

TASMANIAN LAND CONSERVANCY INC.

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2015

TASMANIAN LAND CONSERVANCY INC.

ANNUAL FINANCIAL REPORT

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TASMANIAN LAND CONSERVANCY INC.

CORPORATE INFORMATION

ABN 88 743 606 934

Committee Members

| | |
|--------------------------|----------------|
| Assoc. Prof Geoff Couser | President |
| Mr Stuart Barry | Vice President |
| Ms Susan Gough | Secretary |
| Mr Josh Geelan | Treasurer |
| Mr Peter Bosworth | Member |
| Mr Roderic O'Connor | Member |
| Dr Karina Potter | Member |
| Mr Sam McCullough | Member |
| Ms Lyn Maddock | Member |
| Mr Peter Cosier | Member |
| Ms Jennie Churchill | Member |
| Mr Peter Downie | Member |

Association Secretary

Ms Susan Gough

Public Officer & CEO

Ms Jane Hutchinson

**Registered office and
principle place of business**

827 Sandy Bay Road,
Sandy Bay, TAS, 7005

Bankers

Bendigo & Adelaide Bank Limited
45 Murray Street, Hobart, TAS, 7000

Auditors

Bentleys Tasmania Audit Pty Ltd
39 Sandy Bay Road
Hobart, TAS, 7000

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 2015

Officers

The names of each person who has been an officer during the year and to the date of this report are:

| Name | Position | Date appointed | Date of cessation |
|--------------------------|----------------|----------------|-------------------|
| Assoc. Prof Geoff Couser | President | Dec-04 | - |
| Mr Stuart Barry | Vice President | Oct-09 | - |
| Mr Josh Geelan | Treasurer | Aug-14 | - |
| Ms Susan Gough | Secretary | Nov-07 | - |
| Mr Peter Bosworth | Member | Dec-04 | - |
| Mr Roderic O'Connor | Member | Oct-06 | - |
| Dr Karina Potter | Member | Dec-05 | - |
| Mr Sam McCullough | Member | Nov-08 | - |
| Ms Lyn Maddock | Member | Oct-09 | - |
| Mr Peter Cosier | Member | Oct-10 | - |
| Ms Jennie Churchill | Member | Nov-12 | - |
| Mr Peter Downie | Member | Nov-12 | - |

The total number of meetings attended by each officer is illustrated below.

| | | Number eligible to attend | Number attended |
|--------------------------|----------------|---------------------------|-----------------|
| Assoc. Prof Geoff Couser | President | 6 | 5 |
| Mr Stuart Barry | Vice President | 6 | 6 |
| Mr Josh Geelan | Treasurer | 6 | 5 |
| Ms Susan Gough | Secretary | 6 | 6 |
| Mr Peter Bosworth | Member | 6 | 4 |
| Mr Roderic O'Connor | Member | 6 | 1 |
| Dr Karina Potter | Member | 6 | 4 |
| Mr Sam McCullough | Member | 6 | 4 |
| Ms Lyn Maddock | Member | 6 | 4 |
| Mr Peter Cosier | Member | 6 | 5 |
| Ms Jennie Churchill | Member | 6 | 5 |
| Mr Peter Downie | Member | 6 | 5 |

Details of officers qualifications, experience and special responsibilities can be found on page 6 of this report.

The Tasmanian Land Conservancy's 2050 Vision for Tasmania

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

Tasmanian Land Conservancy 2050 Mission

In partnership with other organisations, communities, individuals and governments the TLC will:

- 1) Take a leadership role in building a landscape scale approach to conservation including a world class system of reserves complemented by sustainable development;
- 2) Demonstrate excellence in management for biodiversity conservation;
- 3) Contribute to Tasmania becoming a centre for knowledge for biodiversity conservation and planning;
- 4) Develop and implement innovative mechanisms for achieving sustainability and biodiversity conservation;
- 5) Provide opportunities and mechanisms for communities and individuals to achieve conservation;

TASMANIAN LAND CONSERVANCY INC.

Officers Report (cont)

Performance measures

The association 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.

Auditors Independence

The auditors declaration of independence appears on page 4 and forms part of the officers report for the year ended 30 June 2015

Rounding

The association has adopted ASIC class order 98/100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial report and the officers report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the officers,

On behalf of the committee:



President
Hobart

20/6/2015

Dated:

TASMANIAN LAND CONSERVANCY INC.

Officer's qualifications, experience and special responsibilities

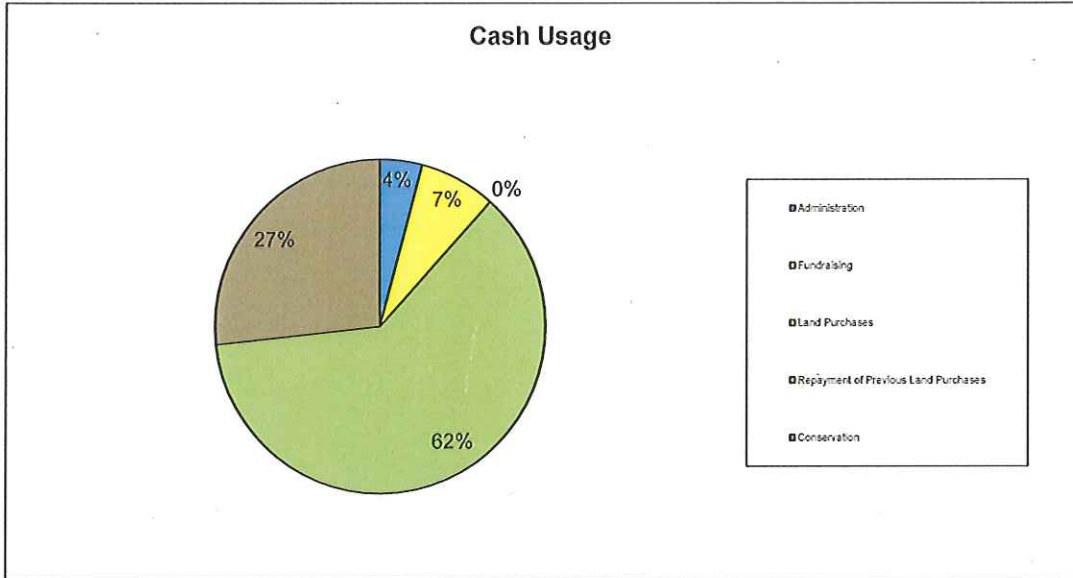
| Name | Qualifications | Experience | Special Responsibilities |
|-------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Associate Professor Geoff Couser | MBBS FACEM MED | Specialist in emergency and retrieval medicine at the Royal Hobart Hospital and is Associate Professor of Emergency Medicine at the University of Tasmania. | President |
| 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 | Vice President |
| Mr Josh Geelan | B.Bus., CA., WCS | Chartered Accountant with 8 years of experience in public practice and commerce. Managing Director of BMG USA LLC, an American cloud and mobile software company based in Wyoming. | Treasurer |
| Ms Susan Gough | Bachelor of Arts/LLB (Hons), Grad Dip Environmental Law (Hons) | Specialist environmental solicitor for over 15 years, with a focus in the renewable energy and infrastructure sectors. Specialist Consultant with Hydro Tasmania. Has recently completed further studies at the Australian Centre for Environmental Law at ANU, specialising in climate change law and policy | Secretary & Chair of Foundation Committee |
| Dr Karina Potter | Bachelor Science (Hons), Doctor of Philosophy | Scientist with expertise in weed ecology, entomology and ecological modelling. International research experience gained through roles in New Zealand, Indonesia and the Netherlands. | Member |
| Mr Roderic O'Connor | Bachelor of Business | Landholder with broad-ranging business experience in agricultural and other commercial fields. | Member |
| Mr Peter Bosworth | Master Environmental Studies | Thirty years experience in conservation planning, including reserve establishment at the Tasmanian Parks and Wildlife Service and in a senior management position at the Tasmanian Government's Department of Primary Industry and Water | Member & Chair of Conservation Science and Planning Advisory Committee, Chair of Property Committee |
| Mr Sam McCullough | Bachelor of Commerce & LLB | Partner with Peter Worrall Lawyers, practicing in the areas of estate and commercial law. Admitted to practice law in Tasmania and Victoria, and member of the Elder Law & Succession Committee of the Law Society of Tasmania | Member & Chair of Nominations Committee |
| Ms Lyn Maddock | Bachelor of Economics | Extensive experience as a senior executive in the public and private sectors. Micro economist. | Member & Acting Chair of the Audit & Risk Committee |
| Mr Peter Cosier | Bachelor of Science, Diploma Urban and Regional Planning | Member of the Wentworth Group of Concerned Scientists with a background in environmental policy, institutional reform, catchment management and land use planning. | Member |
| Ms Jennie Churchil | Bachelor of Veterinary Science. Grad Dipl. Marketing, AICD | Veterinarian. Former Director, Veterinary Science Foundation, University of Sydney. | Member |
| Mr Peter Downie | | Farmer with 150 years of family tradition. Member of United Nations reference group on climate change in Kyoto. | Member |

TASMANIAN LAND CONSERVANCY INC.

CASH USAGE

For the year ended 30 June 2015

The cash usage allocation for each category as detailed below has been derived from direct costs for each category and a re-allocation of all other overhead expenses and staff costs. This re-allocation has been based on a reasonable estimate of the proportion of overheads attributable to each category, and has been applied on a consistent basis from year to year.



| Category | 2015 | 2014 | 2013 | Average |
|--------------------------------------|------|------|------|---------|
| Administration | 4% | 3% | 6% | 4% |
| Fundraising | 7% | 5% | 6% | 6% |
| Land Purchases | 0% | 8% | 24% | 11% |
| Repayment of Previous Land Purchases | 62% | 62% | 38% | 54% |
| Conservation | 27% | 22% | 26% | 25% |

Average fundraising cost ratio for Australian charities: 18%* TLC: 6%

* Sourced from: GiveWell (2009) Interim 2008 Australian Charities Financial Analysis

| Cash usage by category 2015 | Administration | Fundraising | Conservation | Total |
|----------------------------------------------------|----------------|----------------|------------------|------------------|
| Cash purchases and repayments | - | - | 3,354,203 | 3,354,203 |
| Expenses | 89,242 | 124,707 | 291,559 | 504,507 |
| Staff costs | 129,694 | 254,389 | 915,467 | 1,299,550 |
| Fundraising | 1,958 | 27,436 | 667 | 30,061 |
| Property | 2,189 | 1,289 | 246,038 | 249,516 |
| Total cash outflows per cash flow statement | 222,083 | 407,820 | 4,807,934 | 5,437,837 |

TASMANIAN LAND CONSERVANCY INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

| | NOTE | 2015 \$ | 2014 \$ |
|------------------------------------------------------|-------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Donations & Bequests | | 1,334,470 | 1,354,960 |
| Grants received | | 3,154,034 | 9,774,808 |
| Interest received | | 70,218 | 50,211 |
| Consultancy services | | 117,738 | 47,900 |
| Reserve Income | | 136,457 | 171,382 |
| Carbon Income | | - | 442,000 |
| Revolving Fund management | | - | 309,241 |
| Payments to suppliers and employees | | (2,094,631) | (2,247,413) |
| Other | | 467,531 | 678,294 |
| Net cash flows from operating activities | 20 | <u>3,185,817</u> | <u>10,581,382</u> |
| Cash flows from investing activities | | | |
| Proceeds from sales of property | | 780,296 | 696,304 |
| Purchases of Plant and Equipment | | (24,718) | (80,464) |
| Property Development | | (18,684) | (689,958) |
| Realised gains/(losses) on investments | | - | - |
| Total cash flows from investing activities | | <u>736,894</u> | <u>(74,118)</u> |
| Cash flows from financing activities | | | |
| Repayment of Borrowings | | (3,392,912) | (5,746,272) |
| Total cash flows from financing activities | | <u>(3,392,912)</u> | <u>(5,746,272)</u> |
| | | | |
| Net increase/(Decrease) in cash and cash equivalents | | 529,799 | 4,760,993 |
| Cash and cash equivalents at beginning of year | | 11,836,895 | 7,075,901 |
| Cash and cash equivalents at end of year | 9,10 | <u>12,366,695</u> | <u>11,836,895</u> |

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

TASMANIAN LAND CONSERVANCY INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

| | NOTE | 2015 \$ | 2014 \$ |
|-----------------------------------|------|------------------|-------------------|
| <u>INCOME</u> | | | |
| Conservation Grants | | 3,154,034 | 9,774,808 |
| Project & Consultancy Services | 2 | 958,133 | 1,249,154 |
| Interest Income | | 70,218 | 50,211 |
| Foundation Income | | 131,008 | 515,633 |
| Five Rivers Endowment Income | | 199,286 | 48,447 |
| Sale of Properties | | 130,237 | - |
| Donations & Bequests | 3 | 1,334,470 | 1,354,960 |
| Donation of Land | | 78,098 | - |
| Sundry Income | 4 | 752 | 3,954 |
| TOTAL INCOME | | 6,056,236 | 12,997,167 |
| <u>EXPENSES</u> | | | |
| Office & General Overheads | 5 | 159,410 | 167,564 |
| Travel & Accommodation | 5 | 50,074 | 41,759 |
| Insurance | 5 | 7,432 | 22,415 |
| Depreciation | | 70,262 | 62,070 |
| Employment | 6 | 1,635,243 | 1,858,118 |
| Fundraising | 7 | 52,547 | 77,544 |
| Reserves - Land Management | 8 | 421,741 | 368,687 |
| TOTAL EXPENSES | | 2,396,709 | 2,598,157 |
| NET OPERATING SURPLUS | | 3,659,527 | 10,399,010 |
| OTHER COMPREHENSIVE INCOME | | | |
| Revaluation Increments - Land | | - | - |
| TOTAL COMPREHENSIVE INCOME | | 3,659,527 | 10,399,010 |

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

TASMANIAN LAND CONSERVANCY INC.

BALANCE SHEET STATEMENT

AS AT 30 JUNE 2015

| | NOTE | 2015 \$ | 2014 \$ |
|----------------------------------------|------|-------------------|-------------------|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash Assets | 9 | 2,929,007 | 2,963,970 |
| TLC Foundation Funds | 10 | 9,437,688 | 8,872,925 |
| Receivables | 11 | 183,848 | 94,409 |
| Total Current Assets | | 12,550,544 | 11,931,304 |
| Non - Current Assets | | | |
| Permanent Reserves | 12 | 14,595,596 | 14,517,498 |
| Revolving Fund Land | 13 | 4,950,854 | 5,376,607 |
| New Leaf Land | | 9,450,122 | 9,755,744 |
| Plant & Equipment | 14 | 131,196 | 176,741 |
| Total Non - Current Assets | | 29,127,768 | 29,826,590 |
| TOTAL ASSETS | | 41,678,312 | 41,757,894 |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Payables | 15 | 99,672 | 107,080 |
| Unexpended Grants | 16 | 5,190,316 | 5,668,320 |
| Provision for Employee Entitlements | 17 | 122,388 | 118,734 |
| Total Current Liabilities | | 5,412,376 | 5,894,135 |
| Non - Current Liabilities | | | |
| Private Loans | 18 | 4,322,936 | 7,715,849 |
| Capital Provisions | 19 | 300,000 | 200,000 |
| Provision for Employee Entitlements | 17 | 109,554 | 73,990 |
| Total Non - Current Liabilities | | 4,732,490 | 7,989,838 |
| TOTAL LIABILITIES | | 10,144,866 | 13,883,973 |
| NET ASSETS | | 31,533,446 | 27,873,920 |
| <u>EQUITY</u> | | | |
| Asset Revaluation Reserve | | 208,098 | 130,000 |
| Retained Earnings | | 27,743,919 | 17,393,357 |
| Current Year Earnings | | 3,581,429 | 10,350,563 |
| Total Equity | | 31,533,446 | 27,873,920 |

The balance sheet is to be read in conjunction with the attached notes.

TASMANIAN LAND CONSERVANCY INC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

| | 2015 | 2014 |
|-----------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Retained Earnings | | |
| Opening Balance 1 July | 27,743,919 | 17,393,356 |
| Add: Comprehensive income | 3,659,527 | 10,350,563 |
| Less: Transfer to Reserves | (78,098) | - |
| Closing balance 30 June | <u>31,325,348</u> | <u>27,743,919</u> |
| Reserves | | |
| Opening Balance 1 July | 130,000 | 230,000 |
| Add: Revaluation movements | 78,098 | (100,000) |
| Closing balance 30 June | <u>208,098</u> | <u>130,000</u> |
| Total Members Equity | <u><u>31,533,446</u></u> | <u><u>27,873,919</u></u> |

The statement of changes in equity sheet is to be read in conjunction with the attached notes.

TASMANIAN LAND CONSERVANCY INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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.

TASMANIAN LAND CONSERVANCY INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Significant Accounting Policies (cont):

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 Brown Mountain and Randells Bay 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 Elsie Cameron Foundation is reduced accordingly at the same date.

i) Provision for Employee Entitlements

Provision for annual leave

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.

Provision for long service leave

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 non-current liability for all other employee without taking into account present value of future cash flows. The accrual rate is 0.8667 for each year of service.

TASMANIAN LAND CONSERVANCY INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Significant Accounting Policies (cont):

j) Income Tax

The association is a charity with Income Tax and Payroll Tax exemptions.

Directors/Office Holders

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

Independent Auditor

The association's independent auditors are Bentleys Tasmania Audit Pty Ltd.

For the 2015 financial year the auditor's remuneration is \$9,000 + GST. No other services were performed in respect of the year ended 30 June 2015..

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 2015

NOTE 2: PROJECT & CONSULTANCY SERVICES

| | 2015 | 2014 |
|----------------------------|----------------|------------------|
| Consultancy Services | 207,178 | 47,900 |
| Revolving Fund Management | 478,012 | 429,166 |
| New Leaf cost recovery | 136,485 | 158,706 |
| Carbon Income | - | 442,000 |
| Reserve Income | 136,457 | 171,382 |
| Total Core Services | 958,133 | 1,249,154 |

NOTE 3: DONATIONS & BEQUESTS

| | 2015 | 2014 |
|---------------------------------------|------------------|------------------|
| General Donations | 1,055,484 | 1,286,960 |
| Foundation contributions | 278,987 | 68,000 |
| Total Donations & Bequests | 1,334,470 | 1,354,960 |

NOTE 4: SUNDRY INCOME

| | 2015 | 2014 |
|----------------------------|------------|--------------|
| Miscellaneous Income | 752 | 3,954 |
| Total Sundry Income | 752 | 3,954 |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 5: GENERAL EXPENSES

| | 2015 | 2014 |
|----------------------------------|----------------|----------------|
| Audit & Assurance Fees | 3,550 | 11,163 |
| Bank Fees | 4,173 | 3,681 |
| Board Expenses | 4,707 | 5,265 |
| Computer | 13,342 | 11,587 |
| Government Charges | 1,967 | 646 |
| Insurance | 7,432 | 22,415 |
| Legal Fees | 26,860 | 31,606 |
| O H & S | 2,703 | 301 |
| General Office | 4,395 | 228 |
| Photocopying & Printing | 5,291 | 7,189 |
| Postage & Freight | 14,347 | 12,094 |
| Publications & Ref. Material | 524 | 1,571 |
| Office Lease | 22,007 | 22,481 |
| Stationary, Supplies & Equipment | 8,240 | 8,142 |
| Subscriptions & Dues | 4,201 | 8,374 |
| Telephone/Fax/ISP | 31,585 | 30,228 |
| Travel & Accommodation | 50,074 | 41,759 |
| Utilities | 7,807 | 7,412 |
| Volunteer Expenses | 3,711 | 5,598 |
| Total General Admin | 216,916 | 231,738 |

NOTE 6: EMPLOYMENT

| | 2015 | 2014 |
|----------------------------|------------------|------------------|
| Wages & Salaries | 1,164,630 | 1,062,846 |
| Superannuation | 118,987 | 101,512 |
| Consultants & Contractors | 192,880 | 451,048 |
| Training & Development | 15,620 | 12,495 |
| Recruitment | 553 | 347 |
| Workers Compensation | 12,540 | 134 |
| Annual Leave Expense | 105,275 | 133,037 |
| Long Service Leave Expense | 24,757 | 96,699 |
| Total Employment | 1,635,243 | 1,858,118 |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 7: DIRECT FUNDRAISING COSTS

| | 2015 | 2014 |
|----------------------------------|----------------------|----------------------|
| Advertising & Insert Fees | 7,346 | 580 |
| Annual Report | 6,650 | 5,311 |
| Brochure Design, Prod. & Print | 15,291 | 20,690 |
| Events | 12,795 | 46,124 |
| Newsletter Design, Prod. & Print | 10,414 | 4,720 |
| Reply Paid Mail | 51 | 120 |
| Total Fundraising | <u>52,547</u> | <u>77,545</u> |

NOTE 8: RESERVES - LAND MANAGEMENT

| | 2015 | 2014 |
|------------------------------------|-----------------------|-----------------------|
| Land Management | 47,245 | 13,756 |
| Capital Works Provision - 5 Rivers | 50,000 | 50,000 |
| Capital Works Provision - New Leaf | 50,000 | 50,000 |
| Fire and Access Management | 37,577 | 15,548 |
| Invasive Species Management | 23,221 | 1,913 |
| Marketing | 6,300 | 15,597 |
| Monitoring Expenses | 2,575 | 6,684 |
| Planning & Subdivision | 46,724 | 40,131 |
| Rates & Taxes | 60,157 | 56,196 |
| Repairs & Maint. - Buildings | 653 | 8,730 |
| Research and Surveys | 3,524 | - |
| Insurance | 25,243 | 28,952 |
| Vehicle Maintenance | 19,219 | 19,817 |
| Fuel | 27,763 | 33,102 |
| Tools & Equipment | 19,824 | 25,360 |
| Valuations | 1,716 | 2,900 |
| Total Reserve | <u>421,741</u> | <u>368,687</u> |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 9: CASH ASSETS

| | 2015 | 2014 |
|-----------------------------------------|-------------------------|-------------------------|
| Operating Account | 265,084 | 586,257 |
| Gift Fund Account | 588,851 | 1,060,300 |
| Receiving Account | 499,699 | 522,767 |
| Midlands Stewardship Fund | 327,760 | 318,857 |
| FCF Revolving Fund | 54,461 | 208,683 |
| DPIW Revolving Fund | 239,724 | 225,266 |
| King Island Revolving Fund | 14,345 | 15,129 |
| TLC Fund no.1 | 410,129 | - |
| NL & 5R Capital Provision | 205,064 | - |
| New Leaf Receiving Account | 299,552 | 5 |
| Five Rivers Endowment Receiving Account | 55 | 12 |
| Foundation Receiving Account | 141 | 42 |
| Credit Card - Visa | 24,143 | 26,651 |
| Total Cash Assets | <u>2,929,007</u> | <u>2,963,970</u> |

NOTE 10: TLC FOUNDATION FUNDS

| | 2015 | 2014 |
|------------------------------|-------------------------|-------------------------|
| Cathy Gibbons Fund | 50,000 | 50,000 |
| Dorothy Reeves Fund | 10,000 | 30,000 |
| Miriam Obendorf Fund | - | 90,000 |
| Brown Mountain Fund | 16,700 | 16,700 |
| Michael Buxton Fund | 43,000 | 43,000 |
| Tom Hay Bequest | 142,569 | 142,389 |
| Carolyn Parsons Bequest | 16,155 | 16,155 |
| Elizabeth Ann James Bequest | 166,867 | 166,867 |
| Joseph Bedford Bequest | 310,031 | 310,031 |
| Susan Gough Fund | 10,000 | 10,000 |
| Sam Hignett Fund | 50,120 | 46,120 |
| Jupe Family Fund | 60,000 | 60,000 |
| Potts Family Fund | 15,000 | 15,000 |
| Bosworth Family Fund | 10,000 | 10,000 |
| Barry Family Fund | 65,000 | 45,000 |
| Thomas & Grace Couser Fund | 10,000 | 10,000 |
| Twin Gums Fund | 32,000 | 30,000 |
| Endemic Crustacean Fund | 60,233 | 49,000 |
| Stephen G Bladen Bequest | 15,050 | 15,050 |
| Jack Donne Fund | 10,000 | 10,000 |
| Naylor Bird Fund | 10,700 | 10,700 |
| Bird Conservation Fund | 40,286 | 40,286 |
| AKSW Fund | 142,000 | 10,000 |
| Marshall Family Fund | 10,000 | 10,000 |
| Hope Family Fund | 80,000 | - |
| Luan & Yoong Fund | 15,000 | - |
| Ginny Jackson Fund | 10,000 | - |
| Biodiversity Management Fund | 2,652,523 | 2,216,717 |
| Five Rivers Endowment | 4,978,258 | 4,813,654 |
| Market Value movement | 406,197 | 606,257 |
| | <u>9,437,688</u> | <u>8,872,925</u> |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 11: RECEIVABLES

| | 2015 | 2014 |
|-----------------|----------------|---------------|
| Trade Debtors | 176,599 | 87,159 |
| Accrued Revenue | 7,249 | 7,249 |
| | 183,848 | 94,409 |

NOTE 12: PERMANENT RESERVES

| | 2015 | 2014 |
|-----------------------------------------|-------------------|-------------------|
| 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 |
| 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 |
| Blue Tier | 60,871 | 60,871 |
| Gordon Vale | 154,710 | 154,710 |
| Tom Hay Reserve | 80,000 | 1,902 |
| The Big Punchbowl | 632,923 | 632,923 |
| | 5,553,756 | 5,475,658 |
| Five Rivers Land | | |
| Skullbone Plains | 1,742,235 | 1,742,235 |
| Five Rivers Reserve | 7,299,606 | 7,299,606 |
| | 9,041,841 | 9,041,841 |
| Total Permanent Reserves at Cost | 14,595,596 | 14,517,498 |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 13: REVOLVING FUND LAND

| | 2015 | 2014 |
|---------------------------------|------------------|------------------|
| Mole Creek | 159,818 | 159,818 |
| King Island | 332,069 | 332,069 |
| State Government Revolving Fund | - | - |
| Forest Conservation Fund | 4,458,967 | 4,884,719 |
| | 4,950,854 | 5,376,607 |

NOTE 14: PLANT & EQUIPMENT

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| Plant & Equipment @ Cost | 86,630 | 74,651 |
| Less: Accumulated Depreciation | (48,645) | (27,859) |
| | 37,985 | 46,791 |
| | | |
| Furniture & Fittings @ Cost | 29,618 | 26,833 |
| Less: Accumulated Depreciation | (21,145) | (19,919) |
| | 8,473 | 6,915 |
| | | |
| Computer & Equipment @ Cost | 86,680 | 76,726 |
| Less: Accumulated Depreciation | (69,029) | (62,678) |
| | 17,651 | 14,048 |
| | | |
| Motor Vehicles @ Cost | 213,492 | 213,492 |
| Less: Accumulated Depreciation | (146,405) | (104,506) |
| | 67,087 | 108,986 |
| | | |
| Total Plant & Equipment | 131,196 | 176,741 |

NOTE 15: PAYABLES

| | 2015 | 2014 |
|-----------------------------|---------------|----------------|
| Trade Creditors | 16,694 | - |
| GST Payable | 6,228 | (13,051) |
| Accrued Expenses - 5 Rivers | - | 100,000 |
| Key Deposits | 1,700 | 1,700 |
| Superannuation Payable | 37,229 | - |
| PAYG Withholding Payable | 37,821 | 18,431 |
| Total Payables | 99,672 | 107,080 |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 16: UNEXPENDED GRANTS

| | 2015 | 2014 |
|---------------------------------|------------------|------------------|
| King Island NRM/Commonwealth | 214,541 | 214,541 |
| FCF Revolving Funds | 4,571,365 | 5,054,171 |
| State Government Revolving Fund | 102,984 | 102,984 |
| Midlands Bio Diversity Program | 301,425 | 296,623 |
| | 5,190,316 | 5,668,320 |

NOTE 17: EMPLOYEE ENTITLEMENTS

| | 2015 | 2014 |
|----------------------------------|----------------|----------------|
| Current | | |
| Provision for Annual Leave | 114,144 | 96,025 |
| Provision for Long Service Leave | 8,244 | 22,709 |
| | 122,388 | 118,734 |
| Non-Current | | |
| Provision for Long Service Leave | 109,554 | 73,990 |
| | 109,554 | 73,990 |

NOTE 18: PRIVATE LOANS

| | 2015 | 2014 |
|---------------------------------------|------------------|------------------|
| Cathy Clayton (Dorothy Reeves Fund) | 10,000 | 10,000 |
| David & Jane Jupe (Jupe Family Fund) | 60,000 | 60,000 |
| Elsie Cameron Foundation | 4,252,936 | 7,555,849 |
| David Obendorf (Miriam Obendorf Fund) | - | 90,000 |
| | 4,322,936 | 7,715,849 |

NOTE 19: CAPITAL PROVISIONS

| | 2015 | 2014 |
|-------------------------------|----------------|----------------|
| New Leaf Capital Provision | 200,000 | 150,000 |
| Five Rivers Capital Provision | 100,000 | 50,000 |
| | 300,000 | 200,000 |

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

| NOTE 20: CASH FLOW INFORMATION | 2015 | 2014 |
|-------------------------------------------|-------------------------|--------------------------|
| | \$ | \$ |
| Net surplus for year | 3,659,527 | 10,350,563 |
| Add: Depreciation | 70,262 | 62,070 |
| Less: Donation of Land | (78,098) | - |
| Less: Profit on Sale of Properties | (130,237) | - |
| (Increase)/Decrease in assets | | |
| Trade and other assets | (89,440) | 332,430 |
| Increase/(Decrease) in liabilities | | |
| Trade creditors | 92,589 | (4,050) |
| Grants in advance | (478,004) | (452,355) |
| Employee Entitlements | 39,218 | 192,724 |
| Capital Provisions | 100,000 | 100,000 |
| Net cash flow from operations | <u>3,185,817</u> | <u>10,581,382</u> |

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TASMANIAN LAND CONSERVANCY INC.

We have audited the accompanying financial report, being a special purpose financial report, of Tasmanian Land Conservancy Inc. which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Board.

Board's Responsibility for the Financial Report

The Board of Management of Tasmanian Land Conservancy Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act Tasmania 1964 and the needs of the members. The Board's responsibility also includes such internal control as the committee determines 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 and fair presentation of the financial report 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 committee, as well as evaluating the overall presentation of the financial report.

We believe that 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 2015 and its financial performance and cash flows for the year then ended in accordance with the Associations Incorporation Act Tasmania 1964.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, describing the basis of accounting. The special purpose financial report has been prepared to assist Tasmanian Land Conservancy Inc. to meet the requirements of the Associations Incorporation Act Tasmania 1964. As a result the financial report may not be suitable for another purpose.



Bentleys Tasmania Audit Pty Ltd
Registered Audit Company
Michael Ian Derbyshire
Director

20 October 2015

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AUDITOR'S INDEPENDENCE DECLARATION TO TASMANIAN LAND CONSERVANCY INC.

As engagement partner for the audit of Tasmanian Land Conservancy Inc. for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief there have been no contraventions of:

- (i) the auditor independence requirements of Tasmanian Land Conservancy Inc. and the Associations Incorporation Act (TAS) 1964 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Bentleys Tasmania Audit Pty Ltd
Registered Audit Company
Michael Ian Derbyshire
Director

Date: 20 October 2015