

TASMANIAN LAND CONSERVANCY INC.

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2018

TASMANIAN LAND CONSERVANCY INC.

ANNUAL FINANCIAL REPORT

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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
Mr Peter Cosier	Member
Mr Peter Downie	Member
Ms Erika Korosi	Member
Prof Ted Lefroy	Member
Ms Lyn Maddock	Member
Mr Nathan Males	Member
Mr Mark Temple-Smith	Member
Mr Julian Von Bibra	Member
Ms Clare Bower	Member

Public Officer & CEO

Mr James Hattam

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

Accru Hobart
Level 1, 18 Ross Avenue
Rosny Park Tas 7108

Investment Advisers

JB Were
Level 16, 101 Collins Street
Melbourne Vic 3000

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 2018.

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
Mr Stuart Barry	Chair	Oct-09	-
Ms Jennie Churchill	Vice Chair	Nov-12	-
Mr Peter Cosier	Member	Oct-10	-
Mr Peter Downie	Member	Nov-12	-
Ms Susan Gough	Member	Nov-07	Nov-17
Ms Erika Korosi	Member	Nov-15	-
Prof Ted Lefroy	Member	Nov-15	-
Ms Lyn Maddock	Member	Oct-09	-
Mr Nathan Males	Member	Nov-15	-
Mr Mark Temple-Smith	Member	Nov-16	-
Mr Julian Von Bibra	Member	Nov-16	-
Ms Clare Bower	Member	Feb-18	-

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

		Number eligible to attend	Number attended
Mr Stuart Barry	Chair	6	6
Ms Jennie Churchill	Vice Chair	6	6
Mr Peter Cosier	Member	6	3
Mr Peter Downie	Member	6	5
Ms Susan Gough	Member	2	2
Ms Erika Korosi	Member	6	3
Prof Ted Lefroy	Member	6	4
Ms Lyn Maddock	Member	6	6
Mr Nathan Males	Member	6	5
Mr Mark Temple-Smith	Member	6	6
Mr Julian Von Bibra	Member	6	6
Ms Clare Bower	Member	3	2

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.

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;
- 2) Demonstrate excellence in management for nature conservation;
- 3) Contribute to Tasmania becoming a centre for 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 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.

Auditor's Independence

The auditors declaration of independence appears on page 5 and forms part of the officers report for the year ended 30 June 2018.

Signed in accordance with a resolution of the officers.

On behalf of the committee:



Stuart Barry

Chair
Tasmanian Land Conservancy

Hobart, 17 October 2017

Tasmanian Land Conservancy Inc

Auditor's Independence Declaration

For the Year Ended 30 June 2018

Dear Sirs,

As auditor for the Tasmanian Land Conservancy Inc for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

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

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

Yours sincerely
Accru Hobart Pty Ltd



.....
Michael Burnett B.Com., FCA
Registered Company Auditor
Partner

17 October 2018

.....
Date

Tasmanian Land Conservancy Inc

Committee Statement

For the Year Ended 30 June 2018

The Committee has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined 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 2018 and its performance for the period 1 July 2017 to 30 June 2018;
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 - TLC Board



.....
Chair - Risk and Audit Committee

Dated at Hobart this ...17th... day of ..October.. 2018

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 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.	Member
Ms Lyn Maddock	Bachelor of Economics	Extensive experience as a senior executive in the public and private sectors. Micro economist.	Member, 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 with a background in environmental policy, institutional reform, catchment management and land use planning.	Member, 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.	Member, Chair of Property Subcommittee
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.	Member, Chair of Nominations Committee
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.	Member
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.	Member
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.	Member
Mr Julian Von Bibra	Bachelor of Commerce	Julian is a farmer at 'Beaufront', 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 North-Eastern tip of Tasmania at Gladstone covering 6,300 hectares.	Member
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.	Member

TASMANIAN LAND CONSERVANCY INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<u>INCOME</u>			
Conservation Grants		372,336	360,658
Project & Consultancy Services	2	590,406	899,180
Carbon Income	3	194,250	365,652
Interest Income		32,209	42,749
TLC Foundation Income	4	482,497	165,779
Foundation Redemption	5	180,000	225,000
Five Rivers Redemption	5	192,000	240,000
Sale of Properties		467,149	117,510
Donations & Bequests	6	3,079,065	2,691,196
Sundry Income	7	68,193	51,024
TOTAL INCOME		5,658,106	5,158,749
<u>EXPENSES</u>			
Office & Admin overheads	8	308,517	213,722
Travel & Accommodation	8	62,232	50,644
Insurance	8	47,948	11,827
Depreciation		27,447	51,809
Employment	9	1,534,492	1,653,645
Fundraising	10	152,046	70,151
Reserves - Land Management	11	310,897	544,438
TOTAL EXPENSES		2,443,578	2,596,236
NET OPERATING SURPLUS		3,214,528	2,562,513
<u>OTHER COMPREHENSIVE INCOME</u>			
Revaluation Increments - Land		-	-
TOTAL COMPREHENSIVE INCOME		3,214,528	2,562,513

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 2018

	NOTE	2018 \$	2017 \$
<u>ASSETS</u>			
Current Assets			
Cash Assets	12	3,939,869	3,754,011
TLC Foundation Funds	13	12,017,614	10,995,083
Receivables	14	257,600	247,755
Total Current Assets		16,215,083	14,996,849
Non - Current Assets			
Permanent Reserves	15	16,103,647	15,388,647
Revolving Fund Land	16	3,348,154	3,477,877
New Leaf Land	17	8,443,663	8,846,632
Gifted Land	18	500,000	-
Plant & Equipment	19	66,457	67,803
Total Non - Current Assets		28,461,920	27,780,959
TOTAL ASSETS		44,677,003	42,777,808
<u>LIABILITIES</u>			
Current Liabilities			
Payables	20	213,879	176,958
Unexpended Grants	21	4,360,943	4,619,262
Provision for Employee Entitlements	22	241,283	144,794
Total Current Liabilities		4,816,105	4,941,014
Non - Current Liabilities			
Private Loans	23	157,668	1,296,405
Capital Provisions	24	264,735	264,735
Provision for Employee Entitlements	22	24,045	75,733
Total Non - Current Liabilities		446,448	1,636,873
TOTAL LIABILITIES		5,262,553	6,577,886
NET ASSETS		39,414,450	36,199,922
<u>EQUITY</u>			
Asset Revaluation Reserve		210,000	210,000
Retained Earnings		35,989,922	33,427,409
Current Year Earnings		3,214,528	2,562,513
Total Equity		39,414,450	36,199,922

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

TASMANIAN LAND CONSERVANCY INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
Cash flows from operating activities			
Donations & Bequests		1,620,285	1,707,129
Grants received		450,176	231,062
Carbon Income		213,675	402,223
Foundation Redemption		180,000	225,000
Five Rivers Redemption		192,000	240,000
Franking credits received		71,655	115,081
Interest received		32,209	42,749
Consultancy services		52,947	385,318
Reserve Income		14,835	21,999
Payments to suppliers and employees		(2,479,781)	(2,139,946)
Other		75,235	12,534
Net cash flows from operating activities	25	423,236	1,243,149
Cash flows from investing activities			
Proceeds from sales of property		1,895,855	1,495,851
Purchases of Plant and Equipment		(26,100)	(40,785)
Property Purchase(s)		(1,411,014)	(584,800)
Contributions to Foundation Funds		(533,383)	(932,427)
Total cash flows from investing activities		(74,642)	(62,160)
Cash flows from financing activities			
Repayment of Borrowings		(162,737)	(217,017)
Total cash flows from financing activities		(162,737)	(217,017)
Net increase/(Decrease) in cash and cash equivalents		185,858	963,971
Cash and cash equivalents at beginning of year		3,754,011	2,790,039
Cash and cash equivalents at end of year	12	3,939,869	3,754,011

The statement of cash flow 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 2018

	2018	2017
	\$	\$
Retained Earnings		
Opening Balance 1 July	35,989,922	33,427,409
Add: Comprehensive income	3,214,528	2,562,513
Less: Transfer to Reserves	-	-
Closing balance 30 June	<u>39,204,450</u>	<u>35,989,922</u>
Reserves		
Opening Balance 1 July	210,000	210,000
Add: Revaluation movements	-	-
Closing balance 30 June	<u>210,000</u>	<u>210,000</u>
Total Members Equity	<u><u>39,414,450</u></u>	<u><u>36,199,922</u></u>

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 committee has determined that the association is not a reporting entity.

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

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1004 Contributions
- AASB 1031 Materiality (*)
- AASB 1048 Interpretation of Standards
- AASB 1054 Additional Australian Disclosures

(*) AASB 1031 has been superseded by AASB 108.

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 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 association's 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'.

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Significant Accounting Policies (cont):

b. Interest Income

Interest income is measured on a cash basis.

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. Depreciation Expense

Depreciation is calculated based on the effective lives of all assets worth more than \$10,000.

e. 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.

f. 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.

g. Plant & Equipment

Plant & equipment is capitalised when the cost exceeds \$10,000. All plant & equipment is recorded at cost less accumulated depreciation.

h. 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.

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Significant Accounting Policies (cont):

i. Shares and Investments (TLC 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 unrealized capital gain or loss. Dividend income is recognised as income when it is payable to the association. Franking credits are recognised as income when refunded by the Australian Taxation Office.

During the year ended 30 June 2018 franking credits refunded totalled \$71,655 (FY17: \$115,081 comprising franking credits for 2014, 2015 and 2016).

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

j. 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.

k. 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.

l. 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.

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Significant Accounting Policies (cont):

m. 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 1.3 weeks for each year of service.

The non-current liability for long service leave includes provisions for employees employed for less than 9 years which has been calculated using estimates of the likelihood that employees will satisfy the conditions for entitlement to long service leave.

n. Rounding

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

Directors/Office Holders

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

Independent Auditor

The association's independent auditors are Accru Hobart.

For the 2018 financial year the remuneration paid to Bentleys Tasmania Pty Ltd for the 2017 audit was \$9,500 + GST. Bentleys Tasmania Pty Ltd provided accounting support services during 2018 for remuneration of \$15,350 + GST.

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 2018

NOTE 2: PROJECT & CONSULTANCY SERVICES

	2018	2017
Consultancy Services	74,346	168,025
Revolving Fund Management	253,283	444,250
New Leaf cost recovery	162,737	217,017
PALRC(*) Income	86,582	49,228
Reserve Income	13,459	20,661
Total Core Services	590,406	899,180

(*) Protected Areas Learning and Research Collaboration

NOTE 3: CARBON INCOME

Carbon income comprises income generated from the sale of carbon credits in respect of the New Leaf Carbon Project.

NOTE 4: TLC FOUNDATION INCOME

	2018	2017
Investment earnings	700,937	670,106
Income accrual	209,306	-
Investment fees	(55,746)	(39,327)
Foundation Redemption	(180,000)	(225,000)
Five Rivers Redemption	(192,000)	(240,000)
TLC Foundation Income	482,497	165,779

Investment earnings are generated from the TLC Foundation Funds (refer note 13). The investment earnings includes the refund of franking credits, dividends, distributions, interest, and the movement in market value of the underlying assets.

NOTE 5: FOUNDATION & FIVE RIVERS REDEMPTIONS

The TLC Foundation is an ongoing source of reliable and sustainable funding for supporting the TLC reserves. Quarterly redemptions are drawn from the TLC Foundation to provide funding for operational costs.

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 6: DONATIONS & BEQUESTS

	2018	2017
General Donations	1,153,972	1,513,124
Loan Relief Elsie Cameron Foundation	976,000	965,422
Named Foundation contributions	449,093	212,650
Gifts of property	500,000	-
Total Donations & Bequests	3,079,065	2,691,196

NOTE 7: SUNDRY INCOME

	2018	2017
Awards received	-	-
Events	3,655	2,473
Merchandise	7,851	20,757
Conference Fees (*)	56,688	-
Profit on Sale of Assets	-	26,976
Miscellaneous Income	-	818
Total Sundry Income	68,193	51,024

(*) The TLC hosted the National Private Conservation Conference during the year for the Australian Land Conservation Alliance (ALCA).

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 8: GENERAL ADMINISTRATION

	2018	2017
Audit & Assurance Fees	9,500	9,150
Accounting Support	15,514	7,550
Bank Fees	11,034	11,720
Board Expenses	8,100	6,730
Computer	90,090	20,147
Government Charges	30,725	19,845
Insurance	47,948	11,827
Legal Fees	20,736	27,650
General Office	11,745	10,182
Photocopying & Printing	4,043	3,756
Postage & Freight	15,155	11,916
Publications & Ref. Material	332	210
Office Lease	29,889	25,104
Stationary, Supplies & Equipment	5,051	9,207
Subscriptions & Dues	10,780	4,939
Telephone/Fax/ISP	33,168	28,125
Travel & Accommodation	62,232	50,644
Utilities	6,820	9,342
Volunteer Expenses	1,497	3,067
Workplace Health and Safety	4,337	5,080
Total General Admin	418,697	276,193

NOTE 9: EMPLOYMENT

	2018	2017
Wages & Salaries	1,025,420	1,000,892
Superannuation	104,240	103,641
Consultants & Contractors	219,477	424,511
Training & Development	17,044	4,775
Recruitment	24,871	-
Staff Amenities	2,002	992
Workers Compensation	15,550	13,348
Annual Leave Expense	84,159	84,310
Long Service Leave Expense	41,727	21,177
Total Employment	1,534,492	1,653,645

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 10: FUNDRAISING

	2018	2017
Advertising & Insert Fees	9,253	7,364
Publications	28,099	29,253
Events (*)	102,074	33,533
Relationship Management	12,620	-
Total Fundraising	152,046	70,151

(*) Events includes costs incurred in hosting the National Private Conservation Conference during the year for the Australian Land Conservation Alliance.

The TLC employs 5 staff (4 full time equivalents) to support the fundraising and community engagement.

NOTE 11: RESERVES - LAND MANAGEMENT

	2018	2017
Land Advertising	16,200	-
Land Management	119,880	25,369
Contribution to Midlands Cons. Fund	-	100,000
Fire and Access Management	10,803	37,468
Invasive Species Management	-	7,021
Marketing	6,425	23,528
Monitoring Expenses	3,500	9,422
Planning & Subdivision	1,247	188,415
Rates & Taxes	63,627	61,818
Repairs & Maint. - Buildings	8,173	3,308
Crown Rent & Leasing	-	1,200
Research and Surveys	10,338	-
Insurance	-	35,481
Vehicle Maintenance	16,011	18,000
Fuel	20,031	22,746
Tools & Equipment	25,639	9,112
Valuations	3,800	1,550
Visitor Management	5,223	-
Total Reserve	310,897	544,438

The TLC employs 6 staff (5.1 full time equivalents) to support the land and reserves management.

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 12: CASH ASSETS

	2018	2017
Operating Account	534,028	1,427,220
Gift Fund Account	654,171	413,900
Debit Card	12,235	13,015
Total Operating Cash Assets	1,200,434	1,854,135
Midlands Stewardship Fund	318,952	315,779
FCF Revolving Fund	1,499,947	799,015
DPIW Revolving Fund	43,645	43,211
King Island Revolving Fund	14,345	14,345
New Leaf & Five Rivers Capital Provision	304,874	285,626
Five Rivers Endowment Receiving Account	557,672	441,900
Foundation Receiving Account	-	-
Total Other Cash Assets	2,739,434	1,899,876
Total Cash Assets	3,939,869	3,754,011

NOTE 13: TLC FOUNDATION FUNDS

The TLC Foundation is an endowment fund established in 2009 to secure the independent, long-term resourcing required to ensure effective management of reserves. Quarterly redemptions are drawn from the Foundation Funds (note 4). The TLC Foundation investments are managed by JB Were, with governance and oversight provided by the Foundation Committee (a subcommittee of the TLC Board).

	2018	2017
AKSW Fund	232,200	202,200
Alcorso Art and Nature Fund	50,000	-
Barry Family Fund	65,000	65,000
Biodiversity Management Fund	4,573,503	4,144,390
Bird Conservation Fund	210,286	140,286
Bosworth Family Fund	10,000	10,000
Brown Mountain Fund	16,700	16,700
Bryant Bird Fund	15,000	10,000
Cameron Blackburn Fund	14,000	9,000
Carolyn Parsons Bequest	16,155	16,155
Cathy Gibbons Fund	50,000	50,000

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 13: TLC FOUNDATION FUNDS (continued)

	2018	2017
Chris Harwood Fund	25,000	15,000
Dorothy Reeves Fund	10,000	10,000
Elizabeth Ann James Bequest	166,867	166,867
Endemic Crustacean Fund	71,568	69,282
Five Rivers Endowment	5,113,350	4,937,203
Ginny Jackson Fund	10,500	10,500
George Gearing Bird Fund	12,500	-
Hawkins Family Fund	10,000	10,000
Helga Thompson Bequest	20,000	-
Hope Family Fund	140,000	120,000
Houston Family Fund	10,000	-
Jack & Norah Donne Fund	23,000	20,000
Janet Cohen Fund	20,000	-
Joan Parnell Bequest	58,306	-
Joseph Bedford Bequest	310,031	310,031
Julie Fakes Fund	20,000	10,000
Jupe Family Fund	60,000	60,000
Luan & Yoong Fund	36,000	24,000
M & M Temple Smith Fund	10,000	-
Marshall Family Fund	10,000	10,000
Michael Buxton Fund	48,000	48,000
Nathan Males and Malbarry Fund	19,750	-
Naylor Bird Fund	13,400	13,400
Peter and Karen Cosier Fund	10,000	-
Peter Riedel Foundation	13,150	13,150
Potts Family Fund	15,000	15,000
Sam Hignett Fund	79,920	76,820
Snack Fund	100,000	100,000
Solas Fund	11,435	10,285
Stephen G Bladen Bequest	15,050	15,050
Susan Gough Fund	10,000	10,000
T Stadler Fund	35,000	25,000
Tertine Charitable Foundation	10,000	-
The June Fisher Fund	20,000	20,000
Thomas & Grace Couser Fund	10,050	10,050
Tom Hay Bequest	143,094	142,914
Twin Gums Fund	42,000	37,000
Von Bibra Fund	20,000	10,000
Warick Ashley's Elpidos	11,800	11,800
	12,017,614	10,995,083

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 14: RECEIVABLES

	2018	2017
Trade Debtors	257,600	47,755
Deposit - Mt Communicaton	-	200,000
	257,600	247,755

NOTE 15: PERMANENT RESERVES

	2018	2017
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	154,689	154,689
Little Swanport	495,000	-
Lutregala Marsh	23,895	23,895
Panatana	178,251	178,251
Recherche Bay	2,296,319	2,296,319
Silver Peppermint	75,000	75,000
Stoney Farm	30,000	30,000
The Big Punchbowl	852,923	632,923
Tom Hay	80,000	80,000
Vale of Belvoir	1,249,987	1,249,987
	16,103,647	15,388,647

NOTE 16: REVOLVING FUND LAND

	2018	2017
Forest Conservation Fund	3,016,085	3,145,808
King Island	332,069	332,069
	3,348,154	3,477,877

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 17: NEW LEAF LAND

	2018	2017
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
Soldiers Marsh	-	402,969
Towns	536,141	536,141
Weeks	293,839	293,839
	8,443,663	8,846,632

NOTE 18: GIFTED PROPERTIES

	2018	2017
Rubicon	500,000	-
	500,000	-

NOTE 19: PLANT & EQUIPMENT

	2018	2017
Plant & Equipment @ Cost	86,630	86,630
Less: Accumulated Depreciation	(82,553)	(79,717)
	4,076	6,913
Furniture & Fittings @ Cost	29,618	29,618
Less: Accumulated Depreciation	(27,549)	(25,684)
	2,069	3,934
Computer & Equipment @ Cost	87,830	87,830
Less: Accumulated Depreciation	(86,991)	(83,771)
	838	4,058
Motor Vehicles @ Cost	243,740	217,640
Less: Accumulated Depreciation	(184,267)	(164,742)
	59,473	52,899
Total Plant & Equipment	66,457	67,803

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 20: PAYABLES

	2018	2017
Trade Creditors	59,842	21,123
GST Payable	27,988	48,350
Key Deposits	1,441	1,350
Superannuation Payable	26,807	23,715
ALCA National Conference Funding (*)	-	64,455
PAYG Withholding Payable	19,495	17,964
Total Trade Creditors	135,573	176,957
Funds transferrable to Foundation	78,306	-
Total Payables	213,879	176,957

(*) The TLC hosted the National Private Conservation Conference during the year for the Australian Land Conservation Alliance (ALCA). The TLC collected conference fees for this event per note 7, and incurred expenses per note 10.

NOTE 21: UNEXPENDED GRANTS

	2018	2017
King Island NRM/Commonwealth	214,541	214,541
FCF Revolving Fund	3,365,173	3,611,226
DPIPWE Revolving Fund	102,984	102,984
PALRC Donation	292,190	400,772
Midlands Biodiversity Program	291,054	289,738
NAB Foundation	70,000	-
Other Grants in Advance	25,000	-
	4,360,943	4,619,262

NOTE 22: EMPLOYEE ENTITLEMENTS

	2018	2017
Current		
Provision for Annual Leave	101,102	91,305
Provision for Long Service Leave	140,181	53,489
	241,283	144,794
Non-Current		
Provision for Long Service Leave	24,045	75,733
	24,045	75,733

TASMANIAN LAND CONSERVANCY INC.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 23: PRIVATE LOANS

	2018	2017
Cathy Clayton (Dorothy Reeves Fund)	10,000	10,000
David & Jane Jupe (Jupe Family Fund)	60,000	60,000
Elsie Cameron Foundation	87,668	1,226,405
	<u>157,668</u>	<u>1,296,405</u>

NOTE 24: CAPITAL PROVISIONS

	2018	2017
New Leaf Capital Provision	184,735	184,735
Five Rivers Capital Provision	80,000	80,000
	<u>264,735</u>	<u>264,735</u>

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

NOTE 25: CASH FLOW INFORMATION

	2018	2017
	\$	\$
Net surplus for year	3,214,528	2,562,513
Add: Depreciation	27,447	51,809
Less: Donation of Land	(500,000)	-
Less: Loans Forgiven	(976,000)	(965,422)
Less: Profit on Sale of Properties	(467,149)	(117,510)
Less: Movement in Foundation Value	(410,842)	140,659
Less: Unearned carbon revenue	-	(182,826)
(Increase)/Decrease in assets		
Trade and other assets	(209,845)	168,689
Increase/(Decrease) in liabilities		
Trade creditors	(41,384)	(117,465)
Grants in advance	(258,318)	(286,590)
Employee Entitlements	44,800	4,558
Capital Provisions	-	(15,265)
Net cash flow from operations	<u>423,236</u>	<u>1,243,149</u>

Independent Auditor's Report

To the members of Tasmanian Land Conservancy Inc

Qualified 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 2018, 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 declaration by those charged with governance.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act).

Basis for Qualified Opinion

We were appointed as auditors of the entity in 2018 and thus were unable to obtain sufficient appropriate audit evidence regarding the comparative figures. As such, our assurance provided is limited to the 2018 figures. Please refer to the previous auditor's audit report for assurance on the 2017 figures.

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 ACNC Act. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Committee and Those Charged with Governance for the Financial Report

The Committee is responsible for the preparation of the financial report in accordance with the ACNC Act, and for such internal control as management 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 are 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 J Burnett B.Com. FCA
Registered Company Auditor: 281
Partner, Accru+ Hobart
Lvl 1, 18 Ross Avenue
ROSNY PARK TAS 7018

17 October 2018
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Date