



**BUSH HERITAGE**  
AUSTRALIA

*Our heart & soul*

**Bush Heritage Australia**

**ACN 053 639 115**

**Consolidated Financial Statements**

**Year Ended 31 March 2014**

## **Directors' report**

Your Directors present their report for the 12 months ended 31 March 2014.

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

### **Louise Sylvan – President**

Appointed to the Board in 2009

Louise was CEO of the Australian National Preventive Health Agency from September 2011 until the Agency closed in June 2014. Previously she served as a Commissioner of the Productivity Commission and Deputy Chair of the Australian Competition and Consumer Commission. She also serves as a Board Member of the Social Enterprise Fund Australia.

### **Andrew Myer – Vice President**

Appointed to the Board in 2007

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

### **David Rickards – Treasurer**

Appointed to the Board in 2006

David is the Co-founder of Social Enterprise Finance Australia. He was the Executive Director and Global Head of Research at Macquarie Securities.

### **Dr Steve Morton**

Appointed to the Board in 2003, retired in 2013

Steve is an Honorary Fellow with CSIRO in Alice Springs. He worked in CSIRO for 27 years as a research scientist and executive, aiming to ensure the effective application of science for community benefit. Steve now devotes effort to arid-zone ecology, conservation and resource management. He is one of Australia's most respected ecologists. Steve retired from the Board in 2013 having served since 2003.

### **Leanne Liddle**

Appointed to the Board in 2009

Leanne is a passionate scientist and lawyer who has worked and lectured internationally, with a particular focus on the Anangu Pitjantjatjara Yankunytjatjara Lands (APY) in South Australia. Leanne currently works with the SA Department of Premier and Cabinet as the manager of the

APY and West Coast region. She is a strong advocate for applying traditional Aboriginal use of fire in the landscape.

### **Keith Tuffley**

Appointed to the Board in 2006

Keith is Founder and CEO of Neuw Ventures SA, a Swiss-based impact investing company, focused on the creation and financing of sustainability start-up businesses. He was previously Managing Director and Head of Investment Banking at Goldman Sachs in Australia.

### **Dr Sue McIntyre**

Appointed to the Board in 2007

Sue is a plant ecologist with over 30 years' research experience in academia and CSIRO focusing on the management of native vegetation. Her published work has been influential academically, and informed policy development and land management for conservation.

### **Chris Grubb**

Appointed to the Board in 2011

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

### **Nicholas Burton Taylor AM**

Appointed to the Board in 2013

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

## Company Secretary

Gerard O'Neill – February 2013 – present

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 company law.

## Directors' meetings

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

	Directors' meetings held during the period that each Director was in office	Directors' meetings attended
Louise Sylvan	7	7
Andrew Myer	7	7
David Rickards	7	7
Chris Grubb	7	6
Leanne Liddle	7	5
Nick Burton Taylor	7	7
Sue McIntyre	7	6
Steve Morton	3	3
Keith Tuffley	7	6

## **Short and long-term objectives and strategy**

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

In the shorter term our strategies and objectives are to:

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

## **Principal activities**

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

- protect the natural environment through the acquisition and preservation of interests in or associated with land or water that is of high conservation value or environmental significance
- preserve, restore or maintain the conservation value or environmental significance of the natural environment through the planned management of the Company's property;
- obtain funds or other property through donations, bequests, public appeals, special events and from the corporate sector
- provide financial or in-kind assistance to others to protect and manage the natural environment
- provide advice to others about how to protect and manage the natural environment
- dispose of any land or water owned by the Company which is assessed to be outside of our conservation aims or which can be better conserved and protected by another entity
- buy or sell any trading credits, sequestration rights or other similar interest in land, air or water, and
- pursue business, sponsorship and other appropriate relationships with the public and private sector to achieve the objects of Bush Heritage.

## **Performance measures**

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

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

- Conservation Scorecards, for reporting on conservation outcomes achieved at reserves or with partners. Scorecards are derived from our central conservation management system (Miradi) utilised by Bush Heritage as part of our adoption of the *Open Standard for the Practice of Conservation*, which is an international planning and adaptive-management methodology
- monthly financial reporting
- quarterly 'traffic-light' reporting on progress against activities set out in the Business Plan.

### **Members' guarantee**

In accordance with the company's Constitution, each member is liable to contribute a maximum of \$10 in the event that the company is wound up. As at 31 March 2014 the number of members was 65.

### **Auditors' independence**

The Auditors' Declaration of Independence appears on page 42 and forms part of the Directors' Report for the year ended 31 March 2014.

### **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 the resolution of the Board of Directors made pursuant to Section 298(2) of the *Corporations Act 2001*:



Louise Sylvan

President

13 June 2014

## 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 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Kester Brown  
Partner

Melbourne  
13 June 2014

**Bush Heritage Australia**  
**Consolidated Statement of Comprehensive Income**  
for year ended 31 March 2014

	Notes	2014 \$'000	2013 \$'000
<b>Revenue</b>			
Supporter contributions and grants	3(a)	11,795	13,132
Interest and investment income	3(b)	662	629
Reserve income	3(c)	246	258
Other income		153	162
<b>Total Revenue</b>		<b>12,857</b>	<b>14,181</b>
<b>Expenses</b>			
Conservation management activities	4(a)	7,261	6,602
Conservation events, education and supporter relations	4(b)	1,452	1,407
Fundraising activities	4(c)	1,297	1,275
Investment in new supporters	4(d)	1,696	598
Organisational support	4(e)	1,778	1,768
<b>Total Expenses</b>		<b>13,484</b>	<b>11,650</b>
<b>Surplus/(Deficit) Before Tax</b>		<b>(627)</b>	<b>2,531</b>
Income tax		-	-
<b>Net Surplus/(Deficit)</b>		<b>(627)</b>	<b>2,531</b>
<b>Other Comprehensive Income</b>			
Net fair value gains/(loss) on available for sale financial assets		486	628
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		486	628
<b>Total comprehensive income for the period</b>		<b>(141)</b>	<b>3,159</b>

*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 2014

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,939	3,733
Trade and other receivables	6	454	291
<b>Total Current Assets</b>		<b>3,393</b>	<b>4,024</b>
<b>Non-Current Assets</b>			
Investments	7	11,059	10,059
Property, plant and equipment	8	26,691	27,214
Intangibles - computer software	9	67	88
<b>Total Non-Current Assets</b>		<b>37,817</b>	<b>37,361</b>
<b>TOTAL ASSETS</b>		<b>41,210</b>	<b>41,385</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	758	816
Provisions	11	652	545
Interest bearing liabilities	12	133	140
<b>Total Current Liabilities</b>		<b>1,543</b>	<b>1,501</b>
<b>Non-Current Liabilities</b>			
Provisions	11	182	169
Interest bearing liabilities	12	95	183
<b>Total Non-Current Liabilities</b>		<b>277</b>	<b>352</b>
<b>TOTAL LIABILITIES</b>		<b>1,820</b>	<b>1,853</b>
<b>NET ASSETS</b>		<b>39,390</b>	<b>39,532</b>
<b>EQUITY</b>			
Equity Reserves	13	39,390	39,532
<b>TOTAL EQUITY</b>		<b>39,390</b>	<b>39,532</b>

*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 2014**

	Retained Earnings	Equity Reserves	Total
Notes	2014 \$'000	2014 \$'000	2014 \$'000
<b>At 1 April 2013</b>	-	39,532	39,532
Surplus / (deficit) for the period	(627)	-	(627)
Other comprehensive income	-	486	486
Total comprehensive income for the period	(627)	486	(142)
Net transfer to Bush Heritage General Reserve	837	(837)	-
Net transfer to Bush Heritage Restricted Funds Reserve	(39)	39	-
Net transfer to Midlands Conservation Fund Reserve	(170)	170	-
<b>At 31 March 2014</b>	<b>13</b> -	<b>39,390</b>	<b>39,390</b>
	2013 \$'000	2013 \$'000	2013 \$'000
<b>At 1 April 2012</b>	<b>30,807</b>	<b>5,566</b>	<b>36,373</b>
Surplus / (deficit) for the period	2,531	-	2,531
Other comprehensive income	-	628	628
Total comprehensive income for the period	2,531	628	3,159
Net transfer to Bush Heritage General Reserve	(32,742)	32,742	-
Net transfer to Bush Heritage Restricted Funds Reserve	2,801	(2,801)	-
Net transfer to Midlands Conservation Fund Reserve	(3,397)	3,397	-
<b>At 31 March 2013</b>	<b>13</b> -	<b>39,532</b>	<b>39,532</b>

*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 2014**

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from supporter contributions and other sources		<b>11,923</b>	13,539
Payments to suppliers and employees		<b>(12,360)</b>	(10,629)
Interest and dividends received		<b>272</b>	174
<b>Net cash from operating activities</b>	<b>14</b>	<b>(165)</b>	<b>3,084</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of investments		<b>1,065</b>	380
Purchase of investments		<b>(1,233)</b>	(3,294)
Purchase of land		<b>(222)</b>	(878)
Proceeds from the sale of land		<b>450</b>	-
Proceeds from the sale of plant and equipment		<b>-</b>	2
Purchase of plant and equipment		<b>(467)</b>	(760)
Purchase of software		<b>(6)</b>	-
<b>Net cash from/(to) investing activities</b>		<b>(413)</b>	<b>(4,550)</b>
<b>Cash flows from financing activities</b>			
Payment of finance lease liabilities		<b>(215)</b>	(167)
<b>Net cash from/(to) financing activities</b>		<b>(215)</b>	<b>(167)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(794)</b>	(1,633)
Cash and cash equivalents at beginning of period		<b>3,733</b>	5,366
<b>Cash and cash equivalents at end of period</b>	<b>14</b>	<b>2,939</b>	<b>3,733</b>

*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 2014**

Note No.	DESCRIPTION
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2	Summary of Significant Accounting Policies
3	Revenue
4	Expenses
5	Cash and Cash Equivalents
6	Trade and Other Receivables
7	Investments
8	Property, Plant and Equipment
9	Intangibles - Computer Software
10	Trade and Other Payables
11	Provisions
12	Interest Bearing Liabilities
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15	Commitments
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**Bush Heritage Australia**  
**Notes to the Consolidated Financial Statements**  
**for year ended 31 March 2014**

**Note 1. Corporate Information**

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

Bush Heritage Australia is a company incorporated in Australia, and its registered office address is Level 5, 395 Collins Street, Melbourne Victoria 3000.

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

**Note 2. Summary of Significant Accounting Policies**

**Note 2(a). Basis of Preparation**

This report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

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

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

The current financial period is the financial year ended 31 March 2014. The comparative period was the financial year ended 31 March 2013.

**Note 2(b). Abbreviations**

The following abbreviations have been used in these notes:

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

**Note 2(c). Statement of Compliance**

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by Bush Heritage for the annual reporting period ended 31 March 2014. These are outlined below.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 1053	Application of Tiers of Australian Accounting Standards	<p>This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:</p> <p>a. Tier 1: Australian Accounting Standards</p> <p>b. Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements</p> <p>Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <p>a. For-profit entities in the private sector that have public accountability (as defined in this standard)</p> <p>b. The Australian Government and State, Territory and Local governments</p> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <p>a. For-profit private sector entities that do not have public accountability</p> <p>b. All not-for-profit private sector entities</p> <p>c. Public sector entities other than the Australian Government and State, Territory and Local governments</p> <p>Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.</p>	1-Jul-13	The impact of the new accounting standard is currently being assessed by management.	1-Apr-14
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1-Jan-14	The impact of the new accounting standard is currently being assessed by management.	1-Apr-14
AASB 1031	Materiality	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p>	1-Jan-14	The impact of the new accounting standard is currently being assessed by management.	1-Apr-14

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

*(i) Significant accounting judgements*

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

*Valuation of property assets*

The valuation of property assets involves judgement as there is often no active market for the assets. The carrying values of the property assets have been reviewed at balance date. The Directors consider that the property asset values are appropriate at 31 March 2014 and that the assets are not impaired.

*(ii) Significant accounting estimates and assumptions*

*Trade and other receivables*

All trade debtors were individually reviewed and no provision for bad or doubtful debts has been made for the year ended 31 March 2014.

*Plant and equipment useful lives*

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

**Note 2(e). Basis of Consolidation**

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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

**Note 2(f). Revenue Recognition**

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

*(i) Rendering of Services and Donations Received*

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

*(ii) Interest Income*

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

*(iii) Dividends*

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

**Note 2(g). Leases**

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

*(i) Operating Leases*

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

*(ii) Finance Leases*

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

**Note 2(h). Cash and Cash Equivalents**

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

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

**Note 2(i). Receivables**

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

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

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

**Bush Heritage Australia**  
**Notes to the Consolidated Financial Statements**  
**for year ended 31 March 2014**

**Note 2(j). Taxes**

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

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

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

The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

**Note 2(k). Property, Plant and Equipment**

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

Freehold and leasehold land is stated at cost.

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

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

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

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

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

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

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

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

**Note 2(l). Intangibles - Computer Software**

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

Computer software is stated at cost.

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

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

**Note 2(m). Depreciation and Amortisation**

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

Depreciation periods for major asset classes are as follows:-

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

Amortisation periods for major asset classes are as follows:-

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

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

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

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

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

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

**Note 2(o). Payables**

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

**Note 2(p). Provisions**

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

**Bush Heritage Australia**  
**Notes to the Consolidated Financial Statements**  
**for year ended 31 March 2014**

**Note 2(q). Employee Benefits**

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

*(i) Wages, salaries and annual leave*

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

*(ii) Long Service Leave*

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

**Note 2(r). Comparatives**

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

**Note 2(s). Property Restoration Costs**

Any property restoration costs expected to be incurred are budgeted for as part of the analysis of potential reserve acquisitions, and subsequently refined in Reserve Management plans. Costs are recognised as they are incurred over the life of the management plan, which is typically five years. Bush Heritage does not have any current legal obligations to restore any land owned at 31 March 2014.

**Note 2(t) Financial Risk Management**

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

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

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

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

	<b>Note</b>	<b>2014</b>	2013
		<b>\$'000</b>	\$'000
<b>Financial Assets</b>			
Cash and cash equivalents	5	2,939	3,733
Trade and other receivables	6	454	291
Investments	7	11,059	10,059
		<u>14,452</u>	<u>14,083</u>
<b>Financial Liabilities</b>			
Trade and other payables	10	758	816
<b>Net Exposure</b>		<u>13,694</u>	<u>13,267</u>

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

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

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

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

(iv) Liquidity Risk -

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

	<b>&lt;6 months</b>	<b>6-12 months</b>	<b>1-5 Years</b>	<b>&gt;5 Years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash and cash equivalents	2,939	-	-	-	2,939
Trade and other receivables	454	-	-	-	454
Investments	-	-	11,059	-	11,059
	<u>3,393</u>	<u>-</u>	<u>11,059</u>	<u>-</u>	<u>14,452</u>
<b>Financial Liabilities</b>					
Trade and other payables	758	-	-	-	758
<b>Net Maturity</b>	<u>2,635</u>	<u>-</u>	<u>11,059</u>	<u>-</u>	<u>13,694</u>

Maturity analysis of financial assets and liabilities at 31 March 2013 are:

	<b>&lt;6 months</b>	<b>6-12 months</b>	<b>1-5 Years</b>	<b>&gt;5 Years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash and cash equivalents	3,733	-	-	-	3,733
Trade and other receivables	291	-	-	-	291
Investments	-	-	10,059	-	10,059
	<u>4,024</u>	<u>-</u>	<u>10,059</u>	<u>-</u>	<u>14,083</u>
<b>Financial Liabilities</b>					
Trade and other payables	816	-	-	-	816
<b>Net Maturity</b>	<u>3,208</u>	<u>-</u>	<u>10,059</u>	<u>-</u>	<u>13,267</u>



**Bush Heritage Australia**  
Notes to the Consolidated Financial Statements  
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(v) Interest Rate Risk

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

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

	Fixed Interest Rate	Floating Interest Rate	Non Interest Bearing	Total	Average Interest Rate
	\$'000	\$'000	\$'000	\$'000	%
<b>At 31 March 2013</b>					
<b>Financial Assets</b>					
Cash	2,157	1,328	248	3,733	4.4
Receivables	-	-	291	291	-
Investments	3,684	2,273	4,102	10,059	5.0
<b>Financial Liabilities</b>					
Payables	-	-	816	816	-

**Note 3. Revenue**

Revenue includes the following major categories:

	2014 \$'000	2013 \$'000
Supporter contributions and grants (refer note 3(a))	11,795	13,132
Interest and Investment Income (refer note 3(b))	662	629
Reserve Income (refer note 3(c))	246	258
Other Income	153	162
<b>Total Revenue</b>	<u>12,857</u>	<u>14,181</u>

**Note 3(a). Supporter Contributions and Grants**

	2014 \$'000	2013 \$'000
Donations and Gifts	8,428	9,871
Grants	636	317
Bequests	2,730	2,944
<b>Total Supporter Contributions and Grants</b>	<u>11,795</u>	<u>13,132</u>

**Note 3(b). Interest and Investment Income**

	2014 \$'000	2013 \$'000
Dividends	359	354
Interest	303	275
<b>Total Interest and Investment Income</b>	<u>662</u>	<u>629</u>

**Note 3(c). Reserve Income**

	2014 \$'000	2013 \$'000
Revenue from the rendering of services:		
Agistment/Cropping	30	31
Rent and Services	141	105
Other	75	122
<b>Total Reserve Income</b>	<u>246</u>	<u>258</u>

**Note 4. Expenses**

**Note 4(a). Conservation management**

Conservation management expenses include the following key items:-

Operating Bush Heritage's reserves, including staff costs; associated ownership costs such as rates and taxes; expenses associated with operating each reserve's infrastructure, preparing management plans for reserves, expenses associated with conservation actions such as fire management, feral animal control, weed control, revegetation, expenses related to ecological survey, monitoring and evaluation; and organising volunteer support, organising field trips to reserves, education and building and managing relations with other land owners.

Development of conservation 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; and expenses related to ecological survey, monitoring and evaluation.

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

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

**Note 4(c). Fundraising activities**

Covers expenses incurred in establishing the case for and then asking supporters for donations and gifts to support Bush Heritage's conservation activities.

**Note 4(d). Investment in new supporters**

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

**Bush Heritage Australia**  
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**Note 4(e). Organisational Support**

Covers activities concerned with governance and business systems, regulatory compliance, finance, information technology, employee development and conditions, worker safety and day to day administration of Bush Heritage. All Bush Heritage Board Directors provide their time on a pro bono basis, however some costs are incurred in travel and communications expenses to facilitate meetings of the Board.

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

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

<b>Note 4(g). Remuneration Expense</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and Wages	5,395	4,759
Superannuation	481	413
Workers Compensation Insurance	75	59
<b>Total Remuneration Expense</b>	<b>5,951</b>	<b>5,231</b>

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

<b>Note 4(h) Depreciation and Amortisation</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation of Property, Plant and Equipment:		
Reserve Plant and Equipment	415	422
Reserve Buildings and Infrastructure	270	237
Office Plant and Equipment	58	83
<b>Total Depreciation</b>	<b>743</b>	<b>742</b>

Amortisation of Intangibles:

Computer Software	37	61
<b>Total Depreciation and Amortisation</b>	<b>781</b>	<b>803</b>

**Note 4(i) Other Expenses**

Operating Lease - Minimum Lease Payments	43	59
	<b>43</b>	<b>59</b>

**Note 5. Cash and Cash Equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	903	1,577
Short term deposits	2,036	2,156
<b>Total Cash and Cash Equivalents</b>	<b>2,939</b>	<b>3,733</b>

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

(a) Increase of 50 basis points (0.5%) - Increase Net Income by	10	11
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Income by	(10)	(11)

**Note 5(a). Assets Pledged as Security**

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

<b>Note 6. Trade and Other Receivables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade Debtors	22	7
Other receivables and prepayments	294	284
Assets Held for Sale	138	-
<b>Total Trade and Other Receivables</b>	<b>454</b>	<b>291</b>

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

Other receivables and prepayments includes accrued income which relates to the interest on short term deposits at 31 March 2014.

Assets held for sale related to a deceased estate transferred to Bush Heritage in November 2013.

The property is currently available in the real estate market and is expected to be sold within one year since the transmission date.

**Bush Heritage Australia**  
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<b>Note 7. Investments</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Investments held by Company		
Bush Heritage Australia	7,597	6,765
Midlands Conservation Fund	<u>3,462</u>	<u>3,294</u>
<b>Total Investments</b>	<b><u>11,059</u></b>	<b><u>10,059</u></b>
(b) Investments held by Nature		
Fixed Interest	946	390
Property Trusts	831	408
Shares Australian	3,682	3,089
Shares International	874	390
Term Deposits	4,004	5,567
Other	<u>723</u>	<u>215</u>
<b>Total Investments</b>	<b><u>11,059</u></b>	<b><u>10,059</u></b>
(c) Reconciliation of Movement in Investments		
Opening balance	10,059	5,803
Additions	1,472	3,894
Disposals	<u>(958)</u>	<u>(266)</u>
Gain / (Loss) in fair value of investments	486	628
<b>Closing balance</b>	<b><u>11,059</u></b>	<b><u>10,059</u></b>

Professional investment managers are engaged to manage Bush Heritage's investment portfolio (excluding investments held in the Midlands Conservation Fund) to raise income to assist with reserve management costs. The fundraising campaign for each new land acquisition aims to raise funds in addition to the purchase price to create an endowment to help cover future management costs. This fundamental strategy has led to the creation of the significant investment portfolio currently held by Bush Heritage. From time to time, also included in the investment portfolio will be investment assets that have been directly gifted to Bush Heritage that may be outside the overall investment strategy that is otherwise adopted. Investments held in the Midlands Conservation Fund are directly overseen by the Midlands Conservation Fund Board of Directors and as at 31 March 2014 are entirely held in term deposits placed with Australian banks.

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

(a) Increase of 50 basis points (0.5%) - Increase Net Income by	20	28
(b) Decrease of 50 basis points (0.5%) - (Decrease) Net Income by	<u>(20)</u>	<u>(28)</u>

**Note 8. Property, Plant and Equipment**

	Freehold Land \$'000	Leasehold Land \$'000	Buildings and Infrastructure \$'000	Office Plant and Equipment \$'000	Reserve Plant and Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
<b>At 31 March 2014</b>							
<b>At 1 April 2013</b>	7,394	14,781	3,551	111	1,227	150	27,214
net of accumulated depreciation and impairment							
Additions	235	-	230	39	272	-	776
Disposals	(400)	-	(30)	-	(7)	-	(437)
Transfers	-	-	-	10	(10)	(118)	(118)
Depreciation charge for the year	-	-	(270)	(58)	(415)	-	(743)
<b>At 31 March 2014</b>	<u>7,229</u>	<u>14,781</u>	<u>3,481</u>	<u>103</u>	<u>1,066</u>	<u>32</u>	<u>26,692</u>
net of accumulated depreciation and impairment							

	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
<b>At 31 March 2013</b>							
<b>At 1 April 2012</b>	7,394	13,903	3,396	188	1,109	85	26,075
net of accumulated depreciation and impairment							
Additions	-	878	401	31	541	65	1,916
Disposals	-	-	(9)	(25)	(1)	-	(35)
Transfers	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	(237)	(83)	(422)	-	(742)
<b>At 31 March 2013</b>	<u>7,394</u>	<u>14,781</u>	<u>3,551</u>	<u>111</u>	<u>1,227</u>	<u>150</u>	<u>27,214</u>
net of accumulated depreciation and impairment							

**Bush Heritage Australia**  
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<b>Note 8(a). Freehold Land</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Brogo Reserve, NSW	172	172
Burrin Burrin Reserve, NSW	102	102
Chereninup Creek Reserve, WA	145	145
Coalmine Creek Reserve, Tas	22	22
Currumbin Reserve, Qld	111	111
Dalyenong - Lille Block	115	115
Dry 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
King George Island (i)	-	400
Kojonup Reserve, WA	85	85
Liffey Reserve, Tas	103	103
Monjebup Reserve, WA	222	222
Monjebup North - Planes Property	760	760
"Nameless" Sylvan Reserve, NSW (ii)	550	550
Nardoo Hills, Vic - Donaldson Block	98	98
Nardoo Hills, Vic - Judith Eardley Reserve	105	105
Nardoo Hills, Vic - Patterson Block	95	95
Nardoo Hills, Vic - Spring Paddock (iii)	127	-
Oura Oura Reserve - TAS (iv)	255	150
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	27
Tarcutta Hills Reserve, NSW	314	314
Yarrabee Wesfarmers Reserve, WA (v)	96	96
<b>Total Freehold Land</b>	<b>7,229</b>	<b>7,394</b>

(i) Sold in May 2013 with conservation covenant in place.

(ii) Received as a gift-in-kind and stated at fair value. At the request of the donor the property remains "Nameless"

(iii) Purchased in April 2013 with 50% purchase price contributed by Trust for Nature.

(iv) Received as a gift-in-kind and stated at fair value. Gulf Road, Liffey (\$105k) as addition to Oura Oura Reserve, purchased in March 2014.

(v) Owned as tenants in common with Greening Australia WA Inc.

<b>Note 8(b). Leasehold Land</b>		
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
Naree Station Reserve, NSW (i)	878	878
Yourka Reserve, Qld	2,745	2,745
<b>Total Leasehold Land</b>	<b>14,781</b>	<b>14,781</b>

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

<b>Note 9. Intangibles - Computer Software</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the start of the period, net of accumulated amortisation and impairment	88	116
Additions	16	39
Disposals	-	(6)
Amortisation charge for the year	(37)	(61)
Balance at the end of the period, net of accumulated amortisation and impairment	<u>67</u>	<u>88</u>
Cost	373	356
Accumulated amortisation and impairment	<u>(306)</u>	<u>(268)</u>
	<u>67</u>	<u>88</u>

<b>Note 10. Trade and Other Payables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade Creditors	215	288
Payroll Related Accruals	234	183
GST Payable	78	48
Other Accrued Expenses	231	297
<b>Total Trade and Other Payables</b>	<u>758</u>	<u>816</u>

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

**Bush Heritage Australia**  
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**Note 11. Provisions**

	Other \$'000	Annual Leave \$'000	Long Service Leave \$'000	Total \$'000
At 1 April 2013	49	394	271	714
Arising during the year/(utilised)	(27)	60	87	120
At 31 March 2014	22	454	358	834

**At 31 March 2014**

**2014**

Current

Non-current

22	454	177	652
-	-	182	182
<b>22</b>	<b>454</b>	<b>358</b>	<b>834</b>

**At 31 March 2013**

**2013**

Current

Non-current

27	394	124	545
22	-	147	169
<b>49</b>	<b>394</b>	<b>271</b>	<b>714</b>

**Note 12. Interest Bearing Liabilities**

**Finance Leases**

Within one year

After one year but not more than five years

Total minimum lease payments

Less amounts representing finance charges

Present value of minimum lease payments

**2014**  
\$'000

2013  
\$'000

151	161
<b>108</b>	<b>208</b>
<b>259</b>	<b>369</b>
<b>(31)</b>	<b>(46)</b>
<b>228</b>	<b>323</b>

Included in the financial statements as:

Current

Non-current

133

140

**95**

**183**

**228**

**323**

Bush Heritage has ten finance leased vehicles with a carrying amount of \$232,876 (2013: \$351,288). These lease contracts expire within one to four years. At the end of the term, ownership is retained by Bush Heritage if all obligations under the contract have been met.

**Note 13. Equity Reserves**

**Bush Heritage General Reserve (i)**

Balance at the start of the period

Net transfer to Bush Heritage General Reserve

Balance at the end of the period

**2014**  
\$'000

2013  
\$'000

32,742	-
<b>(837)</b>	<b>32,742</b>
<b>31,905</b>	<b>32,742</b>

**Bush Heritage Restricted Funds Reserve (ii)**

Balance at the start of the period

Additional restricted funds received

Restricted funds expended or acquitted

Balance at the end of the period

2,544

5,345

**3,246**

**3,760**

**(3,207)**

**(6,561)**

**2,583**

**2,544**

**Midlands Conservation Fund Reserve (iii)**

Balance at the start of the period

Net surplus attributable to Midlands Conservation Fund Reserve

Balance at the end of the period

3,397

-

**170**

**3,397**

**3,567**

**3,397**

**Net Unrealised Gains / (Losses) Reserve (iv)**

Balance at the start of the period

Net valuation gains / (losses) taken to equity during the period

Balance at the end of the period

849

221

**486**

**628**

**1,335**

**849**

**Total Equity Reserves**

**39,390**

**39,532**

(i) The balance of Bush Heritage General Reserve represents the accumulated supporter contributions and other earnings that Bush Heritage Australia has received since inception and 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 Australia that are tied to specific future conservation-related purposes and which remain unspent as at the date of these financial statements.

(iii) The Midlands Conservation Fund (MCF) Reserve 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.

**Bush Heritage Australia**  
**Notes to the Consolidated Financial Statements**  
for year ended 31 March 2014

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

	<b>Note</b>	<b>2014</b>	2013
		<b>\$'000</b>	\$'000
<b>Operating Surplus/(Deficit)</b>		<b>(627)</b>	2,531
Depreciation and Amortisation	<b>4(f)(i)</b>	<b>781</b>	803
Finance Lease Charges		<b>23</b>	18
Investment Income Reinvested		<b>(310)</b>	(744)
Loss on disposal of plant and equipment		<b>18</b>	38
Gain on sale of property		<b>(44)</b>	-
<b>Changes in Assets and Liabilities</b>			
Increase/(Decrease) in Trade and Other Payables		<b>38</b>	252
Increase/(Decrease) in Provisions		<b>120</b>	56
Decrease/(Increase) in Trade and Other Receivables		<b>(163)</b>	130
<b>Net Cash from Operating Activities</b>		<b>(165)</b>	3,084
Reconciliation to Statement of Cash Flows			
Cash at bank and in hand		<b>903</b>	1,577
Short term deposits		<b>2,036</b>	2,156
<b>Total Cash and Cash Equivalents</b>		<b>2,939</b>	3,733

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

**Note 15. Commitments**

**Note 15(a). Lease Commitments**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Future minimum rentals payable under non cancellable operating leases as at 31 March 2014 are as follows:		
Not Later than One Year	<b>161</b>	230
Later Than One Year and Not Later Than Five Years	<b>-</b>	161
<b>Total Lease Commitments</b>	<b>161</b>	391

Lease commitments relate to the lease of office premises, which is subject to fixed annual increases. The current office premises lease finishes in November 2014.

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

Not Later than One Year	<b>679</b>	645
Later Than One Year and Not Later Than Five Years	<b>912</b>	758
	<b>13</b>	<b>1,403</b>

**Note 16. Related Parties**

**Director's Transactions**

During the financial year no transactions were conducted with parties related to any Directors' interests (2013: 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 (2013: 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 related party transactions were conducted during the financial year.

**Note 17. Auditor's Remuneration**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Amounts received or due and receivable by Ernst & Young for:		
Audit of the financial report	<b>37</b>	36
	<b>37</b>	36

**Bush Heritage Australia**  
**Notes to the Consolidated Financial Statements**  
**for year ended 31 March 2014**

**Note 18. Director and Executive Disclosures**

**Note 18(a). Directors**

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

Louise Sylvan	President
Andrew Myer	Vice President
David Rickards	Treasurer
Chris Grubb	
Keith Tuffley	
Leanne Liddle	
Nick Burton Taylor	
Steve Morton	Retired on 9 August 2013
Sue McIntyre	

**Note 18(b). Compensation of Key Management Personnel**

	2014	2013
	\$'000	\$'000
<b>Executives</b>		
Short Term Employee Benefits	583	678
Post Employment Benefits	54	56
<b>Total Compensation</b>	<u>637</u>	<u>735</u>

Key management personnel (KMP) comprises our Board of Directors (all of whom provide their services on a pro-bono basis) and members of the senior management team with central oversight responsibilities (this includes 4 full time management positions (2013: 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 19. Information relating to Bush Heritage Australia ("Parent Entity")**

	2014	2013
	\$'000	\$'000
Current assets	3,286	3,921
Total assets	37,641	37,988
Current liabilities	1,541	1,501
Total liabilities	1,818	1,853
General reserve	31,905	32,742
Restricted funds reserve	2,583	2,544
Net unrealised gains reserve	1,335	849
	<u>35,823</u>	<u>36,135</u>
Surplus / (Deficit) of the parent entity	(797)	(866)
Total comprehensive income of the parent entity	(311)	(238)

The parent has capital expenditure commitments on land purchase and investment amounting to \$1.592m.

**Note 20. Subsequent Events**

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

**Note 21. State and Territory Government Fundraising Legislation Requirements**

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

Australian Capital Territory	Charitable Collections Act 2003, Licence No. L19000280
New South Wales	Charitable Fundraising Act 1991, Fundraising Authority CFN 17412
Queensland	Collection Act 1966, Certificate of Sanction No. 4954
Tasmania	Collections for Charities Act 2001, Approval 10/02/09 F1A-320
Victoria	Fundraising Appeals Act 1998, Registration Number 9971.12
South Australia	Charitable Purposes Act 1939, Licence not required
Western Australia	Charitable Collections Act 1946, Licence No: 21446

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

**Declaration consistent with the Charitable Fundraising Act 1991 (NSW)**

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

- a) the consolidated statement of comprehensive income gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals
- b) the consolidated statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation
- d) The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals
- e) the forms of fundraising appeals conducted in NSW during the period ended 31 March 2014 were:
  - (i) direct mail
  - (ii) printed inserts in selected magazines
  - (iii) organised functions for supporters by invitation only
  - (iv) applications to philanthropic foundations
  - (v) telephone contact with Bush Heritage supporters
  - (vi) face to face recruitment of donors
  - (vii) donations via workplace 'giving' programs

On behalf of the Board of Directors



Louise Sylvan  
President

Melbourne,  
13 June 2014



David Rickards  
Treasurer



**Directors' Declaration**

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

1. In the opinion of the directors:

(a) the financial statements and notes of the company are in accordance with Corporations Act 2001 including:

(i) giving a true and fair view of the Bush Heritage Australia's financial position as at 31 March 2014; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Bush Heritage Australia will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors



Louise Sylvan  
President

Melbourne,  
13 June 2014



David Rickards  
Treasurer

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

### Report on the financial report

We have audited the accompanying financial report of Bush Heritage Australia, which comprises the consolidated statement of financial position as at 31 March 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' responsibility for the financial report

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

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

## Opinion

In our opinion:

- a. the financial report of Bush Heritage Australia is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 31 March 2014 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.



Ernst & Young



Kester Brown  
Partner

Melbourne  
13 June 2014