

The Wilderness Society Inc

Financial Statements

For the Year Ended 30 June 2011

The Wilderness Society Inc

For the Year Ended 30 June 2011

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The Wilderness Society Inc

Operating Report

30 June 2011

Your Committee members submit the financial statements of the association for the financial year ended 30 June 2011.

1. General information

Committee Members

The names of Committee members throughout the year and at the date of these statements are:

David Mackenzie	Elected 30 June 2010, re-elected 11 December 2010
Stephen Porter	Elected 30 June 2010, re-elected 11 December 2010
Hilton Sentinella	Elected 30 June 2010, re-elected 11 December 2010
Glen Klatovsky	Elected 30 June 2010, resigned 18 October 2010
Daniel Beaver	Elected 30 June 2010, re-elected 11 December 2010, resigned 1 March 2011
Coral Robinson	Elected 30 June 2010, re-elected 11 December 2010
Debbie Dunn	Elected 30 June 2010, re-elected 11 December 2010
Stephen Lodge	Elected 30 June 2010, re-elected 11 December 2010
James Johnson	Appointed 22 November 2010, elected December 2010
Christo Norman	Appointed 10 August 2011

Principal Activities

The Wilderness Society Inc is one of the organisations that comprise the Wilderness Society. The Wilderness Society is a group of separately incorporated, not-for-profit, non-government organisations working together in a federation as members of The Wilderness Society Australia Inc (TWS Australia). The other members of TWS Australia are The Wilderness Society Queensland, The Wilderness Society Newcastle, The Wilderness Society Sydney, The Wilderness Society Victoria, The Wilderness Society Tasmania, The Wilderness Society South Australia and The Wilderness Society Western Australia.

The Wilderness Society Inc is an association incorporated in Tasmania. The majority of staff are located in Hobart, Melbourne and Sydney, with some staff located in other states.

The objective of the association is protecting, promoting and restoring wilderness and natural processes across Australia for the survival and ongoing evolution of life on Earth.

The principal activities of The Wilderness Society Inc during the financial year were:

- The conduct of wilderness protection programs
- National fundraising and membership activities and sales of merchandise
- Communications to support wilderness protection, fundraising and membership
- Organisational business support functions.

Significant Changes

No significant change in the nature of these activities occurred during the year.

The Wilderness Society Inc

Operating Report

30 June 2011

2. Operating Results and Review of Operations for the Year

Operating result

The surplus/(deficit) of the association for the financial year amounted to \$495,372, 2010: \$(996,016)).

Signed in accordance with a resolution of the Members of the Board:

Convenor: 

Treasurer: 

Dated this 27th day of Nov 2011

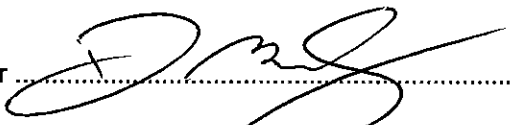
The Wilderness Society Inc


Statement by Members of the Committee

In the opinion of the Board the financial statements:

1. Present a true and fair view of the financial position of The Wilderness Society Inc as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Wilderness Society 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:

Convenor 

Treasurer 

Dated this 5th day of NOV 2011

The Wilderness Society Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Fair value adjustments	-	225,700
Interest income	34,815	74,667
Member subscriptions	897,365	921,339
Grants - Non-Government	191,107	339,498
Donations	11,214,749	12,251,157
Expense reimbursements	100,000	100,000
Sales	234,103	260,030
Trust Distribution Income	138,616	14,275
Other income	51,446	296,436
Total income	12,862,201	14,483,102
Less: Expenses		
Accounting and audit	20,000	17,255
Advertising and promotion	148,917	261,213
Bad debts	1,475	46,600
Bank and credit card fees	177,912	167,195
Campaign centre grants	3,325,232	3,402,872
Campaigning costs	142,335	23,847
Commission expenses	(32)	(101)
Conference and seminar costs	8,922	61,238
Consulting and professional fees	566,796	740,623
Contractors	446,598	987,581
Cost of goods sold	67,392	190,407
Depreciation	27,529	108,654
Donation to Forever Wild Trust	49,584	92,805
Donations	152,166	109,306
Employment costs	64,988	36,123
Equipment	2,354	18,276
Events	45,874	40,486
Grants	191,524	81,701
Insurance	77,389	70,918
Legal fees	109,923	1,045,206
Licences and registration	46,745	52,503
Memberships subscriptions	53,350	82,858
Office premises lease	320,475	318,733
Other occupancy costs	74,490	79,872
Postage & packaging	268,385	348,068
Printing and stationery	273,629	254,114
Publications	25,533	12,811
Repairs and maintenance	16,890	25,974
Research and development costs	136,384	237,758

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Resource Library	5,163	16,306
Sundry expenses	2,775	86,610
Telephone and fax	211,497	248,957
Training	20,542	25,568
Travel - domestic	410,507	435,605
Travel - overseas	23,208	43,887
Wages, salaries and on costs	4,850,374	5,707,292
Total Expenses	(12,366,829)	(15,479,121)
Surplus/(deficit) for the year	495,372	(996,016)
Other comprehensive income	-	-
Total Comprehensive Income	495,372	(996,016)

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Financial Position

As At 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,236,712	1,541,809
Trade and other receivables	3	1,034,746	288,979
Inventories	4	60,436	75,544
Other assets	7	357,283	134,662
TOTAL CURRENT ASSETS		<u>2,689,177</u>	<u>2,040,994</u>
NON-CURRENT ASSETS			
Investments	5	545,340	545,340
Property, plant and equipment	6	420,920	406,013
TOTAL NON-CURRENT ASSETS		<u>966,260</u>	<u>951,353</u>
TOTAL ASSETS		<u>3,655,437</u>	<u>2,992,347</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,265,073	1,698,922
Borrowings	10	258,784	17,890
Short-term provisions	9	222,475	265,780
Other liabilities	11	472,339	307,124
TOTAL CURRENT LIABILITIES		<u>2,218,671</u>	<u>2,289,716</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	350,000	350,000
Long-term provisions	9	51,846	140,673
Borrowings	10	327,590	-
TOTAL NON-CURRENT LIABILITIES		<u>729,436</u>	<u>490,673</u>
TOTAL LIABILITIES		<u>2,948,107</u>	<u>2,780,389</u>
NET ASSETS		<u>707,330</u>	<u>211,958</u>
EQUITY			
Accumulated surpluses		707,330	211,958
TOTAL EQUITY		<u>707,330</u>	<u>211,958</u>

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2010	211,958	211,958
Total comprehensive income for the year	495,372	495,372
Balance at 30 June 2011	707,330	707,330

2010

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2009	1,207,974	1,207,974
Total comprehensive income for the year	(996,016)	(996,016)
Balance at 30 June 2010	211,958	211,958

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Cash Flows

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from membership proceeds	868,101	903,862
Receipts from sales	249,211	260,030
Interest and dividends received	173,431	74,667
Receipts from non-government grants	385,586	339,498
Donations and other receipts	11,068,033	11,613,109
Payments to suppliers and employees	(13,127,902)	(14,993,108)
Net flows from Goods and Services Tax	(447,605)	(67,910)
Net cash provided by (used in) operating activities	12(a) <u>(831,145)</u>	<u>(1,869,852)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	<u>(42,436)</u>	<u>(52,007)</u>
Net cash provided by (used in) investing activities	<u>(42,436)</u>	<u>(52,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to the Forever Wild Trust	-	(92,805)
Receipts from borrowings	<u>500,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>500,000</u>	<u>(92,805)</u>
Net increase (decrease) in cash held	(373,581)	(2,014,664)
Cash at beginning of financial year	<u>1,523,918</u>	<u>3,538,582</u>
Cash and cash equivalents at end of financial year	2(a) <u><u>1,150,337</u></u>	<u><u>1,523,918</u></u>

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements cover The Wilderness Society Inc as an individual entity. The Wilderness Society Inc is an association incorporated in Tasmania under the *Associations Incorporation Act*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to with changes in presentation for the current financial year.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(d) Trade and other receivables

The association provides an allowance for impairment on trade receivables based on current recoverability of amounts owed.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Plant and Equipment	13% - 100%
Leasehold improvements	33% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Critical Accounting Estimates and Judgments

Key estimates - Impairment

The association assesses impairment at the end of each reporting period by evaluating conditions specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in surplus or loss.

The association does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(h) Financial Instruments continued

subsequently measured at fair value with changes in carrying value being included in the statement of comprehensive income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(h) Financial Instruments continued

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in surplus or loss.

(i) Impairment of Assets

At the end of each reporting period, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the estimated future cash outflows to be made for those benefits.

Contributions made by the association to an employee superannuation fund are charged as expensed when incurred.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(l) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

(o) Revenue and Other Income

Revenue from the sale of goods is recognised on delivery of the goods to the customer.

Trust distribution revenue is recognised when the right to receive a distribution has been established. Interest revenue is recognised over the period for which the funds are invested.

Donations and bequests are recognised as revenue when received.

Expense reimbursement income is recognised as revenue upon receipt. Income in 2011 has been received from The Wilderness Society Australia Inc in respect of services provided for the website and WildNews.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

The Wilderness Society (Sydney) Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis and the movement of GST shown as a separate operating cash flow. The GST component of investing and financing activities are disclosed as operating cash flows.

(q) Adoption of new and revised accounting standards

During the current year, the association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of The Wilderness Society Inc.

Standard Name	Impact
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemption for First-time Adopters / AASB 2010-1 Limited exemption from comparative AASB 7 disclosures for first-time adopters	No impact since the entity is not a first-time adopter of IFRS.
Interpretation 19 Extinguishing liabilities with equity instruments	No significant changes on adoption of this standard.

(r) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	- Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(r) New accounting standards for application in future periods

AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits	No impact expected.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 13 Fair Value Measurement	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	507	129
Cash at bank	1,089,568	771,064
Short-term bank deposits	135,000	729,829
Undeposited funds	11,637	40,787
	<u>1,236,712</u>	<u>1,541,809</u>

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	1,236,712	1,541,808
Bank overdraft and credit cards	(86,375)	(17,890)
Balance as per statement of cash flows	<u>1,150,337</u>	<u>1,523,918</u>

3 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	1,022,771	276,781
Provision for impairment of receivables	(934)	(710)
	<u>1,021,837</u>	<u>276,071</u>
Security deposits	12,909	12,908
Total current trade and other receivables	<u>1,034,746</u>	<u>288,979</u>

Ageing analysis

The ageing analysis of receivables is as follows:

	2011	2010
	\$	\$
0-30 days	187,683	273,818
31-60 days	1,381	-
61-90 days (past due not impaired)	111,999	240
91+ days (past due not impaired)	720,774	2,013
Total	<u>1,021,837</u>	<u>276,071</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Inventories

	2011	2010
	\$	\$
CURRENT		
Merchandise at net realisable value	60,436	75,544
	<u>60,436</u>	<u>75,544</u>

5 Investments

	2011	2010
	\$	\$
Friends of the Wilderness - at fair value	545,340	545,340
Total	<u>545,340</u>	<u>545,340</u>

Investments are recorded at fair value based upon Friends of the Wilderness Pty Ltd advice of unit values as at 30 June 2010. The Committee has determined that the fair value as at 30 June 2011 is unchanged.

6 Property, Plant and Equipment

	2011	2010
	\$	\$
LAND AND BUILDINGS		
Building - Held in Trust		
At cost	345,000	345,000
Total land and buildings	<u>345,000</u>	<u>345,000</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	242,747	721,972
Accumulated depreciation	(166,827)	(660,959)
Total plant and equipment	<u>75,920</u>	<u>61,013</u>
Improvements		
At cost	46,157	46,157
Accumulated depreciation	(46,157)	(46,157)
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>71,465</u>	<u>61,013</u>
Total property, plant and equipment	<u>420,920</u>	<u>406,013</u>

In 2002 the property was purchased from The Wilderness Society (Tasmania) Inc at a value attributed by Brothers & Newton on 15 May 2002. This represents the cost of the acquisition to The Wilderness Society Inc. The building is not depreciated as it is held in trust for The Wilderness Society (Tasmania) Inc and is likely at some point in the future to be transferred back.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

6 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building - Held in Trust	Plant and Equipment	Total
	\$	\$	\$
Balance at the beginning of year	345,000	61,013	406,013
Additions	-	42,436	42,436
Depreciation expense	-	(27,529)	(27,529)
Carrying amount at the end of 30 June 2011	<u>345,000</u>	<u>75,920</u>	<u>420,920</u>

7 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	245,648	134,662
Accrued income	111,635	-
	<u>357,283</u>	<u>134,662</u>

8 Trade and Other Payables

	2011	2010
	\$	\$
CURRENT		
Trade payables	822,920	789,074
Accrued employee entitlements	3,045	(11,451)
Accrued expenses	449,340	888,525
Suspense & clearing account	(10,232)	32,774
	<u>1,265,073</u>	<u>1,698,922</u>
NON-CURRENT		
Monies held in trust - TWS (Tasmania) Inc	<u>350,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>350,000</u>

Monies held in trust have arisen as a result of the purchase of land and buildings from The Wilderness Society (Tasmania) Inc. The original monies have been repaid, resulting in these funds being held in trust for The Wilderness Society (Tasmania) Inc until such time as the property is transferred back to The Wilderness Society (Tasmania) Inc. Title over the property is currently held by The Wilderness Society Inc and will continue to be held until the property is transferred.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

9 Provisions

	2011	2010
	\$	\$
CURRENT		
Employee benefits - Annual leave	222,475	265,780
	<u>222,475</u>	<u>265,780</u>
NON-CURRENT		
Employee benefits - Long service leave	51,846	140,673
	<u>51,846</u>	<u>140,673</u>

10 Borrowings

	2011	2010
	\$	\$
CURRENT		
Bank overdraft	70,097	-
Credit cards	16,277	17,890
Forever Wild Trust Loan	172,410	-
	<u>258,784</u>	<u>17,890</u>
NON-CURRENT		
Forever Wild Trust Loan	327,590	-
	<u>327,590</u>	<u>-</u>

11 Other Liabilities

	2011	2010
	\$	\$
Unspent grant monies	437,858	243,379
Prepaid membership subscriptions	34,481	63,745
	<u>472,339</u>	<u>307,124</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

12 Cash Flow Information

Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

	2011	2010
	\$	\$
Net surplus/(deficit) for the year	495,372	(996,016)
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in surplus/(deficit)		
- Depreciation	27,529	108,654
- Unrealised gain/(losses) on fair value through profit and loss financial assets	-	(225,700)
- Transfer of bequests to the Forever Wild Trust	49,584	92,805
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	(745,767)	(58,145)
- (Increase)/decrease in inventories	15,108	(75,544)
- (Increase)/decrease in other assets	(199,469)	(95,531)
- Increase/(decrease) in trade payables and accruals	(242,202)	(532,413)
- Increase/(decrease) in provisions	(132,132)	(87,962)
	<u>(831,145)</u>	<u>(1,869,852)</u>

13 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2011	2010
	\$	\$
Financial Assets		
Cash and cash equivalents	1,236,712	1,541,809
Investments	545,340	545,340
Loans and receivables	1,034,746	288,979
Total Financial Assets	<u>2,816,798</u>	<u>2,376,128</u>
	2011	2010
	\$	\$
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,265,072	1,698,922
- Borrowings	936,374	367,890
Total Financial Liabilities	<u>2,201,446</u>	<u>2,066,812</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

Financial Risk Management Policies

The association's committee members are responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Finance Manager monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions by the Finance Sub-Committee on financial management and risk are held monthly.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the association.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

(b) Liquidity risk

Liquidity risk arises from the possibility that The Wilderness Society Inc might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

Financial instrument composition and maturity analysis

	Floating Interest Rate		Maturing within 1 Year	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	985,477	696,252	-	-
Short term deposits	-	-	135,000	845,557
Total Financial Assets	985,477	696,252	135,000	845,557
Financial Liabilities:				
Loans and overdrafts	70,097	-	522,410	350,000
Credit cards	16,277	17,890	-	-
Trade and sundry payables	-	-	1,480,863	1,698,922
Total Financial Liabilities	86,374	17,890	2,003,273	2,048,922

	Maturing 1 to 5 Years		Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	-	-	985,477	696,252
Short term deposits	-	-	135,000	845,557
Total Financial Assets	-	-	1,120,477	1,541,809
Financial Liabilities:				
Loans and overdrafts	327,590	-	920,097	350,000
Credit cards	-	-	16,277	17,890
Trade and sundry payables	-	-	1,480,863	1,698,922
Total Financial Liabilities	327,590	-	2,417,237	2,066,812

(c) Market risk

(i) Price risk

The association is not exposed to any material price risk.

(ii) Interest Rate Risk

The association is not exposed to significant interest rate risk

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

(d) Sensitivity Analysis

The association has performed a sensitivity analysis relating to its exposure to interest rate risk, liquidity risk and credit risk at balance date. The association is subject to fluctuation in interest rates on amount held on deposit with financial institutions, however these amounts and any change in these amounts would not impact materially the financial statements. The association is subject to interest rate risk on its financial liabilities, however these amounts and any change in these amounts would not impact materially the financial statements. The association monitors and manages its exposure to liquidity risk and credit risk.

As a result of the sensitivity analysis and risk assessment performed by the association, any positive or negative change in interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements of the association.

14 Capital and Leasing Commitments

(a) Finance Lease Commitments

There are no finance lease commitments as at 30 June 2011.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2011	2010
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	94,000	30,846
- between 12 months and 5 years	94,000	30,846
	<u>188,000</u>	<u>30,846</u>

15 Auditors' Remuneration

	2011	2010
	\$	\$
Remuneration of the auditor of the association for:		
- auditing the financial statements - 2009	-	7,000
- auditing the financial statements - 2010	-	7,300
- auditing the financial statements - 2011	17,700	-
- Other services	-	810

16 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or assets as at the reporting date to be disclosed.

17 Events After the End of the Reporting Period

There are no events after the statement of financial position date affecting these financial statements to be disclosed.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

19 Economic Dependency

The ongoing viability of the association as a going concern is dependent upon the continued receipt of fundraising donations, memberships and grant funding.

20 Association Details

The registered office of the association is:

The Wilderness Society Inc

57E Brisbane Street

HOBART TAS 7000

Hobart
Level 1, 142-146 Elizabeth Street
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GPO Box 392
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F 03 6323 1231

hobart@whk.com.au
www.whk.com.au

WHK Audit
55 418 676 841

The Wilderness Society Inc

Auditors Independence Declaration The Wilderness Society Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK

WHK



Alison Flakemore
Audit Partner

Date this 26th day of October 2011.

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The Wilderness Society Inc

Independent Audit Report to the members of The Wilderness Society Inc

Report on the Financial Statements

We have audited the accompanying financial statements of The Wilderness Society Inc (the association), which comprise the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the Committee.

Committee's Responsibility for the Financial Statements

The committee of the association is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; 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 financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 statements.

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

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The Wilderness Society Inc

Independent Audit Report to the members of The Wilderness Society Inc

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial statements of The Wilderness Society Inc is in accordance with the *Associations Incorporation Act*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2011 and of its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act*.



WHK



Alison Flakemore
Audit Partner

Dated this 17th day of November 2011.