



BUSH HERITAGE
AUSTRALIA

Bush Heritage Australia

ACN 053 639 115

Consolidated Financial Statements

Year Ended 31 March 2015

Directors' Report

Your Directors present their report for the 12 months ended 31 March 2015.

The following people have served as directors during the year and to the date of this report:

Louise Sylvan – President

Appointed to the Board in 2009

Louise is currently the Chair of Energy Consumers Australia and has previously served in a number of other senior roles including as Chief Executive Officer of the Australian National Preventive Health Agency, as a Commissioner of the Productivity Commission and as Deputy Chair of the Australian Competition and Consumer Commission. Louise also currently serves as a Board Member of Social Enterprise Finance Australia.

Andrew Myer – Vice President

Appointed to the Board in 2007

Andrew is principal of the AV Myer Group of Companies. He has extensive experience in investment, property development and management, film production and philanthropy. He is a Director of the Myer Family Company Ltd, a Trustee of the Sidney Myer Fund and Deputy Chair of the Melbourne International Film Festival.

David Rickards – Treasurer

Appointed to the Board in 2006

David is the Co-founder of Social Enterprise Finance Australia. He previously served as the Executive Director and Global Head of Research at Macquarie Securities. David has served as Bush Heritage Australia Treasurer and Chair of the Finance, Audit & Risk Committee and the Gift Fund Committee and will retire from the Board at the 2015 Annual General Meeting.

Nicholas Burton Taylor AM

Appointed to the Board in 2013

Nick has a longstanding commitment to rural communities and has extensive experience in the Australian agricultural sector. He owns Hillgrove Pastoral Pty Ltd and Kenny's Creek Angus, producers of beef and grain. Nick is currently the Chancellor of Southern Cross University, Chair of Country Education Foundation of Australia and of Delta Agribusiness and has served on the Boards of several listed companies, many of which have a rural focus.

Chris Grubb

Appointed to the Board in 2011

Chris is currently a non-executive Director of several Asian investment management companies, Chairman of Boardroom Australia and a Trustee of The Australian Museum Foundation. He has previously served as Chairman of ASX listed companies and was a Director of investment bank Jardine Fleming for 22 years as well as serving as a Director of other public and not-for-profit organisations. He is a keen bird watcher and naturalist.

Professor Michelle Leishman

Appointed to the Board in 2015

Michelle is a plant ecologist with over 20 years research experience, focused on invasive plants, vegetation responses to climate change, restoration ecology and plant conservation. She leads a research group in the Department of Biological Sciences at Macquarie University. Michelle is a member of the Scientific and Conservation Committee, Royal Botanic Gardens and Domain Trust, and of the Australian Flora Foundation Council. She is an Associate Editor of Journal of Ecology and past Chair of the NSW Scientific Committee.

Leanne Liddle

Appointed to the Board in 2009

Leanne is a passionate scientist and lawyer who has worked in many senior positions within Government. She has also delivered specialised lectures both nationally and internationally, with a particular focus on restoring and protecting threatened plant and animal species in the Anangu Pitjantjatjara Yankunytjatjara Lands (APY) in South Australia using traditional scientific skills. Leanne currently works as the Senior Policy Advisor at the Northern Land Council based in Darwin. She is a strong advocate for applying traditional Aboriginal use of fire in the landscape.

Dr Sue McIntyre

Appointed to the Board in 2007

Sue is a plant ecologist with over 30 years' research experience in academia and CSIRO focusing on the management of native vegetation. Her published work has been influential academically, and has informed policy development and land management for conservation. Sue has served as Chair of the Science and Conservation Committee and will retire from the Board at the 2015 Annual General Meeting.

Dr Rebecca Nelson

Appointed to the Board in 2014

Rebecca is a lawyer with a strong interest in water management, regulation and policy. She is a Fellow (Non-Resident) of the Woods Institute for the Environment at Stanford University and a Senior Fellow of the Melbourne Law School at the University of Melbourne. Rebecca combines this work with independent consulting. In 2014 Rebecca was named the Australian Young Environmental Lawyer of the Year by the Law Council of Australia for her significant contribution to environmental law.

Keith Tuffley

Appointed to the Board in 2006

Keith is the Managing Partner of The B Team, a New York-based NGO comprising a group of business leaders driving better business practices. He is also the Founder and Chairman of NEUW Ventures SA, a Swiss-based impact investing company, focused on the creation and financing of sustainability start-up businesses. He was previously Managing Director and Head of Investment Banking at Goldman Sachs in Australia.

Company Secretary

Gerard O'Neill – February 2013 – present

Gerard is Company Secretary and Chief Executive of Bush Heritage Australia. With support from legal advisors, the Company Secretary advises the Board on the appropriate procedures for the conduct of meetings and the affairs of the Company, as required by the Constitution and by charity and company law.

Directors' meetings

Nine Directors' meetings were held during the financial year. Where the Director was not in office for the whole of the financial year, the number of meetings held during the part-year period of office is shown in the first column. Details of Directors' meeting attendance are as follows.

	Directors' meetings held during the period that each Director was in office	Directors' meetings attended
Louise Sylvan	9	9
Andrew Myer	9	8
David Rickards	9	9
Nick Burton Taylor	9	9
Chris Grubb	9	8
Michelle Leishman (from June 2015)	0	0
Leanne Liddle	9	6
Sue McIntyre	9	8
Rebecca Nelson (from Dec 2014)	2	2
Keith Tuffley	9	7

Short and long-term objectives and strategy

Bush Heritage's long-term objective is to secure and protect Australia's biodiversity and natural landscapes.

In the shorter term our strategies and objectives are to:

1. double the area secured for conservation, by direct acquisition and partnership, from 3 million to 6 million hectares
2. maintain and improve conservation management outcomes
3. demonstrate leadership and innovation in nature conservation
4. increase to 30,000, the number of people we engage with and who support our work
5. build the financial sustainability and operational capacity of Bush Heritage, and
6. ensure an organisational culture of collaboration and commitment.

Principal activities

Bush Heritage's principal activities, consistent with its Constitution, are to:

- protect and enhance the natural environment for the long term by acquiring and preserving land or water which is of high conservation value or environmental significance;
- obtain funds or other property through donations, bequests, public appeals, special events and sponsorships;
- work with, provide assistance to, or engage others to protect and enhance the natural environment;
- advise and educate others about how to protect and enhance the natural environment;
- buy or sell for the benefit of the Company any trading credits, sequestration rights or other similar property or interests in land, air, water or carbon; and
- pursue strategic, operational, business and other appropriate relationships with the public and private sector to achieve the objects of the Company.

Performance measures

Bush Heritage recognises the importance of key performance measures to monitor and gauge organisational performance. In accordance with the Bush Heritage Australia Strategic Plan 2012-17, the organisation has clear goals and objectives that it will work towards achieving over the next five years.

Currently Bush Heritage utilises a range of performance measures. These measures have been developed at a variety of levels within the organisation and in response to a range of drivers. Some of the tools and reporting methods used currently in the organisation, which will be continually reviewed and further integrated into future performance reporting, include:

- Conservation Scorecards, for reporting on conservation outcomes achieved at reserves or with partners. Scorecards are derived from our central conservation management system (Miradi) utilised by Bush Heritage as part of our adoption of the *Open Standards for the Practice of Conservation*, which is an international planning and adaptive-management methodology
- monthly financial reporting
- quarterly progress reporting against the key strategic priorities from the Strategic Plan 2012-17
- quarterly marketing KPI reporting
- biennial organisational effectiveness report
- annual staff diversity reporting.

Members' guarantee

In accordance with the Company's Constitution, each member is liable to contribute a maximum of \$10 in the event that the company is wound up. As at 31 March 2015 the number of members was 68.

Auditors' independence

The Auditors' Declaration of Independence appears on page 42 and forms part of the Directors' Report for the year ended 31 March 2015.

Rounding

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 298(2) of the *Corporations Act 2001*:



Louise Sylvan

President

11 June 2015

Auditor's Independence Declaration to the Directors of Bush Heritage Australia

In relation to our audit of the financial report of Bush Heritage Australia for the financial year ended 31 March 2015, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Kester Brown
Partner
11 June 2015

Bush Heritage Australia

Consolidated Statement of Comprehensive Income

for year ended 31 March 2015

	Notes	2015 \$'000	2014 \$'000
Revenue			
Supporter contributions and grants	3(a)	16,110	11,795
Interest and investment income	3(b)	1,200	662
Reserve income		283	246
Other income		133	153
Total Revenue		17,726	12,857
Expenses			
Conservation management activities	4(a)	8,420	7,261
Conservation events, education and supporter relations	4(b)	1,835	1,452
Fundraising activities	4(c)	1,217	1,297
Investment in new supporters	4(d)	2,394	1,696
Organisational support	4(e)	1,988	1,778
Total Expenses		15,854	13,484
Surplus/(Deficit) Before Tax		1,872	(627)
Income tax		-	-
Net Surplus/(Deficit)		1,872	(627)
Other Comprehensive Income			
Net fair value gains/(loss) on available for sale financial assets		745	486
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		745	486
Total comprehensive income for the period		2,617	(141)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes. Any single year surpluses are reinvested into the future expansion of the company's conservation activities.

Bush Heritage Australia

Consolidated Statement of Financial Position

as at 31 March 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,171	2,939
Trade and other receivables	6	455	454
Total Current Assets		1,626	3,393
Non-Current Assets			
Investments	7	11,768	11,059
Property, plant and equipment	8	31,095	26,691
Intangibles - computer software	9	73	67
Total Non-Current Assets		42,936	37,817
TOTAL ASSETS		44,562	41,210
LIABILITIES			
Current Liabilities			
Trade and other payables	10	1,066	758
Provisions	11	775	652
Interest bearing liabilities	12	206	133
Total Current Liabilities		2,047	1,543
Non-Current Liabilities			
Provisions	11	197	182
Interest bearing liabilities	12	311	95
Total Non-Current Liabilities		508	277
TOTAL LIABILITIES		2,555	1,820
NET ASSETS		42,007	39,390
EQUITY			
Equity Funds and Reserves	13	42,007	39,390
TOTAL EQUITY		42,007	39,390

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Bush Heritage Australia

Consolidated Statement of Changes in Equity

for year ended 31 March 2015

	Accumulated Surplus	Equity Funds	Total
	2015	2015	2015
Notes	\$'000	\$'000	\$'000
At 1 April 2014	-	39,390	39,390
Surplus / (deficit) for the period	1,872	-	1,872
Other comprehensive income	-	745	745
Total comprehensive income for the period	1,872	745	2,617
Net transfer to Bush Heritage General Fund	(2,540)	2,540	-
Net transfer to Bush Heritage Restricted Fund	716	(716)	-
Net transfer to Midlands Conservation Fund	(48)	48	-
At 31 March 2015	13 -	42,007	42,007
	2014	2014	2014
	\$'000	\$'000	\$'000
At 1 April 2013	-	39,532	39,532
Surplus / (deficit) for the period	(627)	-	(627)
Other comprehensive income	-	486	486
Total comprehensive income for the period	(627)	486	(142)
Net transfer to Bush Heritage General Fund	837	(837)	-
Net transfer to Bush Heritage Restricted Fund	(39)	39	-
Net transfer to Midlands Conservation Fund	(170)	170	-
At 31 March 2014	13 -	39,390	39,390

The above statement of Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Bush Heritage Australia
Consolidated Statement of Cash Flows
for year ended 31 March 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from supporter contributions and other sources		13,418	11,923
Payments to suppliers and employees		(14,390)	(12,360)
Interest and dividends received		253	272
Net cash from/(to) operating activities	14	<u>(719)</u>	<u>(165)</u>
Cash flows from investing activities			
Purchase of land		(2,150)	(222)
Purchase of investments		(174)	(1,233)
Purchase of buildings, plant and equipment		(2,720)	(467)
Purchase of software		(32)	(6)
Proceeds from the sale of land		-	450
Proceeds from the sale of investments		4,178	1,065
Proceeds from the sale of buildings, plant and equipment		62	-
Net cash from/(to) investing activities		<u>(836)</u>	<u>(413)</u>
Cash flows from financing activities			
Payment of finance lease liabilities		(213)	(215)
Net cash from/(to) financing activities		<u>(213)</u>	<u>(215)</u>
Net increase/(decrease) in cash and cash equivalents		(1,768)	(794)
Cash and cash equivalents at beginning of period		2,939	3,733
Cash and cash equivalents at end of period	14	<u>1,171</u>	<u>2,939</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2015

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Note 1. Corporate Information

Bush Heritage Australia (ACN 053 639 115) is a company limited by guarantee. Members are nominated and determined in accordance with the constitution. The liability of members of the Company is limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company if the Company is wound up whilst still a member, or within one year after ceasing to be a member, for the payment of the Company's debts and liabilities (contracted before ceasing to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves. In any such case the member's contributions will be limited to a maximum of \$10.

Bush Heritage Australia is a company incorporated in Australia, and its registered office address is Level 1, 395 Collins Street, Melbourne Victoria 3000.

The principal activities of Bush Heritage Australia involve the raising of funds to support conservation actions on existing reserves, to purchase additional high conservation value lands, and to work with neighbours and other large landholders to assist the conservation management of their lands. There have been no significant changes to the nature of these activities during the year.

Note 2. Summary of Significant Accounting Policies

Note 2(a). Basis of Preparation

This report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Charities and Not-for-profits Commission Act 2012 and Regulations 2013 and the Australian Accounting Standards.

The financial report has been prepared on the historical cost basis, except for available-for-sale investments which have been measured at market value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated, using the option available to Bush Heritage Australia under ASIC Class Order 98/100. Bush Heritage Australia is an entity to which the class order applies.

The current financial period is the financial year ended 31 March 2015. The comparative period was the financial year ended 31 March 2014.

Note 2(b). Abbreviations

The following abbreviations have been used in these notes:

ABN	Australian Business Number
AASB	Australian Accounting Standard Board
IFRS	International Financial Reporting Standards
ASIC	Australian Securities & Investments Commission
Bush Heritage	Bush Heritage Australia (ABN 78 053 639 115)
GST	Goods and Services Tax

Note 2(c). Statement of Compliance

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by Bush Heritage for the annual reporting period ended 31 March 2015. These are outlined below. The impact of these new accounting standards are currently being assessed by management.

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss 	1-Jan-18	1-Apr-18
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	<p>AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	1-Jan-16	1-Apr-16
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1-Jan-16	1-Apr-16
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1-Jul-15	1-Apr-16

Note 2(d). Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

Treatment of leasehold properties and property assets
Refer full details under Note 8(b).

Valuation of property assets

The valuation of property assets involves judgement as there is often no active market for the assets. The carrying values of the property assets have been reviewed at balance date. The Directors consider that the property asset values are appropriate at 31 March 2015 and that the assets are not impaired.

(ii) Significant accounting estimates and assumptions

Trade and other receivables

All trade debtors were individually reviewed and provision for bad or doubtful debts has been made for the year ended 31 March 2015.

Plant and equipment useful lives

Estimates are applied for the useful life of depreciable/amortised assets, based on those published by the Australian Taxation Office (Tax Ruling 2000/18C8), adjusted if necessary after considering the asset's planned usage by Bush Heritage.

Note 2(e). Basis of Consolidation

The consolidated financial statements comprise the financial statements of Bush Heritage Australia and its subsidiary, the Midlands Conservation Fund (MCF) Ltd.

- MCF is a separate public company limited by guarantee, jointly managed by Bush Heritage and the Tasmanian Land Conservancy. MCF has its own Board of Directors and constitutional objectives.
- Under the MCF Constitution, Bush Heritage has the capacity to control MCF and therefore is required by Accounting Standards to consolidate MCF into this consolidated financial statements.
- Under the Accounting Standards, control is said to exist because Bush Heritage has the right to direct the activities of MCF and through that right has the ability to affect the returns it derives from MCF. The returns to Bush Heritage are indirect, non-financial returns that arise because MCF's conservation objectives contribute directly to Bush Heritage's conservation objectives. Under the MCF Constitution, MCF cannot pay financial dividends to Bush Heritage or to any other member.

In preparing the consolidated financial statements, all intercompany balances, transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by Bush Heritage and cease to be consolidated from the date on which control is transferred out of the Group.

Note 2(f). Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. All revenue is stated net of the amount of GST.

(i) Rendering of Services and Donations Received

- Revenue from donations, gifts and bequests is recognised upon Bush Heritage receiving the right to entitlement.
- Grant revenue is recognised upon Bush Heritage obtaining control of the contribution or the right to receive the contribution under the funding agreement.
- Revenue from services provided on reserves including service fees and field trips/events is recognised when the services are rendered.

(ii) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(iii) Dividends

Dividend revenue is recognised when the right to receive a dividend has been established.

Note 2(g). Leases

Leases are classified at the inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating Leases

The lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

(ii) Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to Bush Heritage are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense item in the Statement of Comprehensive Income.

Note 2(h). Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of any outstanding bank overdrafts.

Note 2(i). Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that Bush Heritage will not be able to collect the debts. Bad debts are written off when identified.

Assets held for sale are recognised and measured at the lower of its carrying amount and fair value less costs to sell. Bush Heritage will cease to classify the asset as held for sale if there is sufficient evidence that the asset is no longer available for sale and/or there is no committed plan to sell the asset.

Note 2(j). Taxes

Bush Heritage is certified as an Income Tax Exempt Charity, and consequently no income tax is reported and accounting for income tax is not applicable. Bush Heritage is also certified as a Deductible Gift Recipient, and accordingly issues tax deductible receipts for donations received over \$2.

Bush Heritage is registered for GST. Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows 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 Australian Tax Office are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

Note 2(k). Property, Plant and Equipment

Items costing less than \$1,000 each are expensed during the year of acquisition.

Freehold and leasehold land is stated at cost.

Buildings, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Where an item of property, plant and equipment is acquired at no cost, or for nominal cost, the initial carrying value is its fair value as at the date of acquisition.

The carrying amounts of assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying values may be impaired.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell and value in use. For a not-for-profit entity such as Bush Heritage, value in use is the depreciated replacement cost when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Bush Heritage would, if deprived of the asset, replace its remaining future economic benefits.

The depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the surplus or deficit in the year the asset is derecognised.

Note 2(l). Intangibles - Computer Software

Items costing less than \$1,000 each are expensed during the year of acquisition.

Computer software is stated at cost.

Computer software is amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period for the computer software assets is reviewed at least once at each financial year-end. Changes in the expected useful life of the assets are accounted for by changing the amortisation period as appropriate, which is a change in accounting estimate. The amortisation expense is recognised in the Consolidated Statement of Comprehensive Income.

Note 2(m). Depreciation and Amortisation

Fixed assets and intangibles are depreciated/amortised over their estimated useful lives, commencing in the year of acquisition. Useful life estimates are based on those published by the Australian Taxation Office (Tax Ruling 2000/18C8), adjusted if necessary after considering the asset's planned usage by Bush Heritage. Depreciation is provided on a straight line basis on all property, plant and equipment other than land. Land assets have an unlimited useful life and are not depreciated. Amortisation is provided on a straight line basis on all computer software.

Depreciation periods for major asset classes are as follows:-

Buildings and Infrastructure	20 - 33 years
Plant and Equipment	5 - 20 years

Amortisation periods for major asset classes are as follows:-

Computer Software	3 - 5 years
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Note 2(n). Investments and other Financial Assets

Financial assets within the scope of AASB 9 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Available-for-sale securities are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified in the above category. After initial recognition, available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use as possible of available supportable market data and keeping judgemental inputs to a minimum.

Note 2(o). Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to Bush Heritage prior to the end of the financial year that are unpaid and arise when Bush Heritage becomes obliged to make future payments in respect of the purchase of these goods and services.

Note 2(p). Provisions

Provisions are recognised when Bush Heritage has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Note 2(q). Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

(i) Wages, salaries and annual leave

Liabilities arising in respect of salaries, wages and annual leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

(ii) Long Service Leave

The liability for long service leave is recognised in provisions in the Consolidated Statement of Financial Position, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity to match, as closely as possible, the estimated future cash outflows.

Note 2(r). Comparatives

Where necessary, comparatives have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Note 2(s). Property Restoration Costs

Any property restoration costs expected to be incurred are budgeted for as part of the analysis of potential reserve acquisitions, and subsequently refined in Reserve Management plans. Costs are recognised as they are incurred over the life of the management plan, which is typically five years. Bush Heritage does not have any current legal obligations to restore any land owned at 31 March 2015.

Note 2(t) Financial Risk Management

Bush Heritage manages exposure to key financial risks in accordance with its risk management policy.

The objective of the policy is to support the delivery of operational targets whilst protecting the future security of the reserves under management. The main risks arising from financial instruments are on short term deposits and investments held as available for sale.

Bush Heritage has a policy allowing the use of short term (less than twelve months) debt in very specific circumstances, such as to cover temporary obligations for property purchases while fundraising for the specific acquisition continues. Bush Heritage does not use derivatives of financial instruments for risk management speculative or trading purposes.

The following financial assets and liabilities were recorded at balance date:

	Note	2015 \$'000	2014 \$'000
Financial Assets			
Cash and cash equivalents	5	1,171	2,939
Trade and other receivables	6	455	454
Investments	7	11,768	11,059
		<u>13,394</u>	<u>14,452</u>
Financial Liabilities			
Trade and other payables	10	1,066	758
		<u>12,328</u>	<u>13,694</u>

(i) Financial Risk - Sensitivity analysis of exposure to net income is given under the individual notes.

(ii) Price Risk - Equity securities price risk arises from investments in equity securities. To limit this risk, Bush Heritage diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on the ASX. Exceptions may occur where equities are donated to Bush Heritage. The price risk for the listed securities is material in terms of a possible impact on profit or loss or equities and as such a sensitivity analysis has been performed.

(iii) Credit Risk - Trade debtor balances are monitored on an ongoing basis in order to minimise credit risk.

Bush Heritage's maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial asset is the carrying value of those assets as indicated in the Consolidated Statement of Financial Position.

(iv) Liquidity Risk -

Maturity analysis of financial assets and liabilities at 31 March 2015:

	<6 months \$'000	6-12 months \$'000	1-5 Years \$'000	>5 Years \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	1,171	-	-	-	1,171
Trade and other receivables	455	-	-	-	455
Investments	4,552	-	7,216	-	11,768
	<u>6,178</u>	<u>-</u>	<u>7,216</u>	<u>-</u>	<u>13,394</u>
Financial Liabilities					
Trade and other payables	1,066	-	-	-	1,066
	<u>5,112</u>	<u>-</u>	<u>7,216</u>	<u>-</u>	<u>12,329</u>

Maturity analysis of financial assets and liabilities at 31 March 2014:

	<6 months \$'000	6-12 months \$'000	1-5 Years \$'000	>5 Years \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	2,939	-	-	-	2,939
Trade and other receivables	454	-	-	-	454
Investments	4,556	-	6,503	-	11,059
	<u>7,949</u>	<u>-</u>	<u>6,503</u>	<u>-</u>	<u>14,452</u>
Financial Liabilities					
Trade and other payables	758	-	-	-	758
	<u>7,191</u>	<u>-</u>	<u>6,503</u>	<u>-</u>	<u>13,694</u>

(v) Interest Rate Risk

Bush Heritage's exposure to interest rate risk is set out in the following table:

	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000	Average Interest Rate %
At 31 March 2015					
Financial Assets					
Cash	768	112	291	1,171	3.0
Receivables	-	-	455	455	-
Investments	4,217	1,350	6,201	11,768	5.0
Financial Liabilities					
Payables	-	-	1,066	1,066	-

	Fixed Interest Rate \$'000	Floating Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000	Average Interest Rate %
At 31 March 2014					
Financial Assets					
Cash	2,036	500	403	2,939	3.5
Receivables	-	-	454	454	-
Investments	4,408	542	6,109	11,059	5.0
Financial Liabilities					
Payables	-	-	758	758	-

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2015

Note 3. Revenue

	2015	2014
	\$'000	\$'000
Revenue includes the following major categories:		
Supporter contributions and grants (refer note 3(a))	16,110	11,795
Interest and Investment Income (refer note 3(b))	1,200	662
Reserve Income	283	246
Other Income	133	153
Total Revenue	17,726	12,857

Note 3(a). Supporter Contributions and Grants

Donations and Gifts	10,984	8,428
Grants	411	636
Bequests	4,715	2,730
Total Supporter Contributions and Grants	16,110	11,795

Note 3(b). Interest and Investment Income

Dividends	427	359
Interest	252	303
Realised Gains	521	-
Total Interest and Investment Income	1,200	662

Note 4. Expenses

Note 4(a). Conservation management

Conservation management expenses include the following key items:-

On-reserve costs, including for practical conservation purposes such as fire management, feral animal control, weed control, revegetation, species recovery and protection; expenses related to ecological survey, monitoring and evaluation, cultural values assessment and protection, staff costs, managing conflicting land use proposals and external rights, associated ownership costs such as rates and taxes, expenses associated with operating each reserve's infrastructure, preparing management plans for reserves; organising volunteer support, organising field trips to reserves, building and managing relations with other land owners.

Development of conservation science, policy and strategy including staff costs; expenses relating to assessment of potential new reserves and partnerships; and expenses relating to development and maintenance of landscape scale plans and partnerships.

Supporting land management partnerships including staff costs, expenses associated with preparing management plans, and expenses associated with conservation actions such as fire management, feral animal control, weed control, revegetation, species recovery and protection; and expenses related to ecological survey, monitoring and evaluation and cultural values assessment and protection.

Note 4(b). Conservation events, education and supporter relations

Covers expenses associated with building conservation communities, including via online and newsletter communications, media engagement and the management of the website, bequestor and other events, management of the supporter database, customer service and other conservation-related communications.

Note 4(c). Fundraising activities

Covers expenses incurred in establishing the case for and then asking existing supporters for donations and gifts to support Bush Heritage's conservation activities. Includes fundraising staff, the bequests program and other associated costs.

Note 4(d). Investment in new supporters

Covers the cost of recruiting new financial supporters to ensure the ongoing viability of Bush Heritage's conservation activities.

Note 4(e). Organisational Support

Covers activities that ensure the Company is viable and well-operated. This includes in the areas of governance and compliance, finance, information technology, employee development, worker safety and day to day administration of Bush Heritage. All Bush Heritage Board Directors provide their time on a pro bono basis, however some costs are incurred in travel and communications expenses to facilitate meetings of the Board.

Note 4(f). Capital Expenditure not included in the Consolidated Statement of Comprehensive Income

In addition to the operating expenses recognised in the Consolidated Statement of Comprehensive Income, Bush Heritage directs donated funds toward items of capital expenditure, the most significant of which being the purchase of freehold and leasehold properties for the establishment of Bush Heritage's conservation reserves. Plant and equipment is also purchased by Bush Heritage for use in its conservation operations, which represents further capital expenditure not included in the Consolidated Statement of Comprehensive Income.

Note 4(g). Remuneration Expense

	2015	2014
	\$'000	\$'000
Salaries and Wages	5,979	5,395
Superannuation	550	481
Workers Compensation Insurance	105	75
Total Remuneration Expense	6,632	5,951

The relevant portion of remuneration expense is included in all expense category line items in the Consolidated Statement of Comprehensive Income. It includes salaries as well as salary sacrifice fringe benefits, annual leave and long service leave.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2015

Note 4(h) Depreciation and Amortisation	2015	2014
	\$'000	\$'000
Depreciation of Property, Plant and Equipment:		
Reserve Plant and Equipment	422	415
Reserve Buildings and Infrastructure	273	270
Office Plant and Equipment	89	58
Total Depreciation	784	743

Amortisation of Intangibles:

Computer Software	28	37
Total Depreciation and Amortisation	812	781

Note 4(i) Other Expenses

Operating Lease - Minimum Lease Payments	194	230
	194	230

Note 5. Cash and Cash Equivalents

	2015	2014
	\$'000	\$'000
Cash at bank and in hand	403	903
Short term deposits	768	2,036
Total Cash and Cash Equivalents	1,171	2,939

Interest rate risk exposure on average daily balances on short term deposits held would have had the following effect on net income:

(a) Increase of 50 basis points (0.5%) - Increase Net Income by	10	10
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Income by	(10)	(10)

Note 5(a). Assets Pledged as Security

Cash Deposit Account Funds	768	402
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Included within Cash at bank are funds held as security over the corporate credit card facility and two bank guarantees, covering office lease rental commitments and a tape negotiation authority for an outsourced payroll.

Note 6. Trade and Other Receivables

	2015	2014
	\$'000	\$'000
Trade Debtors	71	22
Other receivables and prepayments	188	294
Assets Held for Sale	196	138
Total Trade and Other Receivables	455	454

Trade debtors are non interest bearing and are normally settled within 30 days and therefore it is not material to perform an age analysis. Trade debtor balances are monitored on an ongoing basis in order to minimise credit risk.

Other receivables and prepayments includes accrued income which relates to the interest on short term deposits at 31 March 2015.

Assets held for sale represent two properties in respect of which it has been determined that they will be sold in accordance with Clause 5.1(f) of the Bush Heritage Constitution. One of the properties has since been sold subsequent to the reporting date for an amount equal to its net carrying value as at 31 March 2015, which was \$98k.

Note 7. Investments

	2015	2014
	\$'000	\$'000
(a) Investments held by company		
Bush Heritage Australia		
- Bush Heritage Capital Fund	6,118	-
- Other Investments	2,159	7,597
	8,277	7,597
Midlands Conservation Fund	3,491	3,462
Total Investments	11,768	11,059
(b) Investments held by type		
Fixed Interest	726	946
Property Trusts	782	831
Shares Australian	3,412	3,682
Shares International	1,141	874
Term Deposits	4,841	4,004
Other	866	723
Total Investments	11,768	11,059
(c) Reconciliation of Movement in Investments		
Opening balance	11,059	10,059
Additions	3,549	1,472
Disposals	(3,584)	(958)
Gain / (Loss) in fair value of investments	745	486
Closing balance	11,768	11,059

Bush Heritage actively raises funds in addition to the purchase price and operating costs of our conservation reserves in order to create an endowment for the long term financial security and independence of the properties we manage. This fundamental strategy has led to the creation of the significant investment portfolio currently held.

The Bush Heritage Capital Fund was established by Board Resolution on 27 February 2015, with the opening balance being drawn from Bush Heritage's existing investment portfolio. The Capital Fund has been established with the aim of further enhancing the long term financial security of our properties. Investments of the Capital Fund are professionally managed by an external manager, overseen by the Capital Fund Investment Committee of the Bush Heritage Board and subject to the Capital Fund Charter. The equity in the Capital Fund is included within the Bush Heritage General Fund in Note 13.

Investments held in the Midlands Conservation Fund are directly overseen by the Midlands Conservation Fund Board of Directors and as at 31 March 2015 are entirely held in term deposits placed with Australian banks.

The interest rate risk exposure on variable interest rate investments (cash balances) held would have had the following effect on net income:

(a) Increase of 50 basis points (0.5%) - Increase Net Income by	20	20
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Income by	(20)	(20)

Note 8. Property, Plant and Equipment

	Freehold Land \$'000	Leasehold Land \$'000	Buildings and Infrastructure \$'000	Office Plant and Equipment \$'000	Reserve Plant and Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
2015							
At 1 April 2014	7,229	14,781	3,481	103	1,066	32	26,692
net of accumulated depreciation and impairment							
Additions	400	1,750	1,387	695	962	16	5,210
Disposals	-	-	(16)	(4)	-	-	(20)
Transfers	-	-	145	(8)	(140)	-	(3)
Depreciation charge for the year	-	-	(273)	(89)	(422)	-	(784)
At 31 March 2015	7,629	16,531	4,724	697	1,466	48	31,095
net of accumulated depreciation and impairment							
2014							
At 1 April 2013	7,394	14,781	3,551	111	1,227	150	27,214
net of accumulated depreciation and impairment							
Additions	235	-	230	39	272	-	776
Disposals	(400)	-	(30)	-	(7)	-	(437)
Transfers	-	-	-	10	(10)	(118)	(118)
Depreciation charge for the year	-	-	(270)	(58)	(415)	-	(743)
At 31 March 2014	7,229	14,781	3,481	103	1,066	32	26,692
net of accumulated depreciation and impairment							

Note 8(a). Freehold Land

2015
\$'000

Brogo Reserve, NSW	172	172
Burrin Burrin Reserve, NSW	102	102
Chereninup Creek Reserve, WA	145	145
Coalmine Creek Reserve, Tas	22	22
Currumbin Reserve, Qld	111	111
Dalyenong - Lille Block	115	115
Dry's Bluff Reserve, Tas	173	173
Fan Palms Reserve, Daintree, Qld	88	88
Friendly Beaches Reserve, Coles Bay, Tas	255	255
Goondaroo Reserve, Qld	173	173
Kojonup Reserve, WA	85	85
Liffey Reserve, Tas	103	103
Monjebup Reserve, WA	222	222
Monjebup North, WA	760	760
Monjebup Creek Reserve, WA (i)	400	-
"Nameless" Sylvan Reserve, NSW (ii)	550	550
Nardoo Hills, Vic - Donaldson Block	98	98
Nardoo Hills, Vic - Judith Eardley Reserve	105	105
Nardoo Hills, Vic - Patterson Block	95	95
Nardoo Hills, Vic - Spring Paddock (iii)	127	127
Oura Oura Reserve - TAS (iv)	255	255
Peniup Reserve, WA	293	293
Reedy Creek Reserve, Qld	1,300	1,300
Scottsdale Reserve, NSW	1,440	1,440
South Esk Pine Reserve, Coles Bay, Tas	29	29
Tarcutta Hills Reserve, NSW	314	314
Yarrabee Wesfarmers Reserve, WA (v)	96	96
Total Freehold Land	7,628	7,229

- (i) Purchased in May 2014, being the new addition to Gondwana Link portfolio of properties.
(ii) Received as a gift-in-kind and stated at fair value. At the request of the donor the property remains "Nameless"
(iii) Purchased in April 2013 with 50% purchase price contributed by Trust for Nature.
(iv) Received as a gift-in-kind and stated at fair value. Gulf Road, Liffey (\$105k) as addition to Oura Oura Reserve, purchased in March 2014.
(v) Owned as tenants in common with Greening Australia WA Inc.

Note 8(b). Leasehold Land

Bon Bon Reserve, SA	1,694	1,694
Boolcoomatta Reserve, SA	1,288	1,288
Carnarvon Station Reserve, Qld	1,500	1,500
Charles Darwin Reserve, WA	251	251
Cravens Peak Reserve, Qld	2,486	2,486
Edgbaston Reserve, Qld	1,760	1,760
Ethabuka Reserve, Qld	1,302	1,302
Eurardy Reserve, WA	877	877
Hamelin Station Reserve, WA	1,750	-
Naree Station Reserve, NSW (i)	878	878
Yourka Reserve, Qld	2,745	2,745
Total Leasehold Land	16,531	14,781

Bush Heritage's leasehold properties in Queensland are, pursuant to the Land Act (Qld) 1994, treated as "Term Leases". Each lease has its own expiry date. The Carnarvon Reserve lease expires first, 31/03/2017, Yourka 30/09/2025, Ethabuka 30/06/2031, Cravens Peak 30/06/2032 and Edgbaston 10/06/2038. Each lease contains a covenant that the existing lessee will, on or before the expiry date, be offered a new Term Lease for a maximum of a further 50 years. Bush Heritage's leasehold properties in South Australia are fixed term leases, both of 42 years duration. The Bon Bon pastoral lease expires 2032 and the Boolcoomatta lease (being for conservation purposes) expires 2038. Bush Heritage's leasehold properties in Western Australia are all fixed term leases. Pursuant to the Land Administration Act (WA) 1997 the pastoral leases for Hamelin Station, Eurardy and Charles Darwin Reserves have been renewed in advance. As of 1 July 2015 Eurardy Reserve pastoral lease will expire 19/08/2062 and Hamelin Station will expire 31/05/2063. Charles Darwin Reserve pastoral lease expires 24/05/2064.

- (i) Pursuant to the Western Lands Act (NSW) 1901 the legal status of the ongoing leasehold title to Naree Station Reserve equates to freehold.

The Directors' view on the longevity of leasehold land is consistent with the views of other large owners of leasehold lands, such as pastoral companies.

Bush Heritage Australia
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Note 9. Intangibles - Computer Software	2015	2014
	\$'000	\$'000
Balance at the start of the period, net of accumulated amortisation and impairment	67	88
Additions	32	16
Disposals	(1)	-
Transfer	3	-
Amortisation charge for the year	(28)	(37)
Balance at the end of the period, net of accumulated amortisation and impairment	<u>73</u>	<u>67</u>
Cost	383	373
Accumulated amortisation and impairment	(310)	(306)
	<u>73</u>	<u>67</u>

Note 10. Trade and Other Payables	2015	2014
	\$'000	\$'000
Trade Creditors	816	215
Payroll Related Accruals	165	234
GST Payable	(135)	78
Other Accrued Expenses	220	231
Total Trade and Other Payables	<u>1,066</u>	<u>758</u>

Trade creditors are non interest bearing and are normally settled within 30 days. Payroll related accruals includes salaries and wages relating to the portion of the pay period overlapping the end of the financial year and employee superannuation. Superannuation is paid to each employee's choice of superannuation fund.

Note 11. Provisions

	Annual Leave \$'000	Long Service Leave \$'000	Other \$'000	Total \$'000
At 1 April 2014	454	358	22	834
Arising during the year/(utilised)	10	124	4	138
At 31 March 2015	<u>464</u>	<u>482</u>	<u>26</u>	<u>972</u>

At 31 March 2015

2015				
Current	464	285	26	775
Non-current	-	197	-	197
	<u>464</u>	<u>482</u>	<u>26</u>	<u>972</u>

At 31 March 2014

2014				
Current	454	177	22	652
Non-current	-	182	-	182
	<u>454</u>	<u>358</u>	<u>22</u>	<u>834</u>

Note 12. Interest Bearing Liabilities	2015	2014
	\$'000	\$'000
Finance Leases		
Within one year	223	151
After one year but not more than five years	333	108
Total minimum lease payments	556	259
Less amounts representing finance charges	(39)	(31)
Present value of minimum lease payments	<u>517</u>	<u>228</u>
Included in the financial statements as:		
Current	206	133
Non-current	311	95
	<u>517</u>	<u>228</u>

Bush Heritage has twelve finance leased vehicles with a carrying amount of \$476,749 (2014: \$232,876). These lease contracts expire within one to four years. At the end of the term, ownership is retained by Bush Heritage if all obligations under the contract have been met.

Note 13. Equity Funds and Reserves	2015	2014
	\$'000	\$'000
Bush Heritage General Fund (i)		
Balance at the start of the period	31,904	32,742
Net transfer to Bush Heritage General Fund	2,540	(837)
Balance at the end of the period	<u>34,444</u>	<u>31,904</u>
Bush Heritage Restricted Fund (ii)		
Balance at the start of the period	2,582	2,544
Additional restricted funds received	2,380	3,246
Restricted funds expended or acquitted	(3,095)	(3,207)
Balance at the end of the period	<u>1,867</u>	<u>2,582</u>
Midlands Conservation Fund (iii)		
Balance at the start of the period	3,567	3,397
Net surplus attributable to Midlands Conservation Fund	49	170
Balance at the end of the period	<u>3,616</u>	<u>3,567</u>
Net Unrealised Gains / (Losses) Reserve (iv)		
Balance at the start of the period	1,335	849
Net valuation gains / (losses) taken to equity during the period	745	486
Balance at the end of the period	<u>2,080</u>	<u>1,335</u>
Total Equity Funds and Reserves	<u>42,007</u>	<u>39,390</u>

(i) The balance of Bush Heritage General Fund represents the accumulated supporter contributions and other net earnings that Bush Heritage Australia has received since inception which have been applied to the acquisition of land and other capital assets for conservation purposes.

(ii) The Bush Heritage Restricted Fund represents funds received by Bush Heritage Australia that are tied to specific future conservation-related purposes and which remain unspent as at the date of these financial statements.

(iii) The Midlands Conservation Fund (MCF) is held separately within MCF Ltd as a capital fund, the earnings from which are to provide for annual stewardship payments to landholders for long term protection and management of the Tasmanian Midlands.

(iv) The Net Unrealised Gains / (Losses) Reserve records net movements in the investment portfolio arising from ongoing revaluations of the portfolio assets to market values.

Note 14. Reconciliation of Net Surplus/(Deficit) to Net Cash Flows from Operating Activities

	Note	2015 \$'000	2014 \$'000
Operating Surplus/(Deficit)		1,872	(627)
Depreciation and Amortisation	4(f)(i)	812	781
Finance Lease Charges		23	23
Investment Income Reinvested		(386)	(310)
Gain on Sale of Property, Plant and Equipment		(80)	(27)
Gain on Sale of Investments		(490)	-
Lease Incentive		120	-
Non-cash Donations Received		(3,092)	-
Changes in Assets and Liabilities			
Increase/(Decrease) in Trade and Other Payables		365	38
Increase/(Decrease) in Provisions		138	120
Decrease/(Increase) in Trade and Other Receivables		(1)	(163)
Net Cash from Operating Activities		(719)	(165)
Reconciliation to Statement of Cash Flows			
Cash at bank and in hand		403	903
Short term deposits		768	2,036
Total Cash and Cash Equivalents		1,171	2,939

For the purposes of the Statement of Cash Flows, cash and cash equivalents are comprised of cash at bank and in hand, and short term deposits.

Note 15. Commitments

Note 15(a). Lease Commitments

		2015 \$'000	2014 \$'000
Future minimum rentals payable under non cancellable operating leases as at 31 March 2015 are as follows:			
Not Later than One Year		197	161
Later Than One Year and Not Later Than Five Years		721	-
Total Lease Commitments		918	161

Lease commitments relate to the lease of office premises, which is subject to fixed annual increases. The current office premises lease commenced in November 2014 and concludes in November 2019, with a further optional term to November 2022.

Note 15(b). Capital Expenditure Commitments (Land Purchase and Investment)

Not Later than One Year		-	-
Later Than One Year and Not Later Than Five Years		-	-
		-	-

Note 16. Related Parties

Director's Transactions

Other than donations received from Directors and minor expense reimbursements made to Directors, during the financial year no transactions were conducted with parties related to any Directors' interests (2014: Nil). Should such transactions occur, they would be conducted on terms no more favourable than those which it is reasonable to expect Bush Heritage would adopt in dealing with the related party at arm's length in similar circumstances.

Key Management Personnel Transactions

During the financial year no transactions were conducted with parties related to any Key Management Personnel interests (2014: Nil). Should such transactions occur, they would be conducted on terms no more favourable than those which it is reasonable to expect Bush Heritage would adopt in dealing with the related party at arm's length in similar circumstances.

Subsidiary

The Midlands Conservation Fund (MCF) Ltd is a subsidiary of Bush Heritage. Refer to Note 2(e).

Other Related Party Transactions

No other related party transactions were conducted during the financial year.

Note 17. Auditor's Remuneration

		2015 \$'000	2014 \$'000
Amounts received or due and receivable by Ernst & Young for:			
Audit of the financial report		37	37
		37	37

Note 18. Director and Executive Disclosures

Note 18(a). Directors

The names of persons who were directors of Bush Heritage at any time during the year are as follows:

Louise Sylvan	President	
Andrew Myer	Vice President	
David Rickards	Treasurer	
Nick Burton Taylor		
Chris Grubb		
Leanne Liddle		
Sue McIntyre		
Rebecca Nelson	Appointed on 5 December 2014	
Keith Tuffley		

		2015 \$'000	2014 \$'000
Note 18(b). Compensation of Key Management Personnel			
Executives			
Short Term Employee Benefits		676	583
Post Employment Benefits		64	54
Total Compensation		740	637

Key management personnel (KMP) comprises our Board of Directors (all of whom provide their services on a pro-bono basis) and members of the senior management team with central oversight responsibilities (this includes 4 full time management positions (2014: 4)). In 2014, one of the four positions was vacant for approximately 4 months.

Directors

The Directors of Bush Heritage Australia provide their services on a pro bono basis and as a consequence receive no financial compensation.

Note 19. Information relating to Bush Heritage Australia ("Parent Entity")	2015	2014
	\$'000	\$'000
Current assets	1,508	3,286
Total assets	40,952	37,641
Current liabilities	2,053	1,541
Total liabilities	2,561	1,818
General fund	34,444	31,905
Restricted fund	1,867	2,583
Net unrealised gains reserve	2,080	1,335
	<u>38,391</u>	<u>35,823</u>
Surplus / (Deficit) of the parent entity	1,824	(797)
Total comprehensive income of the parent entity	2,569	(311)

The parent entity has no capital expenditure commitments for land purchases or investments.

Note 20. Subsequent Events

No matter or circumstances has arisen since the end of the financial year which is not otherwise dealt with in this Report or in the Financial Statements, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial periods.

Note 21. State and Territory Government Fundraising Legislation Requirements

As a national organisation, Bush Heritage Australia conducts fundraising operations in all states and territories. Several State and Territory governments have specific licensing and reporting requirements aimed at informing and protecting the interests of donors. Bush Heritage holds the following licences:

Australian Capital Territory	Charitable Collections Act 2003, Charitable Collections Licence No. L19000280
New South Wales	Charitable Fundraising Act 1991, Charitable Fundraising Authority 17412
Queensland	Collections Act 1966, Certificate of Sanction No. CP 4954
Tasmania	Collections for Charities Act 2001, Approval 10/02/09 F1A-320
Victoria	Fundraising Act 1998, Registration Number 9971.15
South Australia	Collections for Charitable Purposes Act 1939, Licence not required
Western Australia	Charitable Collections Act 1946, Licence No: 21446

There are no applicable fundraising licensing requirements in the Northern Territory.

Declaration consistent with the Charitable Fundraising Act 1991 (NSW)

We, Marie Louise Sylvan and David George Edward Rickards, being directors of Bush Heritage Australia, declare that the company is the holder of an authority under the Charitable Fundraising Act 1991 (NSW), registration number CFN 17412.

We further declare that in our opinion:

- a) the consolidated statement of comprehensive income gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals
- b) the consolidated statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation
- d) The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals
- e) the forms of fundraising appeals conducted in NSW during the period ended 31 March 2015 were:
 - (i) direct mail
 - (ii) printed inserts in selected magazines
 - (iii) organised functions for supporters by invitation only
 - (iv) applications to philanthropic foundations
 - (v) telephone contact with Bush Heritage supporters
 - (vi) face to face recruitment of donors
 - (vii) donations via workplace 'giving' programs

On behalf of the Board of Directors



Louise Sylvan
President



David Rickards
Treasurer

Melbourne,
11 June 2015

Directors' Declaration

In accordance with a resolution of the directors of Bush Heritage Australia, we state that in the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
- (i) giving a true and fair view of the Company's financial position as at 31 March 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and the Australian Charities and Not-for-Profits Commission Regulation 2013;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Louise Sylvan
President

Melbourne,
11 June 2015



David Rickards
Treasurer

Independent auditor's report to the members of Bush Heritage Australia

We have audited the accompanying financial report of Bush Heritage Australia, which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Bush Heritage Australia is in accordance with the *Corporations Act 2001*, and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.



Ernst & Young



Kester Brown
Partner
Melbourne
11 June 2015