

The Wilderness Society Inc

Financial Statements

For the Year Ended 30 June 2010

The Wilderness Society Inc

For the Year Ended 30 June 2010

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The Wilderness Society Inc

Operating Report

30 June 2010

Your committee members submit the financial statements of the association for the financial year ended 30 June 2010.

1. General information

Committee Members

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

Michael Dontschuk	Elected 25 October 2008; Resigned 31 August 2009
Murray Houghton	Elected 25 October 2008; Resigned 28 September 2009
Peter Langoulant	Elected 25 October 2008; Resigned 31 December 2009
Rosemary Norwood	Elected 25 October 2008; Resigned 28 February 2010
Lyn Goldsworthy	Elected 25 October 2008; Resigned 29 March 2010
Paul Collins	Appointed 29 March 2010; Resigned 18 April 2010
Kim Hatton	Appointed 19 February 2010; Resigned 2 May 2010
Christine Olsen	Elected 25 October 2008; Term Expired 30 June 2010 [#] , not re-elected
Larry O'Loughlin	Appointed 3 August 2009; Term Expired 30 June 2010 [#] , did not seek re-election
Lena Aahlby	Appointed 11 August 2009; Term Expired 30 June 2010 [#] , not re-elected
Aila Keto	Appointed 4 February 2010; Term Expired 30 June 2010 [#] , not re-elected
Peter Follett	Appointed 15 April 2010; Term Expired 30 June 2010 [#] , not re-elected
David Mackenzie	Elected 30 June 2010*
Stephen Porter	Elected 30 June 2010*
Hilton Sentinella	Elected 30 June 2010*
Glen Klatovsky	Elected 30 June 2010; Resigned 18 October 2010
Daniel Beaver	Elected 30 June 2010*
Coral Robinson	Elected 30 June 2010*
Debbie Dunn	Elected 30 June 2010*
Stephen Lodge	Elected 30 June 2010*
James Johnson	Appointed 22 November 2010

Note: A SGM call by members and held 2 May 2010 removed the then current committee members ([#]) and elected a new committee of management (*). Due to a dispute in relation to this meeting, this issues was not resolved until the 2009 AGM held on 30 June 2010.

Principal Activities

The principal activities of association during the financial year were:

- The conduct of wilderness protection programs
- Fundraising
- The administration and servicing of the members of the association
- The sale of wilderness calendars and diaries
- The supply of wilderness education material

The Wilderness Society Inc

Operating Report

30 June 2010

Significant Changes

There was additional extraordinary activity and expenditure during the year primarily related to defending legal action taken by a member of the association, for legal injunctions relating to member meetings, and for legal advice on constitutional matters and proposed constitutional changes.

2. Business review

Operating result

The surplus/(deficit) of the association for the financial year amounted to \$ (996,016) (2009: \$ (856,183)).

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

Convenor:

Treasurer:

Dated this day of December 2010.

The Wilderness Society Inc

Statement by Members of the Committee

For the Year Ended 30 June 2010

In the opinion of the committee the financial statements:

1. Presents a true and fair view of the financial position of The Wilderness Society Inc as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Wilderness Society Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Convenor

Treasurer

Dated this day of December 2010.

The Wilderness Society Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Income		
Interest income	74,667	162,198
Trust distribution income	14,275	11,772
Member subscriptions	921,339	1,618,925
Grants - Non-Government	339,498	509,982
Donations	12,251,157	12,375,916
Expense reimbursements	100,000	108,014
Fair value adjustments	225,700	-
Sales	260,030	242,958
Other income	296,436	14,721
Total Income	14,483,102	15,044,516
Less: Expenses		
Accounting and audit	17,255	30,197
Advertising and promotion	261,213	417,564
Bad debts	46,600	-
Bank and credit card fees	167,195	178,255
Campaign centre grants	3,402,872	3,640,790
Campaigning costs	23,847	356,502
Commission expenses	(101)	13,202
Consulting and professional fees	740,623	657,067
Conference and seminar costs	61,238	21,693
Cost of goods sold	190,407	-
Depreciation	108,654	106,428
Donations	109,306	102,456
Donation to Forever Wild Trust	92,805	334,131
Employment costs	36,123	112,745
Equipment	18,276	15,536
Events	40,486	70,849
Grants	81,701	-
Insurance	70,918	80,911
Legal fees	1,045,206	48,310
Licences and registration	52,503	47,969
Memberships subscriptions	82,858	108,663
Office premises lease	318,733	383,552
Other occupancy costs	79,872	51,084
Postage & packaging	348,068	569,915
Printing and stationery	254,114	412,663
Publications	12,811	9,721
Repairs and maintenance	25,974	38,383

The accompanying notes form part of these financial statements

The Wilderness Society Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Research and development costs	237,758	185,185
Resource Library	16,306	2,201
Sub-contractor payments	987,581	357,522
Sundry expenses	86,610	54,663
Telephone and fax	248,957	272,342
Training	25,568	74,897
Travel - domestic	435,605	540,285
Travel - overseas	43,884	156,720
Wages, salaries and on costs	5,707,292	6,448,298
Total Expenses	<u>15,479,121</u>	<u>15,900,697</u>
Total Comprehensive Income for the year	<u>(996,016)</u>	<u>(856,183)</u>

The accompanying notes form part of these financial statements

The Wilderness Society Inc

Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,541,809	3,553,115
Trade and other receivables	3	288,979	281,081
Inventories	4	75,544	-
Other assets	5	134,662	39,131
TOTAL CURRENT ASSETS		<u>2,040,994</u>	<u>3,873,327</u>
NON-CURRENT ASSETS			
Investments	6	545,340	319,640
Property, plant and equipment	7	406,013	462,659
TOTAL NON-CURRENT ASSETS		<u>951,353</u>	<u>782,299</u>
TOTAL ASSETS		<u>2,992,347</u>	<u>4,655,626</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,698,922	1,250,546
Borrowings	10	17,890	14,532
Short-term provisions	9	265,780	295,916
Other Liabilities	11	307,124	1,338,159
TOTAL CURRENT LIABILITIES		<u>2,289,716</u>	<u>2,899,153</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	350,000	350,000
Long-term provisions	9	140,673	198,499
TOTAL NON-CURRENT LIABILITIES		<u>490,673</u>	<u>548,499</u>
TOTAL LIABILITIES		<u>2,780,389</u>	<u>3,447,652</u>
NET ASSETS		<u>211,958</u>	<u>1,207,974</u>
EQUITY			
Accumulated Surpluses		<u>211,958</u>	<u>1,207,974</u>
TOTAL EQUITY		<u>211,958</u>	<u>1,207,974</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 2010

2010

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

2009

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2008	2,064,157	2,064,157
Total comprehensive income for the year	(856,183)	(856,183)
Balance at 30 June 2009	<u>1,207,974</u>	<u>1,207,974</u>

The accompanying notes form part of these financial statements

The Wilderness Society Inc

Statement of Cash Flows

For the Year Ended 30 June 2010

	2010	2009
Note	\$	\$
Cash from operating activities:		
Receipts from membership proceeds	8,947,306	9,832,396
Receipts from sales	260,030	242,958
Interest and dividends received	74,667	173,970
Receipts from non-government grants	339,498	1,246,993
Donations and other receipts	3,569,665	4,463,742
Payments to suppliers and employees	(14,993,108)	(15,643,518)
Net flows from Goods and Services Tax	(67,910)	(47,814)
Net cash provided by (used in) operating activities	12(b) <u>(1,869,852)</u>	<u>268,727</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	<u>(52,007)</u>	<u>(69,130)</u>
Net cash provided by (used in) investing activities	<u>(52,007)</u>	<u>(69,130)</u>
Cash flows from financing activities:		
Proceeds from loans	-	5,743
Payment to the Forever Wild Trust	<u>(92,805)</u>	<u>(334,131)</u>
Net cash provided by (used in) financing activities	<u>(92,805)</u>	<u>(328,388)</u>
Net increase (decreases) in cash held	(2,014,664)	(128,791)
Cash at beginning of financial year	<u>3,538,582</u>	<u>3,667,373</u>
Cash at end of financial year	12(a) <u><u>1,523,918</u></u>	<u><u>3,538,582</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 2010

1 Summary of Significant Accounting Policies

(a) General Information

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

(b) Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Associations Incorporation Act*.

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

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

(c) Comparative Figures

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

(d) Cash and Cash Equivalents

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

(e) Inventories

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

(f) Trade and other receivables

The association provides an allowance for losses on trade receivables based on a review of the current status of existing receivables and management's evaluation of periodic aging of accounts.

(g) Property, Plant and Equipment

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment continued

Plant and equipment

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

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

Depreciation

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

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

Class of Fixed Asset

Plant and Equipment	13% - 100%
Leasehold improvements	33% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial performance date.

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 reserve relating to that asset are transferred to retained earnings.

(h) Critical Accounting Estimates and Judgments

Key estimates - Impairment

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(i) Financial Instruments continued

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- 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 the statement of comprehensive income.

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(i) Financial Instruments continued

(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 the statement of comprehensive income.

The Friends of Wilderness was revalued during 2010. As a result of the independent valuations obtained, the unit price of the Trust has increase from \$2.62 in 2009 to \$4.47 in 2010. Consistent with the application of financial assets classified as 'fair value through profit or loss' the unrealised gain on the investment in The Friends of the Wilderness Unit Trust of \$225,700 has been recognised in the statement of comprehensive income.

(ii) Loans and receivables

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

(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 association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(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.

(v) Financial liabilities

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

Impairment

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(i) Financial Instruments continued

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 the statement of comprehensive income.

(j) Impairment of Assets

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

(k) Trade payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

(l) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. 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.

(m) Income Tax

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

(n) Leases

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

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(n) Leases continued

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

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

(o) Revenue and Other Income

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

Trust Distribution revenue is recognised when the right to receive a distribution has been established. Distributions in 2010 have been received from Friend of Wilderness.

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

Donations and bequests are recognised as revenue when received.

Expense reimbursement income is recognised as revenue upon receipt. Income received in 2010 has been received from The Wilderness Society Australia Inc in respect of services provided for the website and Wild News.

Fair value adjustments are in respect of increases in the market value of investments, as described further in Note 6.

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

(p) Goods and Services Tax (GST)

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

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

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the association has not adopted early. A discussion of those future requirements and their impact on the association is as follows:

- AASB 2008-11: Amendments to Australian Accounting Standard - Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(q) New Accounting Standards for Application in Future Periods continued

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the association's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the association as a policy of capitalising qualifying borrowing costs has been maintained by the association.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's 10 annual improvements project. No changes are expected to materially affect the association.

The association does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the association's financial statements.

2 Cash and Cash Equivalents

	2010	2009
	\$	\$
Cash on hand	129	3,153
Cash at bank	696,123	587,407
Short-term bank deposits	845,557	2,962,555
	<u>1,541,809</u>	<u>3,553,115</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

3 Trade and other receivables

	2010	2009
	\$	\$
CURRENT		
Trade receivables	276,781	218,869
Provision for impairment of receivables	(710)	-
	<u>276,071</u>	<u>218,869</u>
Security deposits	12,908	17,953
Loan Account Lawyers for Forests	-	44,259
	<u>288,979</u>	<u>281,081</u>

(a) Aged analysis

The ageing analysis of receivables is as follows:

	2010	2009
	\$	\$
0-30 days	273,818	208,119
61-90 days (past due not impaired)	240	150
91+ days (past due not impaired)	2,013	10,600
	<u>276,071</u>	<u>218,869</u>

4 Inventories

	2010	2009
	\$	\$
CURRENT		
Net Realisable Value		
Merchandise	75,544	-
	<u>75,544</u>	<u>-</u>

5 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	134,662	39,131
	<u>134,662</u>	<u>39,131</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

6 Investments

	2010	2009
	\$	\$
Friend of Wilderness - at cost	-	319,640
Friends of Wilderness - at fair value	545,340	-
	<u>545,340</u>	<u>319,640</u>

7 Property, Plant and Equipment

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Building - Held in Trust		
At cost	345,000	345,000
Total land and buildings	<u>345,000</u>	<u>345,000</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	721,972	670,618
Accumulated depreciation	(660,959)	(552,959)
Total plant and equipment	<u>61,013</u>	<u>117,659</u>
Improvements		
At cost	46,157	46,157
Accumulated depreciation	(46,157)	(46,157)
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>61,013</u>	<u>117,659</u>
Total property, plant and equipment	<u>406,013</u>	<u>462,659</u>

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

(a) Movements in Carrying Amounts

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

	Buildings - Held in Trust	Plant and Equipment	Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of year	345,000	117,659	-	462,659
Additions	-	52,008	-	52,008
Depreciation expense	-	(108,654)	-	(108,654)
Carrying amount at the end of 30 June 2010	<u>345,000</u>	<u>61,013</u>	<u>-</u>	<u>406,013</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

8 Trade and other payables

	2010	2009
	\$	\$
CURRENT		
Trade payables	789,074	779,235
Accrued employee entitlements	(11,451)	215,712
Accrued expenses	888,525	238,737
Suspense & Clearing Account	32,774	16,862
	<u>1,698,922</u>	<u>1,250,546</u>
	2010	2009
	\$	\$
NON-CURRENT		
Monies held in trust - TWS (Tasmania) Inc	<u>350,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>350,000</u>

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

9 Provisions

	2010	2009
	\$	\$
CURRENT		
Employee benefits – Annual Leave	<u>265,780</u>	<u>295,916</u>
	<u>265,780</u>	<u>295,916</u>
	2010	2009
	\$	\$
NON-CURRENT		
Employee benefits – Long Service Leave	<u>140,673</u>	<u>198,499</u>
	<u>140,673</u>	<u>198,499</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

10 Borrowings

	2010	2009
	\$	\$
CURRENT		
Credit cards	17,890	14,532
	<u>17,890</u>	<u>14,532</u>

11 Other Liabilities

	2010	2009
	\$	\$
Unspent grant monies	243,379	1,256,937
Prepaid membership subscriptions	63,745	81,222
	<u>307,124</u>	<u>1,338,159</u>

12 Cash Flow Information

(a) Reconciliation of cash

	2010	2009
	\$	\$
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	1,541,809	3,553,115
Credit cards	(17,891)	(14,533)
	<u>1,523,918</u>	<u>3,538,582</u>

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

	2010	2009
	\$	\$
Net surplus/(deficit) for the year	(996,016)	(856,183)
Cash flows excluded from comprehensive income attributable to operating activities		
Non-cash flows in surplus/(deficit)		
Depreciation	108,654	106,427
Unrealised (gain)/losses on fair value through profit and loss financial assets	(225,700)	-
Transfer of bequests to the Forever Wild Trust	92,805	334,131
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(58,145)	204,874
(Increase)/decrease in inventories	(75,544)	-
(Increase)/decrease in other assets	(95,531)	(85,446)
Increase/(decrease) in trade payables and accruals	(532,413)	570,288
Increase/(decrease) in provisions	(87,962)	(5,364)
	<u>(1,869,852)</u>	<u>268,727</u>

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

13 Financial Risk Management

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

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:

	2010	2009
	\$	\$
Financial Assets		
Cash and cash equivalents	1,541,809	3,553,115
- Investments	545,340	319,640
Loans and receivables	288,979	281,081
	<u>2,376,128</u>	<u>4,153,836</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,698,922	1,250,546
- Borrowings	367,890	364,532
	<u>2,041,812</u>	<u>1,615,078</u>

Financial Risk Management Policies

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

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

(a) Interest rate risk

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

(i) Financial instrument composition and maturity analysis

The association's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

13 Financial Risk Management continued

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	-	-	696,252	587,406	-	-
Short term deposits	4.50	3.10	-	-	845,557	2,916,882
Receivables	-	-	-	-	288,979	281,081
Total Financial Assets			696,252	587,406	1,134,536	3,197,963
Financial Liabilities:						
Credit cards	-	-	17,890	14,532	-	-
Trade and sundry payables	-	-	-	-	1,698,922	1,250,544
Amounts payable to related parties	-	-	-	-	350,000	350,000
Total Financial Liabilities			17,890	14,532	2,048,922	1,600,544
					Total	
					2010	2009
					\$	\$
Financial Assets:						
Cash and cash equivalents					696,252	587,406
Short term deposits					845,557	2,916,882
Receivables					288,979	281,081
Total Financial Assets					1,830,788	3,785,369
Financial Liabilities:						
Credit cards					17,890	14,532
Trade and sundry payables					1,698,922	1,250,544
Amounts payable to related parties					350,000	350,000
Total Financial Liabilities					2,066,812	1,615,076

(b) Liquidity risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

(c) Foreign exchange risk

The association is not exposed to fluctuations in foreign currencies.

(d) 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 2010

13 Financial Risk Management continued

(e) Credit risk

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

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

(f) 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 not currently subject to any interest rate risk on its financial liabilities, and has assessed that there is no exposure to liquidity risk required to meet its financial obligations. The association's exposure to credit risk has been assessed as not material, due to the nature, collectability and recoverability of the amounts owed.

As a result of the risk assessment performed by the association, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements of the association, hence quantitative disclosures are not required.

14 Related party transactions

(a) Consultant Services and Committee Work

Members of the association's National Management Committee served as consultants to the association or were remunerated for undertaking additional work of the management committee during 2009/10. Payments made to these members for the year ended 30 June 2010 were:

Campaign Essentials Pty Ltd (Lyn Goldsworthy)	\$88,950
Strategy for Change (Lena Aahlby)	\$16,800

Related parties to the members of the association's National Management Committee undertook consultancy services for the association during 2009/10. Payments made for these consultancies for the year ended 30 June 2010 were:

Cadman & Norwood Environmental Consultants (related party to Rosemary Norwood)	\$67,282
Consensus Productions (related party to Larry O'Loughlin)	\$11,788

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

15 Capital and Leasing Commitments

(a) Finance Lease Commitments

There are no finance lease commitments as at 30 June 2010.

(b) Operating Lease Commitments

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

	2010	2009
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	30,846	86,595
- between 12 months and 5 years	-	30,846
	<u>30,846</u>	<u>117,441</u>

16 Contingent Liabilities and Contingent Assets

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

17 Events After the Statement of Financial Position Date

There are not events after the statement of financial position date affecting these financial statements to be disclosed.

18 Auditors' Remuneration

	2010	2009
	\$	\$
Remuneration of the auditor of the association for:		
- Auditing the financial statements - 2009	7,000	7,000
- Auditing the financial statements - 2010	7,300	-
- Other services	810	1,155

19 Economic Dependence

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

The Wilderness Society Inc

Notes to the Financial Statements

For the Year Ended 30 June 2010

20 Going Concern

The Wilderness Society Inc has incurred an operating deficit for the year of \$996,016 (2009: \$856,182 deficit) which has meant that the association has a net asset position of \$211,958 (2009: \$1,207,974).

As stated in Note 19 the viability of the association as a going concern is dependent upon the continued support of fundraising donations, memberships and grant funding. Should The Wilderness Society Inc continue to accumulate operating deficits at its current rate, this financial performance will use all available retained earnings and place The Wilderness Society Inc in a negative retained earning and net liability position, within the foreseeable future. In this position The Wilderness Society Inc's liabilities will exceed its assets, thereby demonstrating that The Wilderness Society Inc will be unable to meet its liabilities as and when they fall due.

At the 2009 AGM held on 30 June 2010, eight (8) new members of the Management Committee were elected. The new Committee of Management has taken the following steps to ensure that The Wilderness Society Inc rectifies its financial performance over the forthcoming financial year.

(i) Implemented an immediate financial review, as well as expenditure controls and legal cost management including:

- engagement of independent consulting services to perform a high level financial management review;
- establishment of stringent interim financial expenditure controls; and
- establishment of a new finance sub-committee.

(ii) Implemented medium and longer-term cash flow management and financial risk management including:

- development of a new 2010/11 budget with an improved surplus and cash flows and surplus of \$674,000;
- negotiating a long term loan from the Forever Wild Trust; and
- commencement of an assessment of financial risks and risk management across the organisation.

21 Association Details

The registered office of the association is:
The Wilderness Society Inc
57E Brisbane Street
Hobart TAS 7000

The Wilderness Society Inc

Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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

Alison Flakemore
Audit Partner

Dated this day of December 2010.

The Wilderness Society Inc

Independent Audit Report to the members of The Wilderness Society Inc

Report on the Financial Statements

We have audited the accompanying financial statements of The Wilderness Society Inc, which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee Responsibility for the Financial statements

The Committee of the association are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporations Act*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

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 the 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 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 20 in these financial statements which indicates that The Wilderness Society Inc incurred a net deficit of \$996,016 during the year ended 30 June 2010. This condition as set forth in Note 20, indicate the existence of a material uncertainty which may cast doubt about The Wilderness Society Inc's ability to continue as a going concern.

WHK

Alison Flakemore
Audit Partner

Audit Qualifications

Bachelor of Commerce with Honours
Registered Company Auditor No. 241220
Institute of Chartered Accountants Australia No. 96387

Dated this day of December 2010.