



BUSH HERITAGE
AUSTRALIA

Bush Heritage Australia

ACN 053 639 115

Consolidated Financial Statements

Year ended 31 March 2018

Directors' Report

Bush Heritage is a not-for-profit public company limited by guarantee incorporated under the *Corporations Act 2001* and a registered charity with the Australian Charities and Not-for-Profit Commission (ACNC) under the *Australian Charities and Not-for-Profits Commission Act 2012*.

Bush Heritage's board is responsible for the governance of the company and for ensuring that business activities are directed towards achieving the company's purpose and vision.

Your directors present their report for the 12 months ended 31 March 2018.

Short and long-term strategy and objectives

Bush Heritage's vision is for *healthy Country, protected forever* and its purpose is *to return the bush to good health*.

The 2017-18 financial year was the first year under the five year 2017-22 strategic plan, which will guide investment and reporting during those five years. Arranged under four themes, the objectives of *Our Plan 2017-22* are:

1. Landscape-scale conservation
 - The health of the species and habitats we protect (our conservation targets) will be maintained or improved.
 - The threats to the species and habitats we protect (our conservation targets) will be managed, reduced or eliminated.
 - Our conservation impact will have grown through targeting investment to national conservation priorities.
2. Science and knowledge
 - Our credibility and collaboration have built capacity in science, research and knowledge and better informed land management activities.
3. Engage and inspire
 - Our reputation and actions are generating significantly more support for conservation.
4. Resilience and capability
 - Our annual income will exceed \$30 million and be both sustainable and poised for further growth.
 - Our people are supported by our strong culture, systems and resources.

Principal activities

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

- Protect and enhance the natural environment, or significant parts of it, for the long term by acquiring and preserving land or water that 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
- 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 in monitoring organisational performance and this is reflected in our annual reporting.

Our peak organisational performance measure is our conservation impact. To measure and report this, we have adopted the Global Impact Investing Network 'Impact Reporting and Investment Standards'.

Bush Heritage has also adopted the Open Standards for the Practice of Conservation as our core business process. Our adapted version, the Bush Heritage Conservation Management Process, is used to guide our conservation strategy, planning, implementation, monitoring and reporting. Bush Heritage uses 'conservation scorecards' as a key tool for monitoring and reporting on the conservation outcomes we have achieved on our reserves or partnership properties.

Goals or targets are set within our five-year strategic plan and are reported upon periodically to the board, and externally within our Annual Report. These goals or targets relate to both our core conservation work and our supporting business activities, including marketing, fundraising, and financial and human resource management. Key examples of our periodic internal reporting include:

- Quarterly KPI and progress reporting against the five-year strategic goals and annual business priorities
- Monthly financial reporting
- Quarterly marketing KPI reporting
- A biennial organisational effectiveness report
- Annual staff diversity reporting.

Board of Directors

The board sets the strategic direction of the company and oversees its systems of accountability and control. The following people have served as directors on the board during the year and to the date of this report:

Chris Grubb – President

B.A, B.Comm. Joined the board in 2011, elected President from August 2017.

Chris is a non-executive director of several Asian investment management companies, Chairman of Boardroom Pty Ltd and a business coach. He was a director of Asian investment bank Jardine Fleming and has served as Chairman of ASX listed companies and as a director of several public and not-for-profit organisations. He is a keen birdwatcher, naturalist and sportsman.

Nicholas Burton Taylor AM – Vice President and Treasurer

B.Ec (Syd), F Fin, FCA, FAICD, FCPA. Joined the board in 2013, Vice President from August 2017

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

Prof Sarah Bekessy

PhD, BSc (Hons). Joined the board in 2017

Sarah teaches Sustainability and Urban Planning at RMIT University, with a particular interest in the intersection between science and policy in environmental management. She is involved in an interdisciplinary range of research and consulting projects, including an ARC Future Fellowship titled 'Socio-ecological models for environmental decision making'. Sarah leads the Interdisciplinary Conservation Science research group. Her interests include threatened species management and the role of science in environmental policy.

Phillip Cornwell

BA LLB (Hons). Joined the board in 2015

Phillip is a Senior Finance Counsel at the commercial law firm Allens. Previously a partner there, Phillip headed its Project Finance practice and chaired its Pro Bono and Footprint Committees. Phillip is also a director and deputy chair of Suicide Prevention Australia and chairs its governance committee, and he is a director and the chair of the Australian Pro Bono Centre. Phillip is a long term supporter of Bush Heritage.

Melissa George

Joined the board in 2018

Melissa is the CEO of the North Australian Indigenous Land and Sea Management Alliance and has a background in Cultural Heritage and Protected Area Management. A Wulgurukaba woman, she is passionate about Indigenous stewardship of land and sea and has advised the Commonwealth and Queensland Governments on issues ranging from threatened species management to carbon farming. She also serves on the Board of the Great Barrier Reef Marine Park Authority and the Board of the Cooperative Research Centre for Northern Australia.

Dr Alexander Gosling AM

FTSE FIEAust DEng MA(Hons). Joined the board in 2016

Alexander was the founding director of Invetech and worked in the field of product development and technology commercialisation. He received an Order of Australia for services to industry, technology and the community, and has an honorary Doctorate of Engineering. Alexander sits on a number of boards and is an active supporter of Zoos Victoria's 'Fighting Extinction' program.

Distinguished Professor Michelle Leishman

BSc (Hons), PhD. Joined the board in 2015

Michelle is a plant ecologist with over 25 years research experience focused on invasive plants, vegetation response and adaptation to climate change, restoration ecology and plant conservation. She leads a research group in the Department of Biological Sciences at Macquarie University and is current Head of Department. Michelle is a Trustee of the Royal Botanic Gardens and Chair of their Scientific and Conservation Committee. She is also an elected Council member of the Australian Flora Foundation.

Dr Rebecca Nelson

J.S.D., J.S.M., B.E. (Env.Eng.)/LL.B. Joined the board in 2014

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

June Oscar AO

BBus, HonDUniv ECowan. Joined the board in 2016, concluded October 2017

June is the Aboriginal and Torres Strait Islander Social Justice Commissioner with the Australian Human Rights Commission. She is a proud Bunuba woman from Fitzroy Crossing and a champion for Indigenous Australian languages, social justice, women's issues and Foetal Alcohol Spectrum Disorder. June was awarded an Order of Australia for distinguished service to the Indigenous community of Western Australia and the Global Reconciliation Foundation's 2016 Desmond Tutu Reconciliation Fellowship award.

Louise Sylvan

BA MPA. Joined the board in 2009, concluded August 2017

Louise is: Adjunct Professor, Prevention Research Collaboration, Sydney Medical School; Chair of Energy Consumers Australia; Non-executive Director of Social Enterprise Finance Australia; Non-executive director of Impact Investing Australia; Vice-Chair of the Australian Advisory Board on Impact Investing; Non-executive director of the Risk Policy Institute; and Member of the Economic Development Committee of the NSW Land Council. She was previously the CEO of the Australian National Preventive Health Agency, a Commissioner of the Productivity Commission and Deputy Chair of the Australian Competition and Consumer Commission.

Company Secretary

Gerard O'Neill – February 2013 – present

Gerard is Company Secretary and Chief Executive. 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.

Board meetings

Six board meetings were held during 2017-18. Details of the directors' meeting attendance are outlined in the table below. 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. The Bush Heritage Constitution (Section 50) permits decisions to be taken by the board in written resolution form. In 2017-18, the board made no decisions using this alternative method.

	Board meetings held during the period that each Director was in office	Board meetings attended
Chris Grubb	6	6
Nick Burton Taylor	6	6
Sarah Bekessy	6	5
Phillip Cornwell	6	6
Melissa George	2	1
Alexander Gosling	6	6
Michelle Leishman	6	5
Rebecca Nelson	6	6
June Oscar	2	0
Louise Sylvan	2	2

Responsibilities of management

The board has formally delegated responsibility for Bush Heritage's day-to-day management of operations to the Chief Executive. The Chief Executive provides leadership to the organisation and is responsible for achieving the results set out in the five-year strategic plan, and the annual business plan and budget. The Chief Executive is authorised by the board to put in place policies and procedures, take decisions and actions and initiate activities to achieve those results in line with the delegations of authority.

Our Senior Management Team includes the Chief Executive and all executive managers with direct reporting responsibility to the Chief Executive. This includes managers both who are and who are not included within Key Management Personnel as defined in the Notes to the Full Consolidated Financial Report. As at the date of this report, the Senior Management team comprised Gerard O'Neill (Chief Executive) and Executive Managers with the following areas of responsibility:

- Dr Rebecca Spindler, Science & Conservation
- Robert Pratt, Corporate Services & Chief Financial Officer
- Melinda Warnecke, Marketing & Fundraising
- Dr Jody Gunn, South East region conservation operations and National Health, Safety and Environment Program
- Robert Murphy, North region conservation operations and National Fire Management and Community Engagement Programs
- Luke Bayley, West region conservation operations and National Aboriginal Engagement Program.

Board oversight and board committee structure

The board meets at least quarterly to oversee and monitor the organisation's performance. During these meetings it receives detailed reports from management and provides direction on key matters. Further to this, committees of the board have been established to review, provide advice and make recommendations to the board and management on particular aspects of Bush Heritage's operations and administration. Each committee operates under a charter approved by the board that sets out the committee's purpose, membership and responsibilities. Several committees currently support the board, with membership consisting of directors and non-directors who are external specialists in their field.

All director and committee roles are non-executive positions and no remuneration is payable. However, out-of-pocket expenses such as travel may be paid to enable fulfilment of duties.

As at 31 March 2018, the committees' structures and duties are as follows:

Aboriginal Engagement Committee

Acting Chair: Phillip Cornwell

Members: Nick Burton Taylor, Melissa George, Trent Nelson*, Peter Peckham*, Avelina Tarrago*

Provides strategic guidance on Aboriginal engagement strategy and policy and monitors the development and performance of on-country programs.

Capital Fund Committee

Chair: David Rickards*

Members: Chris Grubb, Nick Burton Taylor

Provides strategic guidance on the Bush Heritage Capital Fund's management and investment objectives and performance, including appointment and review of the Investment Manager.

Finance, Audit and Risk Committee

Chair: Nick Burton Taylor

Members: Jay Bonnington*, Alexander Gosling, Rebecca Nelson, Bill Starr*

Provides strategic review and oversight on overall financial management, annual and longer-term budgets and financial results, investment strategies and business modelling and management of financial assets. Monitors auditing, risk management policy and procedures, and legislative and regulatory responsibilities.

Gift Fund Committee

Chair: Nick Burton Taylor

Members: Gerard O'Neill, Chris Schulz*

Monitors compliance with the rules of the Bush Heritage Australia Fund and those of the Register of Environmental Organisations to ensure deductible gift recipient status is retained.

Governance Committee

Chair: Chris Grubb

Members: Phillip Cornwell, Michelle Leishman

Provides strategic advice on matters relating to the effectiveness of the board, its committees, the role of the Chief Executive and Company Secretary and oversees the membership register.

Marketing & Fundraising Committee

Chair: Chris Grubb

Members: Sandra Davey*, Alexander Gosling

Provides strategic advice and monitors the performance of Bush Heritage's marketing and fundraising strategies including engagement, and fundraising growth and development.

Operations and Safety Committee

Chair: Alexander Gosling

Members: Sarah Bekessy, Allan Holmes*, Angus Holden*, Leanne Liddle, Ewan Waller*

Provides strategic advice on and monitors Bush Heritage's Health, Safety and Environment strategy and management, reviews health and safety incidents arising from Bush Heritage operations, impacts from natural disaster events, preparation for planned burning and management of Bush Heritage assets.

Science & Conservation Committee

Chair: Michelle Leishman

Members: Sarah Bekessy, Phillip Cornwell, Sarah Legge*, Rebecca Nelson, James Watson*

Provides strategic advice on science and conservation strategies and policies, including acquisition proposals, reserve and partnership planning, scientific research, and conservation outcomes and impact.

**Denotes a non-director member of the committee during the reporting period*

Risk management

Bush Heritage manages its organisational risks in line with current Australian Standards AS/NZS ISP 31000:2009. Each risk is assigned a 'risk owner' who is responsible for identifying and implementing appropriate treatment strategies to mitigate the risk, realise related opportunities and report on that risk to the relevant committee(s) and board.

The Finance, Audit and Risk Committee oversees the execution of the Risk Management Policy across the organisation. The board is responsible for ensuring that risks and opportunities are

identified in a timely manner and considered against the organisation's objectives, operations and appetite for risk.

Health, Safety & Environment

Bush Heritage operates in a variety of working environments, including some of the most remote parts of Australia, and the safety of all people who come into contact with our operations is paramount. Bush Heritage's Health, Safety and Environment Management System is reviewed by a staff-based Health and Safety Committee representing each team, location and level within Bush Heritage, thereby ensuring a system that can be consistently applied and fulfils all relevant Work, Health and Safety legislation. Our board's Operations and Safety Committee provides strategic advice on, and monitors, Bush Heritage's health, safety and environment strategy and management, and reviews any incidents arising from Bush Heritage operations. The board also reviews and addresses health, safety and environment matters at each board meeting.

Workplace Gender Equality

Bush Heritage recognises the importance of supporting diversity within its workforce, including with regard to gender. In accordance with the requirements of the *Workplace Gender Equality Act 2012*, Bush Heritage has lodged its 2017-2018 Workplace Gender Equality public report, which may be accessed on the Workplace Gender Equality Agency website.

Members' guarantee

As at 31 March 2018 the number of members was 73. 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. Therefore based on this number the total amount that members of the company would be liable to contribute if the company is wound up is \$730.

Auditors' independence

The Auditors' Declaration of Independence appears on page 8 and forms part of the Directors' Report for the year ended 31 March 2018.

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*.



Christopher Grubb
President
7 June 2018

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 2018, 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
7 June 2018

Bush Heritage Australia

Consolidated Statement of Comprehensive Income

for year ended 31 March 2018

	Notes	2018 \$'000	2017 \$'000
Revenue			
Supporter contributions and grants	3(a)	21,334	18,826
Interest and investment income	3(b)	720	421
Conservation enterprises income		450	399
Other income		92	207
Total Revenue		22,596	19,853
Expenses			
Conservation management activities	4(a)	10,469	9,911
Conservation communities, events & education	4(b)	2,145	2,133
Fundraising activities	4(c)	1,563	1,548
Investment in new supporters	4(d)	2,600	2,120
Organisational support	4(e)	2,574	2,406
Total Expenses		19,351	18,118
Surplus Before Tax		3,245	1,735
Income tax		-	-
Net Surplus after tax		3,245	1,735
Other Comprehensive Income			
Realisation of net fair value gains previously brought to account		(132)	(53)
Net fair value gains brought to account during the financial year		183	487
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the period after tax		51	434
Total comprehensive income for the period		3,296	2,169

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Bush Heritage Australia
Consolidated Statement of Financial Position
as at 31 March 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	4,221	593
Trade and other receivables	7	192	208
Assets held for sale	8	1,269	2,307
Other assets	9	336	252
Total Current Assets		6,018	3,360
Non-Current Assets			
Investments	10	10,288	9,968
Property, plant and equipment	11	33,667	33,336
Intangibles - computer software	12	870	1,082
Other assets	9	534	534
Total Non-Current Assets		45,359	44,920
TOTAL ASSETS		51,377	48,280
LIABILITIES			
Current Liabilities			
Trade and other payables	13	972	934
Provisions	14	1,005	1,114
Interest bearing liabilities	15	325	455
Total Current Liabilities		2,302	2,503
Non-Current Liabilities			
Provisions	14	230	206
Interest bearing liabilities	15	1,733	1,755
Total Non-Current Liabilities		1,963	1,961
TOTAL LIABILITIES		4,265	4,464
NET ASSETS		47,112	43,816
EQUITY			
Equity Funds and Reserves	16	47,112	43,816
TOTAL EQUITY		47,112	43,816

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 2018

	Accumulated Surplus	Equity Funds	Total
	2018	2018	2018
Notes	\$'000	\$'000	\$'000
At 1 April 2017	-	43,816	43,816
Surplus for the period	3,245	-	3,245
Other comprehensive income	-	51	51
Total comprehensive income for the period	3,245	51	3,296
Net transfer to Bush Heritage General Fund	(2,202)	2,202	-
Net transfer to Bush Heritage Restricted Fund	(707)	707	-
Net transfer to Midlands Conservation Fund	(336)	336	-
At 31 March 2018	16	47,112	47,112
	2017	2017	2017
	\$'000	\$'000	\$'000
At 1 April 2016	-	41,647	41,647
Surplus for the period	1,735	-	1,735
Other comprehensive income	-	434	434
Total comprehensive income for the period	1,735	434	2,169
Net transfer to Bush Heritage General Fund	(2,790)	2,790	-
Net transfer from Bush Heritage Restricted Fund	1,147	(1,147)	-
Net transfer to Midlands Conservation Fund	(92)	92	-
At 31 March 2017	16	43,816	43,816

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 2018

	Notes	2018	2017
		\$'000	\$'000
Operating Activities			
Receipts from supporter contributions and other sources		19,695	17,199
Payments to suppliers and employees		(18,149)	(16,378)
Proceeds from the sale of assets held for sale		3,286	-
Interest paid		(76)	(75)
Interest and dividends received		510	139
Net cash from operating activities	17	5,266	885
Investing Activities			
Purchase of investments		(1,982)	(1,210)
Purchase of buildings, plant and equipment		(1,199)	(540)
Purchase of software		(18)	(631)
Proceeds from the sale of investments		1,974	1,855
Proceeds from the sale of buildings, plant and equipment		4	11
Net cash to investing activities		(1,221)	(515)
Financing Activities			
Payment of finance lease liabilities		(328)	(326)
Repayment of borrowings		(89)	(312)
Net cash to financing activities		(417)	(638)
Net increase/(decrease) in cash and cash equivalents		3,628	(268)
Cash and cash equivalents at beginning of period		593	861
Cash and cash equivalents at end of period	17	4,221	593

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 2018

Note	DESCRIPTION
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2	Summary of Significant Accounting Policies
3	Revenue
4	Expenses
5	Capital Expenditure not included in the Consolidated Statement of Comprehensive Income
6	Cash and Cash Equivalents
7	Trade and Other Receivables
8	Other Assets
9	Assets Held for Sale
10	Investments
11	Property, Plant and Equipment
12	Intangibles - Computer Software
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18	Commitments
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22	Information relating to Bush Heritage Australia ("Parent Entity")
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Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 1. Corporate Information

Bush Heritage Australia (ACN 053 639 115) ("the Company") is a company limited by guarantee. Members are nominated and determined in accordance with the constitution. 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 each member's contribution 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 are aimed at returning Australia's bush to good health. This is achieved through the careful selection, purchase and direct management of land of outstanding conservation value. We also work in partnership with others on their land, including with Aboriginal groups, pastoralists, private land owners, non-government and government organisations to assist the conservation management of their lands. We raise funds for our work principally through attracting philanthropic and charitable donations. There have been no significant changes to the nature of these activities during the year.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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 2018. The comparative period was the financial year ended 31 March 2017.

(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

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

(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 2018. 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 standard which replaces AASB 139. This new 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 adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p>Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below.</p> <p>Financial assets</p> <ol style="list-style-type: none"> 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. 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. 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>Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ol style="list-style-type: none"> a. The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b. The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p> <p>Impairment 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>The impact of this standard is still to be determined.</p>	1-Jan-18	1-Apr-18

(c) Statement of Compliance (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p> <p>The impact of this standard is still to be determined.</p>	1-Jan-18	1-Apr-18
AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. <p>Lessor accounting</p> <ul style="list-style-type: none"> • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. 	1-Jan-19	1-Apr-18

(c) Statement of Compliance (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 16	Leases	<p>AASB 16 supersedes:</p> <p>(a) AASB 117 Leases;</p> <p>(b) Interpretation 4 Determining whether an Arrangement contains a Lease;</p> <p>(c) SIC-15 Operating Leases—Incentives; and</p> <p>(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.</p> <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p> <p>The impact of this standard is still to be determined.</p>	1-Jan-19	1-Apr-18
AASB 1058	Income of Not-for-Profit Entities	<p>AASB 1058 and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>AASB 1004 Contributions is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p> <p>AASB 1058 will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 Revenue from Contracts with Customers is applied on or before the date of initial application.</p> <p>The impact of this standard is still to be determined.</p>	1-Jan-19	1-Apr-18

(d) Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

Treatment of leasehold properties and property assets
Refer full details under Note 11(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 2018 and that the assets are not impaired.

(ii) Significant accounting estimates and assumptions

Trade and other receivables

All trade debtors were individually reviewed and, if appropriate, provision for bad or doubtful debts has been made for the year ended 31 March 2018.

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.

(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 these 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, any intercompany balances, transactions, income and expenses and profit and losses resulting from any 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.

(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) Donations and Grants 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.

(ii) Rendering of Services

Revenue from services provided on reserves including service fees and field trips/events is recognised when the services are rendered.

(iii) 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.

(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.

(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, term deposits and money market investments readily convertible to cash within 90 days, net of any outstanding bank overdrafts.

(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. Any 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.

(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.

(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.

(l) Intangibles - Computer Software

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

Computer software includes software relating to Bush Heritage's fundraising systems and accounting system. 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.

(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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(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.

(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.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

(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.

(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 federal government bonds with terms to maturity to match, as closely as possible, the estimated future cash outflows.

(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.

(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 2018.

(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.

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

	Note	2018 \$'000	2017 \$'000
Financial Assets			
Cash and cash equivalents	6	4,221	593
Trade and other receivables	7	192	208
Assets held for sale	8	3	1,559
Other assets	9	534	534
Investments	10	10,288	9,968
		<u>15,238</u>	<u>12,862</u>
Financial Liabilities			
Trade and other payables	13	972	934
Interest bearing liabilities	15	2,058	2,210
		<u>3,030</u>	<u>3,144</u>
Net Exposure		<u>12,208</u>	<u>9,718</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 or the NYSE. 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.

Bush Heritage Australia
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for year ended 31 March 2018

(t) Financial Risk Management (continued)

(iv) Liquidity Risk -

Maturity analysis of financial assets and liabilities at 31 March 2018:

	<6 months \$'000	6-12 months \$'000	1-5 Years \$'000	>5 Years \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	4,221	-	-	-	4,221
Trade and other receivables	192	-	-	-	192
Assets held for sale	3	-	-	-	3
Other assets	-	-	534	-	534
Investments	10,232	-	56	-	10,288
	14,648	-	590	-	15,238
Financial Liabilities					
Trade and other payables	972	-	-	-	972
Interest bearing liabilities	161	164	1,733	-	2,058
	1,133	164	1,733	-	3,030
Net Maturity	13,514	(164)	(1,143)	-	12,209

Maturity analysis of financial assets and liabilities at 31 March 2017:

	<6 months \$'000	6-12 months \$'000	1-5 Years \$'000	>5 Years \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	593	-	-	-	593
Trade and other receivables	208	-	-	-	208
Assets held for sale	1,559	-	-	-	1,559
Other assets	-	-	534	-	534
Investments	9,921	-	47	-	9,968
	12,281	-	581	-	12,862
Financial Liabilities					
Trade and other payables	934	-	-	-	934
Interest bearing liabilities	239	216	1,755	-	2,210
	1,173	216	1,755	-	3,144
Net Maturity	11,108	(216)	(1,174)	-	9,718

(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 2018					
Financial Assets					
Cash and cash equivalents	3,003	757	461	4,221	2.1
Trade and other receivables	-	-	192	192	-
Assets held for sale	-	-	3	3	-
Other assets	534	-	-	534	2.1
Investments	2,135	1,788	6,365	10,288	3.5
Financial Liabilities					
Trade and other payables	-	-	972	972	-
Interest bearing liabilities	642	1,416	-	2,058	4.6

	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000	Average Interest Rate %
At 31 March 2017					
Financial Assets					
Cash and cash equivalents	-	82	511	593	1.7
Trade and other receivables	-	-	208	208	-
Assets held for sale	-	-	1,559	1,559	-
Other assets	534	-	-	534	2.1
Investments	1,890	2,337	5,741	9,968	4.2
Financial Liabilities					
Trade and other payables	-	-	934	934	-
Interest bearing liabilities	705	1,505	-	2,210	4.7

Bush Heritage Australia
Notes to the Consolidated Financial Statements
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Note 3. Revenue	2018	2017
	\$'000	\$'000
Revenue includes the following major categories:		
Supporter contributions and grants (refer note 3(a))	21,334	18,826
Interest and Investment Income (refer note 3(b))	720	421
Conservation enterprises income	450	399
Other Income	92	207
Total Revenue	22,596	19,853

(a) Supporter contributions and grants

Donations and Gifts	13,432	12,976
Grants	1,349	433
Bequests	6,552	5,417
Total Supporter Contributions and Grants	21,334	18,826

(b) Interest and investment income

Dividends	385	190
Interest	212	152
Realised Gains on disposal	123	80
Total Interest and Investment Income	720	421

Note 4. Expenses

(a) Conservation management activities

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.

(b) Conservation communities, events & education

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.

(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.

(d) Investment in new supporters

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

(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.

(f) Remuneration Expense	2018	2017
	\$'000	\$'000
Salaries and Wages	7,581	7,694
Superannuation	701	700
Workers Compensation Insurance	121	117
Total Remuneration Expense	8,403	8,511

The relevant portion of remuneration expense is included in all expense category line items in the Consolidated Statement of Comprehensive Income. Salaries and Wages include salaries, wages, salary sacrifice fringe benefits, annual leave and long service leave.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 4. Expenses (continued)

(g) Depreciation and Amortisation

Depreciation of Property, Plant and Equipment:

Reserve Plant and Equipment	566	568
Reserve Buildings and Infrastructure	369	350
Office Plant and Equipment	176	172
Total Depreciation	1,111	1,090

Amortisation of Intangibles:

Computer Software	229	54
Total Depreciation and Amortisation	1,340	1,144

(h) Other Expenses

Operating Lease - Minimum Lease Payments	236	258
	236	258

Note 5. 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 & equipment and building & infrastructure 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 6. Cash and Cash Equivalents

	2018	2017
	\$'000	\$'000
Cash at bank	1,218	593
Short term deposits	3,003	-
Total Cash and Cash Equivalents	4,221	593

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

(a) Increase of 50 basis points (0.5%) - Increase Net Surplus by	12	6
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Surplus by	(12)	(6)

Note 7. Trade and Other Receivables

	2018	2017
	\$'000	\$'000
Trade Debtors	5	78
Net GST Receivable	138	94
Accrued income	49	36
Total Trade and Other Receivables	192	208

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.

Note 8. Assets Held for Sale

	2018	2017
	\$'000	\$'000
Freehold properties	1,266	748
Equity and property trust securities	3	1,559
Total Assets Held for Sale	1,269	2,307

Assets held for sale represent three 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; and equity securities in listed companies and managed funds received via donations. One of the properties held for sale as at 31 March 2018 was sold after year end and settled on 23 April 2018.

Note 9. Other Assets

	2018	2017
	\$'000	\$'000
Prepayments	336	252
Security deposit (a)	534	534
Total Other Assets	870	786
Current	336	252
Non-current (a)	534	534
Total Other Assets	870	786

(a) Assets Pledged as Security

Cash Deposit Account Funds	534	534
	534	534

Security deposit is funds held as security over the corporate credit card facility, a bank guarantee relating to office lease rental commitments and a bank overdraft facility.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 10. Investments	2018	2017
	\$'000	\$'000
(a) Investments held by company		
Bush Heritage Australia		
- Bush Heritage Capital Fund	6,400	6,247
- Other Investments	56	47
	6,456	6,294
Midlands Conservation Fund	3,832	3,674
Total Investments	10,288	9,968
(b) Investments held by class		
Fixed Interest	2,135	1,890
Property Trusts	138	144
Shares Australian	4,166	3,692
Shares International	2,005	1,858
Term Deposits	800	1,521
Cash and cash equivalents	988	816
Other	56	47
Total Investments	10,288	9,968
(c) Reconciliation of Movement in Investments		
Opening balance	9,968	9,283
Additions	4,214	2,500
Disposals	(3,945)	(2,249)
Realisation of net fair value gains previously brought to account	(132)	(53)
Net fair value gains/(loss) brought to account during the financial year	183	487
Closing balance	10,288	9,968

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 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 16.

Investments held in the Midlands Conservation Fund are directly overseen by the Midlands Conservation Fund Board of Directors and as at 31 March 2018 were entirely held in term deposits placed with Australian banks or in Australian managed investment funds.

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

(a) Increase of 50 basis points (0.5%) - Increase Net Surplus by	6	10
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Surplus by	(6)	(10)

Note 11. 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
2018							
At 1 April 2017 (Net of accumulated depreciation)	7,809	18,970	4,484	463	1,566	44	33,336
Additions	-	-	165	50	435	827	1,477
Disposals	-	-	-	-	(3)	(32)	(35)
Transfers	-	-	597	-	2	(599)	-
Depreciation charge for the year	-	-	(369)	(176)	(566)	-	(1,111)
At 31 March 2018 (Net of accumulated depreciation)	7,809	18,970	4,877	337	1,434	240	33,667
2017							
At 1 April 2016 (Net of accumulated depreciation)	7,809	18,970	4,634	611	1,521	504	34,049
Additions	-	-	200	26	324	924	1,475
Disposals	-	-	-	(2)	(4)	-	(6)
Transfers (1)	-	-	-	-	292	(1,384)	(1,092)
Depreciation charge for the year	-	-	(350)	(172)	(568)	-	(1,090)
At 31 March 2017 (Net of accumulated depreciation)	7,809	18,970	4,484	463	1,566	44	33,336

(1) Transfers from Capital Work in Progress were made to Building & Infrastructure and Reserve Plant & Equipment (Note 11) and Intangibles - Computer Software (Note 12).

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 11.	Property, Plant and Equipment (continued)	2018	2017
		\$'000	\$'000
(a) Freehold Land			
	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
	Drys Bluff Reserve, Tas	173	173
	Fan Palms Reserve, Daintree, Qld	88	88
	Friendly Beaches Reserve, Coles Bay, Tas	255	255
	Goonderoo Reserve, Qld	173	173
	Kojonup Reserve, WA	85	85
	Liffey Reserve, Tas	103	103
	Monjebup Reserve, WA	222	222
	Monjebup North, WA	761	761
	Red Moort, WA (formerly known as Mojebup Creek Reserve)	400	400
	"Nameless" Sylvan Reserve, NSW	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 - Barnett Block	127	127
	Nardoo Hills, Vic - Lawan Block	180	180
	Oura Oura Reserve - Tas	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	96	96
	Total Freehold Land	7,809	7,809
(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	1,750
	Naree Station Reserve, NSW (i)	878	878
	Pullen Pullen Reserve, Qld	2,439	2,439
	Yourka Reserve, Qld	2,745	2,745
	Total Leasehold Land	18,970	18,970

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 as follows: Yourka 30/09/2025, Ethabuka 30/06/2031, Cravens Peak 30/06/2032, Edgbaston 10/06/2038, Pullen Pullen 30/10/2045 and Carnarvon 31/03/2047. 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. 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, in that leasehold land is under the long term control of Bush Heritage and thus classified as an asset. This view is supported by the relevant lease provisions and legislation in each jurisdiction.

Note 12.	Intangibles - Computer Software	2018	2017
		\$'000	\$'000
	Balance at the start of the period, net of accumulated amortisation and impairment	1,082	44
	Additions	17	-
	Disposals	-	-
	Transfers from Capital Work in Progress (Note 11)	-	1,092
	Amortisation charge for the year	(229)	(54)
	Balance at the end of the period, net of accumulated amortisation	870	1,082
	Cost	1,492	1,475
	Accumulated amortisation	(622)	(393)
		870	1,082

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 13. Trade and Other Payables	2018	2017
	\$'000	\$'000
Trade Creditors	650	618
Payroll Related Accruals	109	62
Other Accrued Expenses	213	254
Total Trade and Other Payables	972	934

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 14. Provisions

	Annual Leave \$'000	Long Service Leave \$'000	Other \$'000	Total \$'000
At 1 April 2017	629	691	-	1,320
Additional provisions raised during the year	158	79	-	237
Amounts used or paid out	(207)	(115)	-	(322)
At 31 March 2018	580	655	-	1,235
At 31 March 2018				
Current	580	425	-	1,005
Non-current	-	230	-	230
	580	655	-	1,235
At 31 March 2017				
Current	629	484	-	1,114
Non-current	-	206	-	206
	629	691	-	1,320

Note 15. Interest Bearing Liabilities

Finance Leases

Repayable within one year	352	391
Repayable after one year but not more than five years	336	365
Total minimum lease payments	688	756
Less amounts representing finance charges	(46)	(51)
Present value of minimum lease payments	642	705

Loans

Repayable within one year	-	89
Repayable after one year but not more than five years	1,416	1,416
Total loan payments	1,416	1,505

Total Interest Bearing Liabilities

2,058 **2,210**

Included in the financial statements as:

Current	325	455
Non-current	1,733	1,755
	2,058	2,210

Bush Heritage has 18 finance leased vehicles with a carrying amount of \$640,936 (2017: 17 vehicles, \$697,132). Interest on the leases is fixed and each vehicle acts as security for the lessor. 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.

In January 2017, \$84,000 was repaid of the initial \$1,500,000 loan with National Australia Bank (NAB) taken out for the purposes of acquiring the Pullen Pullen, Queensland conservation reserve. The balance is due in December 2020. Interest is charged on the loan at variable rates and NAB holds a registered mortgage over the Pullen Pullen property as security for the loan.

Note 16. Equity Funds and Reserves

Bush Heritage General Fund (i)

Balance at the start of the period	38,524	35,734
Net surplus attributable to Bush Heritage	2,909	1,643
Net transfer from/(to) Bush Heritage Restricted Fund	(707)	1,147
Balance at the end of the period	40,726	38,524

Bush Heritage Restricted Fund (ii)

Balance at the start of the period	1,192	2,339
Additional restricted funds received	1,607	2,531
Restricted funds expended or acquitted	(900)	(3,678)
Balance at the end of the period	1,899	1,192

Midlands Conservation Fund (iii)

Balance at the start of the period	3,736	3,644
Net surplus attributable to Midlands Conservation Fund	336	92
Balance at the end of the period	4,072	3,736

Net Unrealised Gains / (Losses) Reserve (iv)

Balance at the start of the period	364	(70)
Realisation of net fair value gains previously brought to account	(132)	(53)
Net fair value gains/(loss) brought to account during the financial year	183	487
Balance at the end of the period	415	364

Total Equity Funds and Reserves

47,112 **43,816**

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 16. Equity Funds and Reserves (continued)

- (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 Funds Reserve represents funds received by Bush Heritage that have been tied by the company to specific future conservation-related purposes and which are yet to be applied to those purposes 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 17. Reconciliation of Net Surplus/(Deficit) to Net Cash Flows from Operating Activities

	Note	2018 \$'000	2017 \$'000
Operating Surplus		3,245	1,735
Depreciation and Amortisation	4(g)	1,340	1,144
Finance Lease Charges		31	28
Net Investment Income Reinvested		(488)	(320)
Gain on Sale of Property, Plant and Equipment		34	(11)
Gain on Sale of Investments		(123)	(80)
Lease Incentive		100	147
Non-cash Donations Received		(2,209)	(2,160)
Proceeds from the sale of assets held for sale		3,286	-
Impairment of property held for sale		107	-
Investment management fees		58	48
Changes in Assets and Liabilities			
Increase/(Decrease) in Trade and Other Payables		38	203
Increase/(Decrease) in Provisions		(85)	187
Decrease/(Increase) in Trade and Other Receivables		16	21
Decrease/(Increase) in Prepayments		(84)	(57)
Net Cash from Operating Activities		5,266	885
Reconciliation to Statement of Cash Flows			
Cash at bank		1,218	593
Short term deposits		3,003	-
Total Cash and Cash Equivalents at End of Period		4,221	593

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

Note 18. Commitments

	2018 \$'000	2017 \$'000
(a) Lease Commitments		
Future minimum rentals payable under non cancellable operating leases as at 31 March 2018 are as follows:		
Not Later than One Year	236	258
Later Than One Year and Not Later Than Five Years	131	332
Total Lease Commitments	367	590

Lease commitments relate to the following leases of office premises:

- (i) Melbourne, Victoria - commenced in November 2014 and terminates in November 2019, with a further optional term to November 2022 and is subject to fixed annual increases;
- (ii) Bungalow, Queensland - commenced in April 2016 and terminates in April 2018;
- (iii) Longreach Queensland - commenced in June 2016 and terminates in May 2018;
- (iv) Albany, Western Australian - commenced in March 2018 and terminates in June 2018;
- (v) Geraldton, Western Australia - commenced in November 2017 and terminates in October 2018;
- (vi) Geraldton, Western Australia - commenced in January 2018 and terminates in December 2018;
- (vii) Mount Nelson, Tasmania - commenced in October 2017 and terminates in October 2018;
- (viii) Chippendale, New South Wales - commenced in January 2018 and terminates with one month's notice; and
- (ix) Longreach, Queensland - commenced in February 2018 and terminates in April 2019.

(b) Capital Expenditure Commitments

Not Later than One Year	1,052	-
Later Than One Year and Not Later Than Five Years	-	-
	1,052	-

Capital commitments relate to the construction of the Red Moort Field Station in the FitzStirling region of Western Australian. This facility will provide research, accommodation and office facilities for Bush Heritage staff, volunteers and partners.

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

Note 19. Related Parties

Directors' 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 (2017: 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 (2017: 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 20. Auditor's Remuneration	2018	2017
	\$'000	\$'000
Amounts received or due and receivable by Ernst & Young for:		
Audit of the financial report	39	39
	39	39

Note 21. Director and Executive Disclosures

(a) Directors

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

Louise Sylvan	President, retired 25 Aug 2017
Chris Grubb	Vice President to 25 Aug 2017, President from 25 Aug 2017
Nick Burton Taylor	Treasurer
Rebecca Nelson	
Michelle Leishman	
Phillip Cornwell	
Alexander Gosling	
June Oscar	retired 23 Oct 2017
Sarah Bekessy	
Melissa George	appointed 20 Feb 2018

(b) Compensation of Key Management Personnel

	2018	2017
	\$'000	\$'000
Executives		
Short Term Employee Benefits	695	709
Post Employment Benefits	64	65
Total Compensation	759	774

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 four full time management positions (2017: 4)).

Directors

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

Note 22. Information relating to Bush Heritage Australia ("Parent Entity")	2018	2017
	\$'000	\$'000
Current assets	6,326	2,170
Total assets	47,319	44,441
Current liabilities	2,300	2,406
Total liabilities	4,263	4,368
General fund	40,726	38,524
Restricted fund	1,899	1,192
Net unrealised gains reserve	431	357
	43,056	40,073
Surplus of the parent entity	2,908	1,643
Total comprehensive income of the parent entity	2,875	2,072

Refer to Note 18(b) for capital expenditure commitments of the parent entity.

Note 23. 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 24. 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, Licence not required as Bush Heritage Australia is registered with Australian Charities and Not-for-profits Commission
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, File number F1A-320
Victoria	Fundraising Act 1998, Registration Number 9971-18
South Australia	Collections for Charitable Purposes Act 1939, Licence not required under this Act
Western Australia	Charitable Collections Act 1946, Licence No: 21446
Northern Territory	There are no applicable fundraising licensing requirements in the Northern Territory.

Declaration consistent with the Charitable Fundraising Act 1991 (NSW)

We, Chris Grubb and Rebecca Nelson, 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.

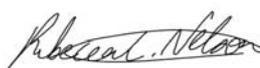
We further declare that in our opinion:

- 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; and
- e) the forms of fundraising appeals conducted in NSW during the period ended 31 March 2018 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
 - (viii) website supported by promotional activities including social media

On behalf of the Board of Directors



Christopher Grubb
President



Rebecca Nelson
Director

Melbourne,
7 June 2018

Bush Heritage Australia
Notes to the Consolidated Financial Statements
for year ended 31 March 2018

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 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 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards 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



Christopher Grubb
President



Rebecca Nelson
Director

Melbourne,
7 June 2018

Independent Auditor's Report to the Members of Bush Heritage Australia

Opinion

We have audited the financial report of Bush Heritage Australia (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Kester Brown
Partner
Melbourne
7 June 2018