



AUSTRALIAN WILDLIFE CONSERVANCY
ACN 068 572 556

CONCISE FINANCIAL REPORT
For the year ended 30 June 2008



Australian Wildlife Conservancy

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Australian Wildlife Conservancy



Directors' Report

For the year ended 30 June 2008

The directors present their report together with the financial report of Australian Wildlife Conservancy (the Company or AWC) for the financial year ended 30 June 2008 and the auditor's report on the above reports.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name	Age	Experience, qualifications and other directorships
Mr Martin Copley Chairperson Non-Executive Director	68	Founder of AWC and Chairman of the Board of Directors since 1995. Martin is a member of the Institute of Chartered Accountants in England and Wales. He was Chairman of Domestic and General Group Ltd, a listed UK insurer from its early formation until his retirement to Australia in 1998. He is a director of a number of private companies and Chair of the Australian Environmental Grantmakers Network (AEGN).
Mr Ross Ledger Non-Executive Director	71	Director since 1995. Ross Ledger is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors as well as a director of Perron Group Ltd. He has had fifty years experience in accounting and business and was a partner of Hendry Rae and Court for 25 years. Ross is a trustee of the Australian Wildlife Conservancy Fund, the Stan Perron Charitable Trust, the Sphinx Foundation Inc and Spinifex Trust. He is a Senior Sessional Member of the State Administrative Tribunal of WA.
Professor Timothy Flannery Non-Executive Director	52	<i>2007 Australian of the Year</i> , Professor Tim Flannery has been a director since 1999. He is one of the world's leading environmental thinkers and writers. Tim is a founding member of the Wentworth Group of Concerned Scientists; Chairman of the Copenhagen Climate Council; the Australian Vice-Chair of The Climate Group; and is the National Geographic Society's Research Council representative in Australasia. From 1999 to 2006, he was a director of the South Australian Museum and in July 2007, took up a Professorial Chair at Macquarie University in Sydney. He is one of Australia's leading biodiversity scientists and a recognised authority on climate change.
Professor Peter Underwood Non-Executive Director	65	Director since 2000. Peter Underwood is Adjunct Professor of International and Public Health at Murdoch University, WA, and a medical doctor, farmer, poet, writer and conservationist. Peter has a long experience of managing land for conservation.
Mr Graeme Morgan Non-Executive Director	58	Director since 2003. Graeme Morgan was co-founder and Managing Director of SEALCORP Holdings Limited. Since the sale of SEALCORP to St George Bank, he has been a Director of private investment companies and the founder and director of Wind Over Water Pty Ltd the trustee for a Foundation which supports conservation, medical research, the arts and social programs. He is a director of Solar Systems Pty Ltd, a former director of the Investment Funds Association and a Fellow of the Australian Institute of Company Directors.
Mrs Lea Ferris Non-Executive Director	58	Director since 2005. Lea Ferris is a sculptor and yoga teacher. She has 10 years experience as a director of Riverside Holdings Pty. Ltd. She is also a qualified urban planner and has a range of skills relevant to the development of AWC's business and community networks.

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Mr Ross Grant Non-Executive Director	61	Director since 2005. Ross Grant is Chairman of Grant Samuel Group Pty Limited, an independent investment banking firm which he established in 1988. Ross was previously an Executive Director of Macquarie Bank Limited having joined Hill Samuel Australia Limited (the predecessor of Macquarie Bank Limited) in 1975. Ross holds degrees in Mathematics (B.Sc (Hons) – Otago University), Economics (M.Com – Canterbury University) and Business Administration (MBA – University of NSW). Ross is a director of The Centre for Independent Studies.
Mr Keith Ince Non-Executive Director	59	Director since 2005. Keith has extensive experience in all aspects of investment management in a career spanning more than 30 years. Keith co-founded County NatWest Investment Management Ltd (now Invesco) and, in 1994, established Portfolio Partners Ltd which is now part of the Aviva Group. From June 2006 until June 2008 he was the CEO and Executive Vice Chairman of Credit Suisse Asset Management Ltd. Keith has tertiary qualifications in accounting, is a member of CPA Australia and a Fellow of the Institute of Company Directors.

2. Company Secretary

Mr Geoffrey Garside CPA joined the Company as Finance and Performance Manager in June 2007, and was appointed by the Board to the position of Company Secretary in August 2007. Geoff has a Bachelor of Commerce and a Master of Business Administration (Curtin), and is a Certified Practising Accountant. Geoff's professional career of more than 20 years includes experience in universities, local government, manufacturing and resources industries.

3. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	Meetings Attended	Meetings Held
Mr M Copley	5	5
Mrs L Ferris	4	5
Prof T Flannery	0	5
Mr R Grant	3	5
Mr K Ince	4	5
Mr R Ledger	4	5
Mr G Morgan	4	5
Prof P Underwood	5	5

4. Principal Activities

The principal activities of the Company during the course of the financial year were directed toward the conservation of Australia's wildlife, particularly threatened species and ecosystems. These activities included:

- the establishment of wildlife sanctuaries including through the acquisition of land;
- the implementation of on-ground conservation programs including translocations of threatened wildlife, feral animal control, weed control and fire management;
- the conduct of scientific research addressing the key threats to Australia's wildlife; and
- the carrying out of public education and visitor programs designed to enhance awareness of conservation issues.

There were no significant changes in the nature of the activities of the Company during the year.



5. Operating and Financial Review

Overview of the Company

The overall operating surplus for the year was \$14,639,471. This represents an increase of \$6,861,049 in the operating surplus compared to 2007. The increase is a result of an expansion of the AWC donor base at all levels. The surplus was utilised primarily for capital expenditure (the acquisition of four additional properties) and to increase the level of AWC investments (which will generate income available to help meet future operating costs).

The Company's operations during the year enabled the organisation to successfully carry out its principal activities. As a charitable organisation, AWC development programs raised sufficient funds for the execution of these activities.

Review of Principal Activities

Key outcomes from AWC's operations in 2007-08 included:

- In December 2007, AWC completed the acquisition of Kalamurina in central Australia. Kalamurina is Australia's largest non-government wildlife sanctuary, covering over 6,700 square kilometres. It connects Lake Eyre National Park with the Simpson Desert reserves, creating a contiguous network of protected areas that is larger than the entire State of Tasmania.
- In March 2008, AWC completed the acquisition of Piccaninny Plains on Cape York Peninsula. Piccaninny Plains protects a diversity of wildlife and habitats reflecting a unique biological blend of Australia and Papua New Guinea. Features of the property include the Archer River floodplain and associated wetlands.
- In May 2008, AWC completed the acquisition of Marion Downs in the central Kimberley. The combined area of Marion Downs and the adjacent Mornington Wildlife Sanctuary (acquired by AWC in 2001) is greater than 6,400 square kilometres. The properties protect a range of threatened species including the Gouldian Finch and the Northern Quoll.
- In September 2007, AWC entered into a conditional contract to acquire Pungalina in the Gulf region of the Northern Territory, together with an associated wilderness camp business. The acquisition price for Pungalina was \$3.7 million, while the acquisition price for the business was \$2.3 million. Settlement occurred in September 2008 – see below. AWC has also entered into an agreement with the owner of Seven Emu, adjacent to Pungalina, under which part of Seven Emu will be managed for conservation.
- The acquisition of Kalamurina, Piccaninny Plains and Marion Downs, together with Pungalina-Seven Emu, means that AWC now owns and manages for conservation 20 properties covering more than 2.5 million hectares (over 6.1 million acres).
- In April 2007, AWC was selected as one of 5 finalists in the Givewell Best Practice Not-for-profit Award. AWC was the only conservation organisation selected as a finalist.
- Substantial on-ground programs were delivered at AWC sanctuaries around Australia. For example:
 - From our base at Mornington, AWC delivered fire management across more than 5 million hectares of the Kimberley in collaboration with a range of other landholders. This is the largest fire management program implemented by any non-government organisation in Australia.
 - AWC continues to manage more fox and cat-free land on mainland Australia than any other organisation. An additional 4,000 hectares of Scotia was declared feral-free during the year.
 - AWC conducted translocations of threatened mammal species at Faure Island, Karakamia, Scotia and Paruna. In total, AWC has now conducted more than 70 mammal translocations.
 - A range of other programs were carried out across AWC sanctuaries including weed control and the establishment and maintenance of sanctuary infrastructure.
- A range of strategic research programs were carried out by AWC. These research programs, involving collaboration with a range of partners, address key issues affecting biodiversity in Australia including:
 - The effect of different fire regimes.
 - The impact of grazing.
 - The relationship between foxes, cats and dingos.
 - The ecology of threatened species including Woylies, Gouldian Finches and Purple-crowned Fairy-wrens.
- Environmental education and visitor programs were carried out at several sanctuaries including Mornington (which received more than 3,000 visitors), Karakamia, Paruna and Yookamurra (which hosted a series of school visits).

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Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

6. Dividends

The constitution of the Company does not permit the payment of dividends.

7. Events Subsequent to Reporting Date

- In September 2008 AWC acquired Pungalina station (Northern Territory). In October 2008, AWC entered into a sublease agreement with the owner of Seven Emu station, which is adjacent to Pungalina. Under the agreement, part of Seven Emu will be managed by AWC for conservation for a period of 28 years. The cost of acquiring Pungalina and the sublease on Seven Emu is \$5.2m.
- In September AWC also acquired a wilderness camp business associated with Pungalina for \$2.3m.
- AWC is negotiating a partnership agreement with a private charitable organisation in relation to the management of Piccaninny Plains. The charitable organisation made an advance of \$2.1 million to AWC to assist with the initial purchase (this advance is reflected in the financial statements as a current liability). Under the proposed partnership agreement, AWC and the private organisation will each hold 50% of the title as tenants in common. Ongoing management costs (including capital items) will be shared. Upon entry into the partnership agreement, and the transfer of 50% of the property title to the private charitable organisation, AWC's liability to repay the \$2.1 million advance will be extinguished.
- Recent share-market volatility is expected to continue to have an adverse impact on the market-based components of AWC's investment portfolio in the short-term. Over the period of the quarter ending 30 September 2008, the value of these investments reduced by just under 8%. AWC does not intend to capitalise this loss and will wait for evidence of a return of stability to the market before investing further funds in this part of the portfolio. As at 30 September, AWC holds more than 80% of its investment funds in cash (term deposits): share market fluctuations have therefore not had a significant impact on the value of AWC's overall investment fund.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

8. Likely Developments

The Company will continue to pursue its principal activities identified above.

In the opinion of the directors, further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

9. Environmental Regulation

The Company's operations are subject to significant environmental regulation under both Commonwealth and State legislation. Based upon the results of inquiries made, the directors are not aware of any significant breaches during the period covered by this report.

10. Indemnification and Insurance of Officers and Auditors

Indemnification

The Company's constitution provides that every director, executive officer, and if the directors so determine, any auditor be indemnified on a full indemnity basis and to the full extent permitted by law for all losses or liabilities incurred by the person as an officer or auditor of the company including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending any proceedings whether civil or criminal in which judgement is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them under the Corporations Act.

In August 2005, the Company entered into a Deed of Indemnity with each person who was then a director of the organisation. Under each Deed, the Company has indemnified the relevant director against any liability incurred by the director as a director or executive of the Company or an Associated Company, with certain standard exceptions. The limit of the indemnity is \$20 million.



Insurance

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expense insurance contracts of \$7,415 (2007: \$7,020).

11. Non-Audit Services

During the year KPMG, the Company's auditor, has performed one other service in addition to their statutory duties. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

12. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for financial year ended 30 June 2008.

This report is made with a resolution of the directors:

Graeme Morgan
Director

Ross Ledger
Director

Dated at Perth this 4th day of December 2008.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Australian Wildlife Conservancy

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG

J.G. Robinson
J.G. Robinson
Partner

Perth

Dated: *4/12/08*

Australian Wildlife Conservancy

Concise Financial Report

For the year ended 30 June 2008



The concise financial report has been derived from the Company's full *Annual Financial Report* for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report are either an extract from, or are consistent with, the full *Annual Financial Report*.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Australian Wildlife Conservancy (AWC) as the full *Annual Financial Report*. Therefore the full *Annual Financial Report* is available from AWC, free of charge, on request.

Australian Wildlife Conservancy

Income Statement

For the year ended 30 June 2008



	Note	2008 \$	2007 \$
REVENUE			
Donations and Grants		22,008,549	12,528,130
Sanctuary Income		990,606	833,421
Other Revenue		603,697	17,096
Total Revenue	3	23,602,852	13,378,647
EXPENDITURE			
Administration and Development			
Administration expenses		639,057	487,997
Development (fundraising) expenses		978,242	733,638
Total Administration and Development Expenses		1,617,299	1,221,635
Conservation Programs			
Conservation Assessment and Policy		383,562	310,258
Conservation Programs (Sanctuary Management)			
♦ Southwest Region (Faure Island, Karakamia, Mt Gibson, Paruna)		932,083	803,126
♦ Kimberley (Marion Downs & Mornington)		2,965,895	1,455,325
♦ Queensland & Northern Territory (Brooklyn, Curramore, Mt Zero, Newhaven, Piccaninny Plains, Taravale, Wongalara)		1,409,957	1,095,177
♦ Southeast Region (Buckaringa, Dakalanta, Kalamurina, Scotia, Yookamurra)		1,867,349	1,065,152
Total Conservation Program Expenses		7,558,846	4,729,038
Results from Operating Activities		14,426,707	7,427,974
Financial Income		406,810	422,162
Financial Expenses		(194,046)	(71,714)
Net Finance Result		212,764	350,448
Surplus for the period		14,639,471	7,778,422

This Income Statement is to be read in conjunction with the notes accompanying the financial statements.

Discussion and Analysis – Income Statement

Trends in revenue AWC's donor base continues to expand at all levels. As a result, the level of donation income increased during 2008. A significant proportion of income in 2008 was applied toward the purchase of four properties and to increase the level of AWC investments (which will generate income available to help meet future operating costs).

Effects of significant economic or other events There were no significant external events that impacted on the performance of the Company.

Main influences on costs of operations AWC applies a high proportion of its expenditure towards conservation programs and a relatively low proportion toward administration and fundraising. In the year to June 2008 AWC continued to expand its on-ground operations including fire management, feral animal control, biological surveys and research as well as infrastructure maintenance. There was a corresponding increase in our capacity to support these operations. AWC has several strategies in place to ensure resources are available to meet future operational costs, including: improving efficiencies; continuing to build donor base; and developing a long-term investment fund to generate income for operations.

Dividends AWC is a not-for-profit company limited by guarantee. It has no issued share capital and the constitution of the Company does not permit the payment of dividends.

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Statement of Recognised Income and Expense

For the year ended 30 June 2008



	Note	2008 \$	2007 \$
Change in Fair-Value of Equity Securities available for sale	4	-	(48,491)
Net Income recognised directly in Equity		-	(48,491)
Surplus for the period	4	14,639,471	7,778,422
Total recognised Income and Expense for the period		14,639,471	7,729,931

This Statement of Recognised Income and Expense is to be read in conjunction with the notes accompanying the financial statements.

Discussion and Analysis – Statement of Recognised Income and Expense

Changes in composition of the components in equity The net surplus from operating activities for the financial year was \$14.69m. This represents a significant increase from the previous year. Most of the operating surplus was used to fund capital expenditure (the acquisition of four additional properties) and to increase the level of AWC investments (which will generate income available to help meet future operating costs).

Australian Wildlife Conservancy

Balance Sheet

As at 30 June 2008



	Note	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents		10,543,354	5,190,051
Trade and Other Receivables		2,317,931	680,882
Total Current Assets		12,861,285	5,870,933
Non-Current Assets			
Other Investments		942,793	956,519
Property, Plant and Equipment		41,681,605	31,192,589
Total Non-Current Assets		42,624,398	32,149,108
TOTAL ASSETS		55,485,683	38,020,041
LIABILITIES			
Current Liabilities			
Trade and Other Payables		699,686	89,177
Loans and Borrowings		2,106,206	-
Employee Benefits		313,814	236,124
Total Current Liabilities		3,119,706	325,301
Non-Current Liabilities			
Loans and Borrowings		20,216	-
Employee Benefits		11,550	-
Total Non-Current Liabilities		31,766	-
TOTAL LIABILITIES		3,151,472	325,301
NET ASSETS		52,334,211	37,694,740
EQUITY			
Retained Earnings	4	52,334,211	37,694,740
TOTAL EQUITY		52,334,211	37,694,740

This Balance Sheet is to be read in conjunction with the notes accompanying the financial statements.

Discussion and Analysis – Balance Sheet

Significant movement in value of assets The value of the net assets of the company has increased by \$14.64m. The purchase of Kalamurina, Piccaninny Plains and Marion Downs stations increased the value of property plant and equipment by just over \$9m. In addition, AWC increased its investments to generate income available to help meet future operating costs.

Relationship between debt and equity In March 2008, AWC received an advance of \$2.1m from a private charitable organisation to assist with the purchase of Piccaninny Plains station. AWC is negotiating a partnership agreement with that organisation in relation to the management of Piccaninny Plains.

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Statement of Cash Flows

For the year ended 30 June 2008



Note	2008 \$	2007 \$
Cash Flows from Operating Activities		
Cash Receipts from Customers	1,545,123	853,840
Cash Receipts from Donations and Grants	22,008,549	12,039,410
Cash Paid to Suppliers and Employees	(7,757,076)	(5,437,636)
Cash generated from Operations	15,796,596	7,455,614
Interest and Bank Fees Paid	(35,805)	(24,008)
Net Cash From Operating Activities	15,760,791	7,431,606
Cash Flows from Investing Activities		
Proceeds from Sale of Property, Plant and Equipment	35,576	29,576
Proceeds from Sale of Investments	-	10,120
Interest Received	353,088	165,964
Dividends Received	-	256,198
Acquisition of Property, Plant and Equipment	(12,793,426)	(5,272,661)
Acquisition of Other Investments	(102,208)	(555,067)
Net Cash From Investing Activities	(12,506,970)	(5,365,870)
Cash Flows from Financing Activities		
Loan Received	2,100,000	-
Payment of Finance Lease Liabilities	(518)	-
Net Cash from Financing Activities	2,099,482	-
Net Increase in Cash and Cash Equivalents	5,353,303	2,065,736
Cash and Cash Equivalents at 1 July	5,190,051	3,124,315
Cash and Cash Equivalents at 30 June	10,543,354	5,190,051

This Statement of Cash Flows is to be read in conjunction with the notes accompanying the financial statements.

Discussion and Analysis – Statement of Cash Flows

Changes in cash flows from operations There has been a major change in Cash Flows from Operating Activities, predominantly due to fundraising for the purchase of four new properties. Cash paid to suppliers and employees has also shown an increase, mainly due to the increased running costs of new properties.

Financing of capital expenditure programs Capital expenditure during the year included the purchase of Kalamurina, Piccaninny Plains and Marion Downs stations and general improvements to infrastructure, plant and equipment on the existing sanctuaries. This expenditure was mainly financed by donation income; plus \$2.74m in grants from the Commonwealth Government to assist with the property purchases; and an advance of \$2.1m from a charitable organisation to assist with the purchase of Piccaninny Plains.

Servicing and repayment of borrowings In March 2008 a private charitable organisation made an advance of \$2.1m to AWC to assist with the purchase of Piccaninny Plains. AWC is negotiating a partnership agreement with that organisation in relation to the management of Piccaninny Plains.

Australian Wildlife Conservancy

Notes to the Financial Statements

Notes to the Financial Statements



1. Reporting Entity

Australian Wildlife Conservancy (the 'Company') is a company limited by guarantee and domiciled in Australia. The registered office is at Unit 5, 280 Hay Street, Subiaco, Western Australia. These financial statements of the Company are as at, and for the year ended 30 June 2008. The Company's primary purpose is the conservation of Australia's wildlife, particularly threatened species and ecosystems.

2. Basis of Preparation of Concise Financial Report

(a) Statement of Compliance

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 *Concise Financial Reports* (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report for the year ended 30 June 2008. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A full description of the accounting policies adopted by the Company may be found in the Company's full *Annual Financial Report*. The Financial Statements from the Company's full *Annual Financial Report* were approved by the Directors on Thursday, 4th December 2008.

(b) Basis of Measurement

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

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in Note 4 of the full financial report.

(c) Functional Currency

These financial statements are presented in Australian dollars, which is the functional currency of the Company.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes of the full financial statements:

- Note 4 – Determination of Fair Values
- Note 13 – Property, Plant and Equipment
- Note 16 – Employee Benefits
- Note 18 – Financial Instruments
- Note 19 – Leases
- Note 21 – Contingencies

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Notes to the Financial Statements



3. Revenue

	2008	2007
	\$	\$
Donations, gifts and sponsorship	16,714,613	10,209,259
Grants	5,293,936	2,318,871
Sanctuary income	990,606	833,421
Other Revenue	603,697	17,096
Total	23,602,852	13,378,647

Grants received in the year to 30 June 2008 included \$4.89m to assist with the purchase of properties (2007: \$2.1m) from the Commonwealth Department of Environment, Water and Heritage. Of this, \$2.16m is to assist with the purchase of Pungalina in the following period.

4. Capital and Reserves

Reconciliation of movement in Capital and Reserves

Balance at 1 July 2006	29,916,318	48,491	29,964,809
Total recognised Income and Expense	7,778,422	(48,491)	7,729,931
Balance at 30 June 2007	37,694,740	-	37,694,740
Balance at 1 July 2007	37,694,740	-	37,694,740
Total recognised Income and Expense	14,639,471	-	14,639,471
Balance at 30 June 2008	52,334,211	-	52,334,211

Australian Wildlife Conservancy is a non-for-profit, charitable organisation limited by guarantee and hence has no issued share capital. Each of the seven members has guaranteed an amount of \$50.

Fair Value Reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

5. Contingencies

Under the terms of the grant agreements between Department of the Environment & Heritage and the Australian Wildlife Conservancy, the Company must seek to:

- Protect the land held at Brooklyn Pastoral Holding for 99 years, with a minimum investment of \$750,000 over 5 years from the date of the agreement.
- Protect the land held at Scotia Sanctuary, Newhaven, Mornington, Marion Downs, Kalamurina, Wongalara, Taravale Station and Mt Zero for 99 years under voluntary conservation agreements.

The directors are of the opinion that provisions are not required in respect of these matters. The minimum investment at Brooklyn has already been exceeded.

6. Subsequent Events

- In September 2008 AWC acquired Pungalina station (Northern Territory). In October 2008, AWC entered into a sublease agreement with the owner of Seven Emu station, which is adjacent to Pungalina. Under the agreement, part of Seven Emu will be managed by AWC for conservation for a period of 28 years. The cost of acquiring Pungalina and the sublease on Seven Emu is \$5.2m.
- In September AWC also acquired a wilderness camp business associated with Pungalina for \$2.3m.
- AWC is negotiating a partnership agreement with a private charitable organisation in relation to the management of Piccaninny Plains. The charitable organisation made an advance of \$2.1 million to AWC to assist with the initial purchase (this advance is reflected in the financial statements as a current liability). Under the proposed partnership agreement, AWC and the private organisation will each hold 50% of the title as tenants in common. Ongoing management costs (including capital items) will be shared. Upon entry into the partnership agreement, and the transfer of 50% of the property title to the private charitable organisation, AWC's liability to repay the \$2.1 million advance will be extinguished.
- Recent share-market volatility is expected to continue to have an adverse impact on the market-based components of AWC's investment portfolio in the short-term. Over the period of the quarter ending 30 September 2008, the value of these investments reduced by just under 8%. AWC does not intend to capitalise this loss and will wait for evidence of a return of stability to the market before

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Notes to the Financial Statements



investing further funds in this part of the portfolio. As at 30 September, AWC holds more than 80% of its investment funds in cash (term deposits): share market fluctuations have therefore not had a significant impact on the value of AWC's overall investment fund.

7. Auditors' Remuneration

	2008	2007
	\$	\$
Audit Services	22,240	20,890
Other Services	1,800	-
	<u>24,040</u>	<u>20,890</u>

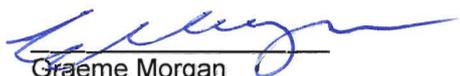
Over a number of years KPMG has provided assistance to AWC in the form of a reduction in fees. KPMG undertakes the annual audit of AWC on a partial-pro bono basis

Australian Wildlife Conservancy Directors' Declaration

In the opinion of the directors of Australian Wildlife Conservancy ('the Company'), the accompanying concise financial report of the Company for the year ended 30 June 2008 set out in pages 9 to 16:

- (a) Has been derived from or is consistent with the full financial report for the year; and
- (b) Complies with the Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Signed on behalf of the Board of Directors



Graeme Morgan
Director



Ross Ledger
Director

Dated at Perth this 4th day of December 2008.



Independent auditor's report to the members of Australian Wildlife Conservancy

Report on the concise financial report

The accompanying concise financial report of the Australian Wildlife Conservancy (the Company) comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expenses and cash flow statement for the year then ended and related notes 1 to 7, derived from the audited financial report of Australian Wildlife Conservancy for the year ended 30 June 2008 and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors of the Company are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of Australian Wildlife Conservancy for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 5 December 2008 and was not subject to any modification. The Australian Auditing 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 for the year is free of material misstatement.

Our procedures in respect of the concise financial report include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in Australian Accounting Standard AASB 1039 *Concise Financial Reports*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.



Auditor's opinion

In our opinion, the concise financial report, including the discussion and analysis, of Australian Wildlife Conservancy for the year ended 30 June 2008 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.


KPMG


J.G. Robinson
Partner

Perth

Dated: 

Australian Wildlife Conservancy

Declaration under the Charitable Fundraising Act 1991 (NSW)

I, Graeme Morgan, being a Director of Australian Wildlife Conservancy, declare that the company is the holder of an authority under the Charitable Fundraising Act 1991 (NSW), registration number CFN 18200. All net surpluses obtained from fundraising appeals during the year ended 30 June 2008 were applied to conservation services, scientific research, visitor education programs and their administration.

I further declare that in my opinion:

- a) the accounts give a true and fair view of the state of affairs of all the income and expenditure of the organisation with respect to fundraising appeals;
- b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation;
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the organisation; and
- d) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Forms of appeals

The forms of fundraising appeals conducted in NSW during the year ended 30 June 2008 were:

- organised functions for supporters by invitation only;
- applications to philanthropic foundations;
- contact with AWC supporters by telephone and in person; and
- donations via workplace 'giving' programs.

Comparative Figures and Ratios

The following percentages and ratios are provided for comparative purposes:

- i. Total costs of fundraising as a percentage (ratio) of gross income from fundraising was 4.4% (\$0.98m : \$22.01m).
- ii. Net surplus from fundraising as a percentage (ratio) of gross income from fundraising was 95.6% (\$21.03m : \$22.01m)
- iii. Total cost of nature conservation services (*including capital expenditure*) as a percentage (ratio) of total expenditure was 91.3% (\$19.01m : \$20.82m).
- iv. Total cost of nature conservation services (*including capital expenditure*) as a percentage (ratio) of total income was 79.2% (\$19.01m : \$24.01m).

Information on Traders

No appeals were conducted using the services of traders.



Graeme Morgan
Director