

The Wilderness Society Inc

Financial Report

For the Year Ended 30 June 2012

The Wilderness Society Inc

For the Year Ended 30 June 2012

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The Wilderness Society Inc

Committee of Management's Report

30 June 2012

The Committee of Management submits the financial report of the Association for the financial year ended 30 June 2012.

1. General information

Committee members

The names of Committee of Management members throughout the year and at the date of this report are:

James Johnson Convenor	Appointed 22 November 2010; elected 11 December 2010; re-elected 19 November 2011 Appointed Convenor 6 June 2012
Stephen Porter Secretary	Elected 30 June 2010; re-elected 11 December 2010; re-elected 19 November 2011
Donald Hellyer Treasurer	Appointed Treasurer 28 March 2012
David Mackenzie	Elected 30 June 2010; re-elected 11 December 2010; re-elected 19 November 2011
Hilton Sentinella	Elected 30 June 2010; re-elected 11 December 2010; re-elected 19 November 2011
Coral Robinson	Elected 30 June 2010; re-elected 11 December 2010; re-elected 19 November 2011
Christo Norman	Appointed 10 August 2011; elected 19 November 2011
Debbie Dunn	Elected 30 June 2010; re-elected 11 December 2010; did not re-nominate 19 November 2011
Stephen Lodge	Elected 30 June 2010; re-elected 11 December 2010; did not re-nominate 19 November 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; and
- Organisational business support functions.

The Wilderness Society Inc

Committee of Management's Report

30 June 2012

1. General information continued

Significant Changes

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

2. Operating Results and Review of Operations for the Year

Operating result

The surplus/(deficit) of the Association for the financial year amounted to \$ 75,036 (2011: \$ 495,372).

Signed in accordance with a resolution of the Members of the Committee of Management:

Convenor



Treasurer



Dated this 31st day of October 2012

The Wilderness Society Inc


Statement by Members of the Committee of Management

In the opinion of the Committee of Management the financial report:

1. Presents a true and fair view of the financial position of The Wilderness Society Inc as at 30 June 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporation Act*.
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 of Management and is signed for and on behalf of the Committee of Management by:

Convenor 


Treasurer

Dated this 31st day of October 2012

The Wilderness Society Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	2012 \$	2011 \$
Income		
Income from fundraising, donations, bequests and grants	13,197,418	12,386,883
Investment and other non-operating income	583,112	324,877
Total income	13,780,530	12,711,760
Less: Expenses		
Environmental campaigns and programs		
- National	1,304,606	1,328,269
- NSW	858,110	881,301
- VIC	570,815	546,651
- TAS	444,235	478,243
- SA	453,282	480,690
- WA	599,392	627,088
- QLD	699,445	651,538
- NT	37,960	36,978
- Wild Country programs	233,596	237,737
- Community awareness events	445,565	-
- Membership & supporter engagement	833,398	627,197
Total environmental campaigns and programs	6,480,404	5,895,692
	-	-
Fundraising expenses - recruitment of new supporters	2,643,808	2,098,100
Fundraising expenses - staff, appeals, supporter and other costs	2,156,595	2,318,235
Governance, finance and operations	1,765,765	1,854,777
Interest on Forever Wild Trust loan	51,610	-
Donation to Forever Wild Trust	607,312	49,584
Total Expenses	13,705,494	12,216,388
Net surplus/(deficit)	75,036	495,372
Other comprehensive income	-	-
Total Comprehensive Income	75,036	495,372

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,630,504	1,236,711
Trade and other receivables	3	484,844	1,044,979
Inventories		50,202	60,436
Other assets	4	245,048	357,283
TOTAL CURRENT ASSETS		2,410,598	2,699,409
NON-CURRENT ASSETS			
Investments	5	545,340	545,340
Property, plant and equipment	6	469,494	420,920
TOTAL NON-CURRENT ASSETS		1,014,834	966,260
TOTAL ASSETS		3,425,432	3,665,669
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,211,261	1,291,582
Borrowings	8	211,836	242,507
Other liabilities	9	133,757	472,339
Short-term provisions	10	448,355	222,475
TOTAL CURRENT LIABILITIES		2,005,209	2,228,903
NON-CURRENT LIABILITIES			
Trade and other payables	7	350,000	350,000
Borrowings	8	167,364	327,590
Long-term provisions	10	120,493	51,846
TOTAL NON-CURRENT LIABILITIES		637,857	729,436
TOTAL LIABILITIES		2,643,066	2,958,339
NET ASSETS		782,366	707,330
EQUITY			
Accumulated Surpluses		782,366	707,330
TOTAL EQUITY		782,366	707,330

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2011	707,330	707,330
Total comprehensive income	75,036	75,036
Balance at 30 June 2012	782,366	782,366

2011

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

The accompanying notes form part of these financial statements.

The Wilderness Society Inc

Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from membership proceeds		953,312	868,101
Receipts from sales		129,508	249,211
Interest and dividends received		169,922	173,431
Receipts from non-government grants		87,366	385,586
Donations and other receipts		12,863,453	11,068,033
Payments to suppliers and employees		(13,989,634)	(13,127,902)
Net flow from GST		511,725	(447,605)
Net cash provided by (used in) operating activities	11(a)	<u>725,652</u>	<u>(831,145)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment		<u>(93,563)</u>	<u>(42,436)</u>
Net cash used by investing activities		<u>(93,563)</u>	<u>(42,436)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment to Forever Wild Trust		(49,584)	-
Loan repayment to Forever Wild Trust		(120,800)	-
Receipts from borrowings		-	500,000
Net cash used by financing activities		<u>(170,384)</u>	<u>500,000</u>
Net cash increase (decreases) in cash and cash equivalents		461,705	(373,581)
Cash and cash equivalents at beginning of year		<u>1,150,337</u>	<u>1,523,918</u>
Cash and cash equivalents at end of financial year	11(b)	<u><u>1,612,042</u></u>	<u><u>1,150,337</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 2012

This financial report covers The Wilderness Society Inc as an individual entity. The Wilderness Society Inc is an association incorporated under the *Associations Incorporation Act*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act*.

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.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to 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.

Plant and equipment

Plant and equipment are measured on a cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(f) Property, Plant and Equipment continued

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	Depreciation Rate
Plant and Equipment	20-50%
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

Committee of Management members evaluate the estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of 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.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 in an arm's length transaction. 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 profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

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 year. 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 be realised within 12 months after the end of the reporting period, which will be 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 be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the 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 2012

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss. However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the income statement.

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 profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(i) 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 to the short term nature of these liabilities.

(j) 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 expenses when incurred.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(k) 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.

(l) Income Tax

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

(m) 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.

(n) Revenue and Other Income

Interest revenue is recognised over the period for which the funds are invested.

Revenue from the provision of services is recognised upon delivery of the service to the customers.

Revenue from the provision of membership subscriptions is recognised when received.

Grant income is recognised when expensed in accordance with the terms of the funding agreement.

Donation income is recognised when the Association obtains control over the funds which is generally at the time of receipt.

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(o) 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.

(p) Adoption of new and revised accounting standards

During the current year, the Association adopted all new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. There was no significant impact from the adoption of these standards.

(q) 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 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2016	- 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 as the entire standard has not been released.
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.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(q) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	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.
AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.	30 June 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.
AASB 1053	30 June 2014	This standard allows certain entities to reduce disclosures.	The impact of this standard has not yet been determined as the entity has a choice on whether to apply it.
AASB 2010-10	30 June 2014	Makes amendments to AASB 1.	No impact since the entity is not a first-time adopter of IFRS.

2 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on hand	90	507
Cash at bank	1,514,687	973,840
Short-term bank deposits	115,727	250,727
Other cash and cash equivalents	-	11,637
	<u>1,630,504</u>	<u>1,236,711</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

3 Trade and Other Receivables

	2012	2011
	\$	\$
Trade receivables	460,872	1,022,771
Provision for doubtful debts	(934)	(934)
	<u>459,938</u>	<u>1,021,837</u>
Forever Wild Trust expenses receivable	6,229	10,233
Security deposits	18,677	12,909
	<u>484,844</u>	<u>1,044,979</u>

Aged analysis

The ageing analysis of receivables is as follows:

	2012	2011
	\$	\$
0-30 days	188,884	187,683
31-60 days	255,999	1,381
61-90 days (past due not impaired)	4,974	111,999
91+ days (past due not impaired)	10,081	720,774
91+ days (considered impaired)	934	934
	<u>460,872</u>	<u>1,022,771</u>

4 Other Assets

	2012	2011
	\$	\$
Prepayments	99,095	245,648
Accrued interest income	145,953	111,635
	<u>245,048</u>	<u>357,283</u>

5 Investments

	2012	2011
	\$	\$
Friends of the Wilderness - at fair value	545,340	545,340
	<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 2012 is unchanged.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

6 Property, Plant and Equipment

	2012 \$	2011 \$
Building held in trust		
At cost	345,000	345,000
Total buildings held in trust	345,000	345,000
Plant and equipment		
At cost	325,729	242,747
Accumulated depreciation	(211,817)	(166,827)
Total plant and equipment	113,912	75,920
Leasehold improvements		
At cost	56,739	46,157
Accumulated depreciation	(46,157)	(46,157)
Total leasehold improvements	10,582	-
Total property, plant and equipment	469,494	420,920

In 2002 the building 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.

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 \$	Improvements \$	Total \$
Balance at beginning of year	345,000	75,920	-	420,920
Additions	-	82,982	10,582	93,564
Depreciation expense	-	(44,990)	-	(44,990)
Carrying amount at end of year	345,000	113,912	10,582	469,494

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

7 Trade and Other Payables

	2012 \$	2011 \$
CURRENT		
Trade payables	280,164	839,197
Employee benefits	27,112	3,045
Accrued expenses	903,985	449,340
	<u>1,211,261</u>	<u>1,291,582</u>
NON-CURRENT		
Monies held in trust - TWS (Tasmania) Inc	350,000	350,000
	<u>350,000</u>	<u>350,000</u>

Monies held in trust have arisen as a result of the purchase of the building 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.

8 Borrowings

	2012 \$	2011 \$
CURRENT		
Forever Wild Trust loan	211,836	172,410
Bank overdraft	-	70,097
	<u>211,836</u>	<u>242,507</u>
NON-CURRENT		
Forever Wild Trust loan	167,364	327,590
	<u>167,364</u>	<u>327,590</u>

9 Other Liabilities

	2012 \$	2011 \$
Unspent grant monies	102,640	437,858
Prepaid membership subscriptions	31,117	34,481
	<u>133,757</u>	<u>472,339</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

10 Provisions

	2012 \$	2011 \$
CURRENT		
Annual leave	307,282	222,475
Redundancies	141,073	-
	<u>448,355</u>	<u>222,475</u>
NON-CURRENT		
Long service leave	120,493	51,846
	<u>120,493</u>	<u>51,846</u>

11 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with total comprehensive income

	2012 \$	2011 \$
Total comprehensive income for the period	75,036	495,372
Non-cash flows in total comprehensive income		
- Depreciation	44,990	27,529
- Transfer of bequests to the Forever Wild Trust	607,312	(49,584)
Changes in assets and liabilities		
- (Increase)/decrease in receivables	561,900	(745,767)
- (Increase)/decrease in inventories	10,233	15,108
- (Increase)/decrease in other assets	110,471	(199,469)
- Increase/(decrease) in trade payables and accruals	(978,816)	(242,202)
- Increase/(decrease) in provisions	294,526	(132,132)
Cashflow from operations	<u>725,652</u>	<u>(831,145)</u>

(b) Reconciliation of cash

	Note	2012 \$	2011 \$
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:			
Cash and cash equivalents	2	1,630,504	1,236,711
Bank overdrafts and credit cards		<u>(18,462)</u>	<u>(86,374)</u>
		<u>1,612,042</u>	<u>1,150,337</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

12 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts.

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:

	2012 \$	2011 \$
Financial Assets		
Cash and cash equivalents	1,630,504	1,236,711
Investments	545,340	545,340
Trade and other receivables	484,844	1,044,979
Total financial assets	2,660,688	2,827,030
Financial Liabilities		
Trade and other payables	1,561,261	1,641,582
Borrowings	379,200	570,097
Total financial liabilities	1,940,461	2,211,679

Financial risk management policies

The Association's Committee of Management is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Business Operations 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.

The Wilderness Society Inc does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Specific financial risk exposures and management

The main risks The Wilderness Society Inc 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 counterparties of contract obligations that could lead to a financial loss to The Wilderness Society Inc and arises principally from The Wilderness Society Inc's receivables.

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.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

12 Financial Risk Management continued

(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; and
- only investing surplus cash with major financial institutions.

Financial instrument composition and maturity analysis

	Floating Interest Rate		Within 1 Year	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial assets:				
Cash and cash equivalents	1,514,687	985,477	-	-
Short term deposits	-	-	115,727	135,000
Trade and other receivables	-	-	484,844	1,044,979
Total financial assets	1,514,687	985,477	600,571	1,179,979
	1 to 5 Years		Total	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial assets:				
Cash and cash equivalents	-	-	1,514,687	985,477
Short term deposits	-	-	115,727	135,000
Trade and other receivables	-	-	484,844	1,044,979
Total financial assets	-	-	2,115,258	2,165,456

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

12 Financial Risk Management continued

	Floating Interest Rate		Within 1 Year	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial liabilities:				
Bank overdrafts and loans	-	70,097	229,880	522,410
Credit cards	18,462	16,277	-	-
Trade and sundry payables	-	-	-	1,480,863
Total financial liabilities	18,462	86,374	229,880	2,003,273
	1 to 5 Years		Total	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial liabilities:				
Bank overdrafts and loans	149,320	327,590	379,200	920,097
Credit cards	-	-	18,462	16,277
Trade and sundry payables	-	-	-	1,480,863
Total financial liabilities	149,320	327,590	397,662	2,417,237

(c) Interest rate risk

The Association is not exposed to any significant interest rate risk.

(d) Price risk

The Association is not exposed to any material price risk.

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 amounts 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 also 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.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

13 Capital and Leasing Commitments

(a) Operating lease commitments

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

	2012	2011
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	88,682	94,000
- between 12 months and 5 years	260,563	94,000
	<u>349,245</u>	<u>188,000</u>

Lease commitments relate to the rental of office premises at Brisbane and Davey Streets, Hobart.

(b) Capital expenditure and finance lease commitments

There are no capital expenditure or finance lease commitments as at 30 June 2012.

14 Auditors' Remuneration

	2012	2011
	\$	\$
Remuneration of the auditor of the Association for:		
- auditing or reviewing the financial statements	18,250	20,435
- other services	3,325	2,400

15 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.

16 Contingent Liabilities and Contingent Assets

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

17 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.

18 Events After the End of the Reporting Period

There are no events subsequent to reporting date to be disclosed.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2012

19 Association Details

The registered office of the Association is:

The Wilderness Society Inc

132 Davey Street

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Level 1, 142-146 Elizabeth Street
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GPO Box 392
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Launceston
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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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 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

Dated this 30th day of October 2012.

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The Wilderness Society Inc

Independent Audit Report to the members of The Wilderness Society Inc

Report on the Financial Report

We have audited the accompanying financial report of The Wilderness Society Inc (the Association), which comprises the statement of financial position as at 30 June 2012, 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 of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Association is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act*. The Committee of Management's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is 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 report 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 report is free from material misstatement.

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

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

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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 report 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 2012 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 Incorporations Act*.



WHK



Alison Flakemore
Audit Partner

Dated this 31st day of October 2012.