

# **The Wilderness Society Inc**

## **Financial Report**

**For the Year Ended 30 June 2014**

# The Wilderness Society Inc

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For the Year Ended 30 June 2014

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# The Wilderness Society Inc

## Committee of Management's Report

30 June 2014

The Committee of Management submits the financial report of the Association for the financial year ended 30 June 2014.

### 1. General information

#### Committee of Management 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; re-elected as Convenor 17 November 2012; re-elected as Convenor 30 November 2013
Joel Trigg Acting Secretary	Elected 17 November 2012; re-elected 30 November 2013; appointed acting Secretary by the Committee of Management 17 December 2013
Donald Hellyer Treasurer	Appointed Treasurer 28 March 2012; elected as Treasurer 17 November 2012; re-elected Treasurer 30 November 2013
Coral Robinson	Elected 30 June 2010; re-elected 11 December 2010; re-elected 19 November 2011; re-elected 17 November 2012; re-elected 30 November 2013
Debbie Dunn	Elected 30 November 2013
Dermot Cox	Elected 30 November 2013
Elizabeth Stevenson	Elected 30 November 2013
Marian Schoen	Elected 17 November 2012; did not re-nominate 30 November 2013
Michael Lynch	Elected 17 November 2012; term expired 30 November 2013, not re-elected
David Mackenzie	Elected as Convenor 30 June 2010; re-elected as Convenor 11 December 2010; re-elected 19 November 2011; elected as Secretary 17 November 2012; did not re-nominate 30 November 2013

#### 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 2014

### 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 \$ 691,979 (2013: \$ 753,394).

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

Convenor: .....  
James Johnson

Treasurer: .....  
Donald Hellyer

Dated this ..... day of ..... 2014.

# The Wilderness Society Inc

## Statement by Members of the Committee of Management

In the opinion of the Committee of Management the financial report as set out on pages 4 to 29:

1. Presents a true and fair view of the financial position of The Wilderness Society Inc as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards and Associations Incorporations Act (Tas) 1964.
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 .....  
James Johnson

Treasurer.....  
Donald Hellyer

Dated this ..... day of ..... 2014.

# The Wilderness Society Inc

## Statement of Comprehensive Income

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
<b>Income</b>		
Income from fundraising, donations, bequests and grants	2 12,681,827	13,004,824
Investment and other non-operating income	2 323,894	300,053
<b>Total income</b>	13,005,721	13,304,877
<b>Less: Expenses</b>		
Environmental campaigns and programs		
- National	1,298,146	1,042,002
- NSW	871,013	813,198
- VIC	616,800	543,231
- TAS	449,179	420,051
- SA	427,518	400,220
- WA	545,629	547,789
- QLD	667,752	606,352
- NT	1,630	-
- Wild country programs	111,364	160,017
- Community awareness events	319,272	442,480
- Membership & supporter engagement	649,068	682,552
<b>Total environmental campaigns and programs</b>	5,957,371	5,657,892
Fundraising expenses - recruitment of new supporters	2,108,346	2,229,498
Fundraising expenses - staff, appeals, supporter and other costs	2,420,675	2,252,696
Governance, finance and operations	1,464,270	1,859,314
Interest on Forever Wild Trust Loan	5,065	18,061
Bequests to The Wilderness Society Tasmania	26,331	-
Donation to Forever Wild Trust	331,684	534,022
<b>Total Expenses</b>	12,313,742	12,551,483
<b>Net surplus/(deficit) for the year</b>	691,979	753,394
<b>Other comprehensive income</b>	-	-
<b>Total Comprehensive Income</b>	691,979	753,394

The accompanying notes form part of these financial statements.

# The Wilderness Society Inc

## Statement of Financial Position

As At 30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	3,298,009	3,224,010
Trade and other receivables	4	239,693	270,313
Other assets	5	464,674	150,204
TOTAL CURRENT ASSETS		<u>4,002,376</u>	<u>3,644,527</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	146,349	531,997
Investment in Friends of the Wilderness	6	545,340	545,340
TOTAL NON-CURRENT ASSETS		<u>691,689</u>	<u>1,077,337</u>
TOTAL ASSETS		<u>4,694,065</u>	<u>4,721,864</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	612,744	344,365
Borrowings	9	-	167,365
Short-term provisions	10	1,026,264	1,514,402
Other liabilities	11	751,892	761,514
TOTAL CURRENT LIABILITIES		<u>2,390,900</u>	<u>2,787,646</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	-	350,000
Long-term provisions	10	75,426	48,458
TOTAL NON-CURRENT LIABILITIES		<u>75,426</u>	<u>398,458</u>
TOTAL LIABILITIES		<u>2,466,326</u>	<u>3,186,104</u>
NET ASSETS		<u>2,227,739</u>	<u>1,535,760</u>
<b>EQUITY</b>			
Accumulated surpluses	22	1,581,951	1,235,100
Reserves	22	645,788	300,660
TOTAL EQUITY		<u>2,227,739</u>	<u>1,535,760</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 2014

### 2014

	<b>Accumulated Surpluses</b>	<b>Tied Funds</b>	<b>Priority Campaign</b>	<b>Science &amp; Research</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2013	1,235,100	108,404	62,521	129,735	1,535,760
Transfer from reserve	162,250	(68,165)	(53,642)	(40,443)	-
	1,397,350	40,239	8,879	89,292	1,535,760
Net surplus/(deficit) for the year	691,979	-	-	-	691,979
Transfers to reserve	(507,378)	301,802	25,053	180,523	-
Balance at 30 June 2014	1,581,951	342,041	33,932	269,815	2,227,739

### 2013

	<b>Accumulated Surpluses</b>	<b>Tied Funds</b>	<b>Priority Campaign</b>	<b>Science &amp; Research</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2012	782,366	-	-	-	782,366
Net surplus/(deficit) for the year	753,394	-	-	-	753,394
Transfer to reserve	(300,660)	108,404	62,521	129,735	-
Balance at 30 June 2013	1,235,100	108,404	62,521	129,735	1,535,760

The accompanying notes form part of these financial statements.



# The Wilderness Society Inc

## Statement of Cash Flows

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from membership proceeds	785,433	831,089
Receipts from sales	111,865	137,448
Interest and dividends received	341,623	314,321
Receipts from non-government grants	-	248,280
Donations and other receipts	12,489,840	12,950,092
Payments to suppliers and employees	(13,430,763)	(12,514,003)
Interest expense	(5,065)	(18,061)
Net cash provided by (used in) operating activities	12(a) <u>292,933</u>	<u>1,949,166</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property, plant and equipment of plant and equipment	<u>(51,569)</u>	<u>(143,825)</u>
Net cash used by investing activities	<u>(51,569)</u>	<u>(143,825)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loan repayment to Forever Wild Trust	<u>(167,365)</u>	<u>(211,835)</u>
Net cash used by financing activities	<u>(167,365)</u>	<u>(211,835)</u>
Net increase (decrease) in cash and cash equivalents held	73,999	1,593,506
Cash and cash equivalents at beginning of year	<u>3,224,010</u>	<u>1,630,504</u>
Cash and cash equivalents at end of financial year	12(b) <u><u>3,298,009</u></u>	<u><u>3,224,010</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 2014

This financial report covers The Wilderness Society Inc as an individual entity. The Wilderness Society Inc is a not-for-profit association incorporated in Tasmania under the *Associations Incorporation Act (Tas) 1964*.

The functional and presentation currency of The Wilderness Society Inc is Australian dollars.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and the Associations Incorporation Act (Tas) 1964. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on a 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 Amounts

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 comprises 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 2014

### 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 asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20-50%
Leasehold improvements	33-50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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 accumulated surpluses.

#### (g) Critical accounting estimates and judgments

Committee of Management members evaluate the estimates and judgemental 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.

##### Key estimates - impairment

The Association assesses impairment at the end of each reporting year 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.

#### (h) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association 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 profit or loss immediately.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 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 profit or loss.

#### (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 year.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (h) Financial instruments continued

##### (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 of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### 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 net surplus/ (deficit) for the year.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (h) Financial instruments continued

Impairment losses are recognised through an allowance account for loans and receivables 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 net surplus/(deficit) for the year.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to net surplus/(deficit) for the year.

#### (i) Trade and other payables

Trade and other payables represents the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that 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 expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in net surplus/ (deficit) for the year.

#### (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

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.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (m) Leases continued

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 that 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 the delivery of the service to the customer.

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).

#### (o) Economic dependence

The Wilderness Society Inc is dependent on regular giving's for the majority of its revenue used to operate the business. At the date of this report the Committee of Management have no reason to believe the those providing the regular giving's will not continue to support The Wilderness Society Inc.

#### (p) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified 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 Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (q) Adoption of new and revised accounting standards continued

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 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	The adoption of this standard has not changed the reported financial position and performance of the Association.
AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	The effect of the change in this standard has had minimal effect on the financial position and performance of the Association.

#### (r) New Accounting Standards and Interpretations

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 AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009) AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments AASB 2014-1 Amendments to Australian Accounting Standards	1 July 2018	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.	The impact of AASB 9 has not yet been determined.
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 July 2014	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.



# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (r) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 2013 – 3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 July 2014	This standard amends AASB 136 to require additional disclosures about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. In addition, a further requirement has been included to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique.	There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments AASB 2014-1 Amendments to Australian Accounting Standards	1 July 2014	This standard withdraws the substantive content in AASB 1031 and provides signpost references to materiality in other Australian Accounting Standards. AASB 2014 -1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	There is not expected to be any changes to the reported financial position, performance or cash flows of the entity.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Revenue

Revenue from continuing operations

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
- Donations	10,756,718	11,397,283
- Bequests	785,409	667,528
- Subscriptions	744,671	793,361
- Merchandise and sales	98,727	131,209
- Other income	296,302	15,443
	<u>12,681,827</u>	<u>13,004,824</u>
Non operating		
- Non operating	323,894	300,053
	<u>323,894</u>	<u>300,053</u>
<b>Total</b>	<u>13,005,721</u>	<u>13,304,877</u>

### 3 Cash and cash equivalents

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	2,698,009	3,108,283
Short-term bank deposits	600,000	115,727
	<u>3,298,009</u>	<u>3,224,010</u>

### 4 Trade and other receivables

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	221,865	269,509
Provision for impairment	(b) (934)	(17,916)
	<u>220,931</u>	<u>251,593</u>
Security deposits	18,762	18,720
	<u>239,693</u>	<u>270,313</u>

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 4 Trade and other receivables continued

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### (a) Aged analysis

The ageing analysis of receivables is as follows:

	2014	2013
	\$	\$
0-30 days	187,002	173,942
31-60 days	63	325
61-90 days (past due not impaired)	9,222	24
91+ days (past due not impaired)	24,644	77,302
91+ days (considered impaired)	934	17,916
	<u>221,865</u>	<u>269,509</u>

#### (b) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2014	2013
	\$	\$
Balance at beginning of the year	17,916	934
Additional impairment loss recognised	-	16,982
Reversal of impairment	(16,982)	-
<b>Balance at end of the year</b>	<u>934</u>	<u>17,916</u>

### 5 Other assets

	2014	2013
	\$	\$
CURRENT		
Prepayments	47,937	46,823
Accrued income	71,737	103,381
Buildings held in trust	18 345,000	-
	<u>464,674</u>	<u>150,204</u>

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 6 Investments

	2014	2013
	\$	\$
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 advise of unit values as at 30 June 2010. The Committee of Management have determined that the fair value as at 30 June 2014 is unchanged.

### 7 Property, plant and equipment

	2014	2013
	\$	\$
Buildings held in trust	-	345,000
Total buildings held in trust	<u>-</u>	<u>345,000</u>
Plant and equipment		
At cost	394,563	367,264
Accumulated depreciation	(333,456)	(276,242)
Total plant and equipment	<u>61,107</u>	<u>91,022</u>
Website development		
At cost	96,366	73,280
Accumulated depreciation	(27,725)	-
Total office equipment	<u>68,641</u>	<u>73,280</u>
Improvements		
At cost	30,190	29,008
Accumulated depreciation	(13,589)	(6,313)
Total improvements	<u>16,601</u>	<u>22,695</u>
<b>Total property, plant and equipment</b>	<u><u>146,349</u></u>	<u><u>531,997</u></u>

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 7 Property, plant and equipment continued

#### (a) Movements in carrying amounts of property, plant and equipment

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

	<b>Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Improvements</b>	<b>Website Development</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Year ended 30 June 2014					
Balance at the beginning of the year	345,000	91,020	22,695	73,282	531,997
Transfers	(345,000)	-	-	-	(345,000)
Additions	-	27,301	1,182	23,086	51,569
Depreciation expense	-	(57,214)	(7,276)	(27,727)	(92,217)
Balance at the end of the year	-	61,107	16,601	68,641	146,349

	<b>Land</b>	<b>Plant and Equipment</b>	<b>Improvements</b>	<b>Website Development</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Year ended 30 June 2013					
Balance at the beginning of the year	345,000	113,912	10,582	-	469,494
Additions	-	53,069	17,470	73,282	143,821
Depreciation expense	-	(75,961)	(5,357)	-	(81,318)
Balance at the end of the year	345,000	91,020	22,695	73,282	531,997

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 8 Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	228,890	315,702
Employee benefits	33,854	28,663
Property held in trust - TWS (Tasmania) Inc	350,000	-
	<u>612,744</u>	<u>344,365</u>
NON-CURRENT		
Property held in trust - TWS (Tasmania) Inc	-	350,000
	<u>-</u>	<u>350,000</u>
	<u>-</u>	<u>350,000</u>

The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Property held in trust has arisen as a result of the purchase of the building from The Wilderness Society (Tasmania) Inc. The original monies have been repaid, resulting in the property 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.

### 9 Borrowings

	2014	2013
	\$	\$
CURRENT		
Forever Wild Trust loan	-	167,365
	<u>-</u>	<u>167,365</u>

### 10 Provisions

	2014	2013
	\$	\$
CURRENT		
Annual leave	357,164	314,934
Provision for payment of bequests	594,673	1,141,334
Long service leave	74,427	58,134
	<u>1,026,264</u>	<u>1,514,402</u>
NON-CURRENT		
Long service leave	75,426	48,458
	<u>75,426</u>	<u>48,458</u>

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 11 Other liabilities

	2014	2013
	\$	\$
Accrued expenses	751,892	761,514
	<u>751,892</u>	<u>761,514</u>

### 12 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of surplus/(deficit) to net cash provided by operating activities:

	2014	2013
	\$	\$
Surplus/(deficit) for the year	697,979	753,394
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in total comprehensive income:		
Depreciation	92,218	81,319
Transfer of bequests to the Forever Wild Trust	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	30,620	197,549
- (increase)/decrease in other assets	30,530	111,826
- (increase)/decrease in inventories	(9,622)	50,202
- increase/(decrease) in trade and other payables	(81,621)	(239,136)
- increase/(decrease) in provisions	(461,171)	994,012
Cashflow from operations	<u>298,933</u>	<u>1,949,166</u>

#### (b) Reconciliation of cash

	2014	2013
	\$	\$
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	3 3,298,009	3,224,010
	<u>3,298,009</u>	<u>3,224,010</u>

### 13 Financial Risk 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, foreign currency risk and equity price risk.

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

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Financial Risk Management continued

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:

		2014	2013
		\$	\$
Financial Assets			
Cash and cash equivalents	3	3,298,009	3,224,010
Trade and other receivables	4	239,693	270,313
Financial assets at fair value			
Friends of the Wilderness - at fair value	6	545,340	545,340
		<u>545,340</u>	<u>545,340</u>
Total financial assets		<u>4,083,042</u>	<u>4,039,663</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Forever Wild Trust loan		-	167,365
Trade and other payables	8	612,744	694,365
Total financial liabilities		<u>612,744</u>	<u>861,730</u>

#### Financial risk management policies

The Committee of Management has overall responsibility for the establishment of The Wilderness Society Inc's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Wilderness Society Inc's activities.

The day-to-day risk management is carried out by The Wilderness Society Inc's finance function under policies and objectives which have been approved by the Committee of Management. The Convenor has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rates.

The Committee of Management receives monthly reports which provide details of the effectiveness of the processes and policies in place.

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

Mitigation strategies for specific risks faced are described below:

#### 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, foreign currency risk and equity price risk.



# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Financial Risk Management continued

#### (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.

It is The Wilderness Society Inc's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Committee of Management, these limits are reviewed on a regular basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment The Wilderness Society Inc may have a secured claim.

#### (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;
- 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.

Typically, The Wilderness Society Inc ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Association are discussed in note 12.

#### (c) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows of the fair value of fixed rate financial instruments.

#### (d) Foreign Exchange Risk

The Association is not exposed to fluctuations in foreign currencies.

#### (e) Price risk

The Association is not exposed to any material commodity price risk.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Financial Risk Management continued

#### (f) Sensitivity analysis

The Association has performed a sensitivity analysis to its exposure to market risk as at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. As a result of the risk assessment performed by the Association, any positive or negative changes within the components of market risk would not have a material impact on the Association, accordingly quantitative disclosures are not presented.

#### Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Financial Risk Management continued

Liquidity risk continued

The Association's liabilities have contractual maturities which are summarised below:

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Bank loans and overdrafts	-	167,315	-	-	-	-	-	167,315
Trade payables	262,744	344,365	-	-	-	-	262,744	344,365
<b>Total</b>	<b>262,744</b>	<b>511,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262,744</b>	<b>511,680</b>

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 14 Capital and Leasing Commitments

#### (a) Operating Leases

	2014	2013
	\$	\$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	183,235	180,022
- between one year and five years	212,023	395,258
	<u>395,258</u>	<u>575,280</u>

Operating leases have been taken out for office premises at Davey Street, Hobart and Brunswick Street, Fitzroy.

#### (b) Capital expenditure and finance lease commitments

There are no capital expenditure or finance lease commitments as at 30 June 2014.

### 15 Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor of the Association, Crowe Horwath Tasmania, for:		
- auditing and reviewing the financial statements	22,000	21,400

### 16 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2014 (30 June 2013:None).

### 17 Related Parties

The following transactions have occurred with Friends of the Wilderness for whom The Wilderness Society Inc. is a major unit holder:

	2014	2013
	\$	\$
Distribution for the year	19,344	16,915
Amounts outstanding:		
- Distributions receivable	36,259	16,915

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 18 Events Occurring After the Reporting Date

The Wilderness Society Inc held a property in trust through an asset and liability recorded on their balance sheet. Since year end, this has been extinguished and transferred back to The Wilderness Society (Tasmania) Inc.

### 19 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of The Wilderness Society Inc during the year are as follows:

	<b>2014</b>
	<b>\$</b>
Short-term employee benefits	474,489
Long-term benefits	8,336
	<hr/>
	<b>482,825</b>
	<hr/> <hr/>

### 20 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Financial liabilities

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 20 Fair Value Measurement continued

Fair value hierarchy continued

The table below shows the assigned level for each asset and liability held at fair value by the Association:

	Level 1	Level 2	Level 3	Total
30 June 2014	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
Investment in Friends of the Wilderness	-	-	545,340	545,340

Level 3 measurements

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	2014	2013
	\$	\$
Balance at beginning of year	545,340	545,340
Total gains or losses for the year	-	-
Other movements	-	-
<b>Balance at end of year</b>	<u>545,340</u>	<u>545,340</u>

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

### 21 Association Details

The registered office of the Association is:  
The Wilderness Society Inc  
132 Davey Street  
HOBART TAS 7000

# The Wilderness Society Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 22 Reserves

Restricted: Represents Grants made generally from non-government sources for specific purposes or outcomes. Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise of:

- Grant funding and related interest that must be spent in accordance with the terms of the funding agreement; and
- Significant donations, sponsorships and bequests where the supporter indicates a preference for how the funds should be spent.

TWS also ties funds for specific purposes which are allocated via internal committees. These funds are the Priority Campaign Fund and the Science and Research Fund. The Priority Campaign provides additional resources for the highest immediate needs, whilst the Science and Research Fund ensure that TWS continues to undertake the long term thinking and planning with regards continental scale solutions, fundamental ecological processes and broad policy development. All other funds are unrestricted in that the Committee of Management has the discretion to spend them on purposes for which TWS was established.

#### Change in comparatives

There has been a re-allocation of the Unrestricted Operating Reserve (was shown as \$452,734 in 2013) to the Accumulated Surpluses (was shown as \$782,366 in 2013), this is due to there being no legal nor practical distinction between an Unrestricted Operating Reserve and Accumulated Surpluses.

# The Wilderness Society Inc

## Auditors Independence Declaration To the Directors of The Wilderness Society Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

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

**Crowe Horwath Tasmania**

Alison Flakemore  
**Audit Partner**

Dated this            day of                            2014.

Hobart, Tasmania.



# 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, which comprises the statement of financial position as at 30 June 2014, the Statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee of management.

#### *Committee of Management's Responsibility for the Financial Report*

The Committee of Management of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporations Act (Tas) 1964 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee 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.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Accounting Professional Ethical Standards.

# The Wilderness Society Inc

## Independent Audit Report to the members of The Wilderness Society Inc

### *Opinion*

In our opinion the financial report of The Wilderness Society Inc is in accordance with the Associations Incorporations Act (Tas) 1964, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2014 and of its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards.

**Crowe Horwath Tasmania**

Alison Flakemore  
**Audit Partner**

Dated this          day of                          2014.

Hobart, Tasmania.