properties**

	<b>2019</b>	<b>2018</b>
Archer Whareham	654,485	654,485
Bardenhagen	241,951	241,951
Jinks Tier	1,200,840	1,200,840
Lake River	278,792	278,792
Lake Sorell	1,631,385	1,631,385
London Marshes	143,045	143,045
Nook	92,833	92,833
Phillips Rose Tier	97,260	97,260
Sheene	131,487	131,487
Silver Plains	3,141,605	3,141,605
Towns	536,141	536,141
Weeks	<u>293,839</u>	<u>293,839</u>
New Leaf properties	8,443,663	8,443,663

Carbon income is generated from the sale of Australian Carbon Credit Units from the New Leaf Carbon Project.

**Note 13 – Revolving Fund properties**

	<b>2019</b>	<b>2018</b>
Forest Conservation Fund	2,475,685	3,016,085
King Island	332,069	332,069
Revolving Fund properties	<u>2,807,754</u>	<u>3,348,154</u>

Properties held within the Revolving Fund are available for sale, with a conservation covenant placed on the property title. The proceeds from property sales are used to purchase further properties that have conservation values.

A net loss on sale of properties was incurred during the 2019 year. The loss arose on the sale of a property at Epping Forest as a consequence of purchasing an agricultural property in a rural landscape. Whilst the commercial value of the property was compromised by placing a conservation covenant on the title, the primary objective of the Revolving Fund was achieved. The acquisition criteria for Revolving Fund properties have subsequently been reviewed and changed to mitigate the risks arising from these types of transactions in the future.

**Note 14 – Other properties**

	<b>2019</b>	<b>2018</b>
Rubicon	500,000	500,000
Lottah	10,500	-
Other properties	<u>510,500</u>	<u>500,000</u>

**Note 15 – Plant and equipment**

	<b>2019</b>	<b>2018</b>
Plant and equipment at cost	86,630	86,630
Less accumulated depreciation	<u>-84,949</u>	<u>-82,553</u>
	1,680	4,076
Furniture and fittings at cost	29,618	29,618
Less accumulated depreciation	<u>-29,184</u>	<u>-27,549</u>
	434	2,069
Computers and equipment at cost	87,830	87,830
Less accumulated depreciation	<u>-87,715</u>	<u>-86,991</u>
	115	838
Motor vehicles at cost	281,454	243,740
Less accumulated depreciation	<u>-205,995</u>	<u>-184,267</u>
	75,458	59,473
Total plant and equipment	<u>77,688</u>	<u>66,457</u>

**Note 16 – Payables**

	<b>2019</b>	<b>2018</b>
Trade creditors	977	59,842
GST payable	6,138	27,988
Key deposits	1,441	1,441
Superannuation payable	30,299	26,807
PAYGW payable	<u>21,894</u>	<u>19,495</u>
Total operating creditors	60,749	135,573
Funds transferrable to Foundation	<u>64,687</u>	<u>78,306</u>
Payables	<u>125,436</u>	<u>213,879</u>

**Note 17 – Unexpended grants**

	<b>2019</b>	<b>2018</b>
FCF Revolving Fund	3,130,853	3,365,173
Midlands Biodiversity program	277,194	291,054
King Island NRM/Commonwealth	214,541	214,541
PALRC donation	199,858	292,190
DPIPWE Revolving Fund	102,984	102,984
NAB Foundation (*)	60,870	70,000
Other grants in advance	<u>38,690</u>	<u>25,000</u>
Unexpended grants	4,024,991	4,360,943

(\*)—the NAB Foundation grant is held on behalf of the Australian Land Conservation Alliance (ALCA). The funds held will be transferred to ALCA once it has incorporated as a separate entity.

**Note 18 – Employee entitlements**

	<b>2019</b>	<b>2018</b>
Provision for annual leave	120,129	101,102
Provision for long service leave	<u>110,206</u>	<u>140,181</u>
Current provision	230,335	241,283
Provision for long service leave	<u>26,851</u>	<u>24,045</u>
Non-current provision	26,851	24,045

**Note 19 – Capital provisions**

	<b>2019</b>	<b>2018</b>
New Leaf capital provision	136,268	184,735
Five Rivers capital provision	<u>80,000</u>	<u>80,000</u>
Capital provisions	216,268	264,735

Capital provisions are maintained for future capital costs expected to be incurred in maintaining reserve infrastructure, including roads and bridges.

**Note 20 – Private loans**

	<b>2019</b>	<b>2018</b>
Cathy Clayton (Dorothy Reeves Fund)	10,000	10,000
David and Jane Jupe (Jupe Family Fund)	65,000	60,000
Elsie Cameron Foundation	<u>-</u>	<u>87,668</u>
Private loans	75,000	157,668

As at 30 June 2019 the private loans are held within and reported on as part of the TLC Foundation (note 4).

**Note 21 – Reconciliation of operating result for the year to the operating cash flow**

	<b>2019</b>	<b>2018</b>
Operating result for year	2,477,202	3,214,528
Add depreciation	26,482	27,447
(Less profit)/add loss on sale of properties	162,843	-467,149
Less donation of land	-510,000	-500,000
Less net foundation income (exc. fr. credits)	-700,186	-410,842
Less loans forgiven	-87,668	-976,000
(Inc)/dec in trade debtors	64,165	-209,845
Inc/(dec) in payables	-74,824	23,070
Inc/(dec) in grants in advance	-335,952	-322,773
Inc/(dec) in employee entitlements	-8,141	44,800
Inc/(dec) in capital provisions	-48,467	-
Net cash flow from operations	<u>965,454</u>	<u>423,236</u>

# Independent Auditor's Report

To the members of Tasmanian Land Conservancy Inc.

## Opinion

We have audited the financial report of Tasmanian Land Conservancy Inc. (the Entity), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the committee statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with *Australian Charities and Not-for-profits Commission Act 2012*.

## 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standard 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.

## Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Tasmanian Land Conservancy Inc. to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

## Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Entity'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 Committee either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Entity's financial reporting process.

## **Auditor's Responsibility 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 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 the 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/Home.aspx>. This description forms part of our auditor's report.



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**Michael Burnett** B.Com.F.C.A.  
Registered Company Auditor: 281  
Partner  
Level 1/18 Ross Avenue, Rosny Park TAS 7018

Dated: 16 / 10 / 2019