



Conservation Council ACT Region Incorporated

[ABN 68 248 339 828]

Financial Report: Year ended 30 June 2022

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Board's Report

Year ended 30 June 2022

The Board submit the Financial Report of the Conservation Council ACT Region Incorporated for the financial year ended 30 June 2022.

Board Members

The names of Board members throughout the year and at the date of this report are:

Board Members	Position	Last Appointed	Retired/ Resigned
<i>Elected members</i>			
Reid, Sarah	President	18/11/2021	
McAllister, Gordon	President	10/11/2020	18/11/2021
Reid, Sarah	Vice President	10/11/2020	18/11/2021
Griffiths, Rod	Vice President	18/11/2021	
Ottesen, Peter	Vice President	18/11/2021	
Sims, Helen	Secretary	18/11/2021	
Abel, Nick		18/11/2021	8/03/2022
Cathro, Warwick		18/11/2021	
Falconer, Ian		10/11/2020	18/11/2021
Hassall, Marcus		18/11/2021	
Patulny, Glenys		10/11/2020	18/11/2021
Pearce, Vivienne		18/11/2021	
Slapp, Kimberly		18/11/2021	
Woodforde, MaryClare		18/11/2021	
<i>Co-opted members</i>			
Ikin, Chris	Treasurer	9/12/2021	
Hassall, Marcus		8/12/2020	18/11/2021
Edwards, Jenny		9/12/2021	
Treize, James		9/12/2021	

Principal Activities

The principal activity of the Council during the financial year was the protection of the ACT's environment through its role as a peak environment body.

Significant Changes

No significant change in the nature of the principal activities of the Council occurred during the year.

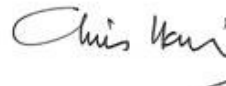
Operating Result

The (Deficit)/Surplus in Net Comprehensive Income for the year ended 30 June 2022 was (\$6,695) [2021: \$75,151].

Signed on 14 October 2022 in accordance with a resolution of the Board:



Sarah Reid – President



Chris Ikin – Treasurer

Statement of Financial Position

At 30 June 2022

		2022	2021
	Note	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	2(h), 6	291,335	260,736
Accounts receivable		7,862	8,217
Prepayments		2,724	10,652
Inventory	2(k)	1,596	570
<i>Total current assets</i>		303,517	280,175
<i>Non-current assets</i>			
Office furniture and equipment	2(l), 7	20,000	13,591
Less Accumulated depreciation		-	(2,359)
<i>Total non-current assets</i>		20,000	11,232
Total Assets		323,517	291,407
Liabilities			
<i>Current liabilities</i>			
Accounts payable		7,625	12,339
PAYG withholdings payable		2,952	6,062
Provisions for employee leave entitlements	2(o), 8	12,484	12,305
<i>Current contract liabilities</i>			
Income received in advance	2(f)	11,005	-
Deferred special purpose donations	2(j)	10,000	10,000
Deferred (unearned) project grant income	2(g), 9	46,858	11,413
<i>Total current liabilities</i>		90,924	52,119
Total Liabilities		90,924	52,119
Net Assets		232,593	239,288
Retained Funds			
	1		
Retained surplus		222,094	239,288
Asset revaluation reserve		10,499	-
Total Retained Funds		232,593	239,288

Statement of Income and Expenditure

Year ended 30 June 2022

	2022	2021
Note	\$	\$
Operating Income		
ACT Government operational grant	160,660	156,741
Federal Government operational grants	-	34,928
Donations DGR	2(f) 82,695	88,093
Donations non-DGR	14,642	7,647
Donations in kind	2(f) 4,698	-
Campaign events income - ticket sales and sponsorships	12,926	-
Fundraising events income - ticket sales, sponsorships and auction proceeds	2(f) 77,800	136,806
Interest received	431	520
Membership fees	2(f) 3,777	3,832
Publication and merchandise sales (net)	2,797	2,778
Total Income	360,426	431,345
Operating Expenditure		
<i>Accounting, insurance and financial costs</i>		
Accounting fees	3 8,273	8,615
Bank charges	2,144	2,128
Insurance	9,427	9,354
<i>Campaign, fundraising and office administration costs</i>		
Advertising & promotion	966	7,327
Campaign events hosting costs	2,821	2,918
Energy	3,065	3,098
Equipment expensed	403	-
Depreciation	1,731	1,731
Fundraising expenses	47,743	55,218
IT software and support	5,097	5,147
Miscellaneous	1,253	2,035
Office lease	2(m) 3,410	(863)
Postage and delivery	366	476
Printing, stationery and other supplies	650	1,224
Professional services sub-contracted	7,440	6,160
Subscriptions and donations given	1,847	505
Telephone	2,291	2,308
<i>Campaign, fundraising and office personnel costs</i>		
Salaries and wages	4 252,407	216,388
Annual leave and time-in-lieu accrued	179	(1,570)
Superannuation	24,490	24,837
Staff recruitment and development	1,617	-
Total Campaign, Fundraising and Administration Expenditure	377,620	347,036
Administered Grant-funded projects		
Expenditure incurred	2(g), 9 7,820	55,950
Less Offsetting project funding received	(7,820)	(46,792)
Deficit on Administered Grant-funded Projects	5 -	9,158
Total Expenditure	377,620	356,194
(Deficit)/Surplus for the year	(17,194)	75,151

The accompanying Notes are to be read in conjunction with this financial statement

Statement of Comprehensive Income Year ended 30 June 2022

	2022	2021
Note	\$	\$
(Deficit)/Surplus for the year	(17,194)	75,151
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to surplus or deficit</i>		
Gain on revaluation of office furniture and equipment	2(l) 10,499	-
Net Comprehensive Income for the year	(6,695)	75,151

Statement of Changes in Retained Funds Year ended 30 June 2022

	Asset Revaluation Reserve	Retained Surplus	Total Retained Funds
Note	\$	\$	\$
Balance at 1 July 2020	-	164,137	164,137
Surplus for the year ended 30 June 2021	-	75,151	75,151
Balance at 30 June 2021	-	239,288	239,288
(Deficit) for the year ended 30 June 2022	-	(17,194)	(17,194)
Other comprehensive income:			
Gain on revaluation of office furniture and equipment	10,499	-	10,499
Balance at 30 June 2022	10,499	222,094	232,593

Statement of Cash Flows

Year ended 30 June 2022

	2022	2021
Note	\$	\$
Cash Flow from Operating Activities		
Operating income receipts	381,147	599,048
Projects - grants and funding received	47,592	52,606
Interest received	381	520
Payments made to employees	(280,006)	(314,393)
Payments made to suppliers	(118,515)	(261,844)
Net cash generated from/(used in) Operating Activities	30,599	75,937
Cash Flow from Investing Activities		
Payments for property plant and equipment	-	(4,938)
Net cash generated from/(used in) Investing Activities	-	(4,938)
Net increase (decrease) in Cash and Cash equivalents	30,599	70,999
Cash and Cash equivalents at beginning of year	2(h) 260,736	189,737
Cash and Cash equivalents at end of year	291,335	260,736

The Council did not engage in any financing activities during the current or prior financial year.

Reconciliation of Net cash generated from/(used in) Operating Activities (as shown above) and Net Comprehensive Income (as shown in the Statement of Comprehensive Income)

	2022	2021
	\$	\$
Net Comprehensive Income for year – (Deficit)/Surplus	(6,696)	75,151
Depreciation	1,731	1,731
Asset revaluation reserve	(10,498)	
<i>Changes in assets and liabilities:</i>		
Accounts receivable and other receivables	(3,262)	14,957
Prepayments	7,928	(2,116)
Inventories	(1,026)	(570)
Accounts payable and salaries & wages related liabilities	(4,207)	3,790
Provision for employee leave entitlements	179	(1,570)
Fundraising income received in advance	11,005	(13,154)
Deferred (unexpended) project grants & project funding	35,445	(7,220)
Net cash generated from Operating Activities	30,599	70,999

Notes to and forming part of the Financial Statements Year ended 30 June 2022

1: Regulatory background

The Conservation Council ACT Region Incorporated (the Council) is an entity incorporated as an association under the *Associations Incorporation Act (ACT) 1991*. On the winding up of the Council, members do not have an automatic beneficial interest in any surplus assets/retained funds. Rather, in accordance with Section 92 of that Act, these must be distributed to an organisation with aims and objectives similar to the Council's.

The liability of members is limited to the unpaid portion of their annual membership fee.

The Council is a Deductible Gift Recipient (DGR), not-for-profit charity registered by the Australian Charities and Not-for-profits Commission (ACNC).

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The Council has adopted the Reduced Disclosure reporting requirements (Tier 2 disclosure requirements) permitted under *AASB 1053 – Application of Tiers of Australian Accounting Standards* as well as *AASB1060 - General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

2: Statement of significant accounting policies

Material accounting policies used in the preparation of these financial statements are set out below and have been consistently applied except for the recognition of donations in kind, as more fully described in Note 2(f).

2(a) Historical cost

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected assets and liabilities.

2(b) Rounding

The amounts reported in the financial statements have been rounded to the nearest whole dollar.

2(c) Comparative information

The classification of comparative figures has been changed where the change improves the comprehension of the financial information. Minor reclassifications have occurred within items of Income and Expenditure, Current Assets and Current Liabilities.

2(d) Income Tax

The Council is exempt from income tax in accordance with Section 50.5 of the *Income Tax Assessment Act 1997*.

2(e) Goods and Services Tax (GST)

All income, expenditure and asset amounts are reported net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of the asset or as part of the item of expense. Cash flows have been reported in the Statement of Cash Flows on a gross (GST inclusive) basis, in accordance with *AASB UIG Interpretation 1031 – Accounting for GST*.

2(f) Revenue recognition

Grant project administration fees – Project administration fees (which include administration fees on projects in progress) are recognised at the end of the financial year in the Statement of Income and Expenditure on a percentage of completion basis. The cost to complete each project is also assessed at each financial year end and provision is made for any potential cost overruns starting with not recognising administration fees. See also Note 9.

Membership fees – Membership fees cover the financial year from 1 July to 30 June. Membership fees received in May and June each year are deemed to relate to the subsequent financial year and are reported as Income received in advance in the Statement of Financial Position.

Other income – All other sources of revenue are recognised as income when the related goods or services have been provided and the income earned. Any income received but unearned at year end is deferred and reported as Income received in advance in the Statement of Financial Position.

Donations DGR – Donations (greater than \$2, which are tax deductible for the donor) are deposited, in the first instance, into the Council's Public Fund (the Bogong Fund) bank account. Donation income is recognised when the Council gains control of the funds, which is generally at the time of receipt. Where a donor stipulates that the donation be used for a specific purpose, the donation is not recognised as income but deferred as a current contract liability in the Statement of Financial Position until such time as the funds have been disbursed for that specific purpose.

Notes to and forming part of the Financial Statements Year ended 30 June 2022

Fundraising – The proceeds from fundraising events (including the sale of donated goods) are recognised as income when received.

Donations in kind - In accordance with *AASB 1058 – Income of Not-for-profit Entities*, paras 18 & 19, the Council has elected to recognise the benefit gained from subsidised/donated services in cases where the fair value of such services can be reliably measured and the Council would have purchased the services had they not been donated. In prior years such subsidised and donated services were not recognised.

2(g) Accounting for administered Grant projects

The Council applies to government and semi-government agencies and charitable foundations for, and receives, grants and special purpose funding associated with conservation projects in the ACT region. The Council is charged with the responsibility of administering the project income in accordance with a formal contract, for which it receives a fixed fee and/or a reimbursement of some or all of its administration costs.

Project grants are accounted for in accordance with the requirements of *AASB 15 - Revenue from Contracts with Customers* as all current grants are enforceable and have specific performance obligations. As such, the revenue is recognised as the performance obligations are satisfied.

Project expenses are reported in the Statement of Income and Expenditure net of the relevant project grants and funding received, in accordance with *AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance*, para 29, because the Council believes that the project expenses would not have been incurred if the grants and project funding had not been available and that presentation of the expense without offsetting the funding income may therefore be misleading.

Any grant funds received prior to year end but unexpended at that date are deemed unearned and reported as a current contract liability in the Statement of Financial Position.

2(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at bank and “at call” deposits with banks or financial institutions.

2(i) Bogong Fund

The Council is the sponsoring entity for the Bogong Fund, which is the recognised recipient of DGR (tax deductible) donations. Since the Bogong Fund is managed by a committee of persons who are appointed by the Council's Board, the Council believes it has control over Bogong Fund and has included Fund transactions in these financial statements as if they were entered into by the Council itself.

2(j) Moira Rowland bequest

Prior to 2016, a bequest of \$10,000 was made to the Council from the Estate of Moira Rowland. It was agreed that the money would be held in a term deposit with the interest earned assisting with the costs associated with the Council's "Moira and John Rowland Environmentalist of the Year Award". In the Statement of Financial Position, the balance is offset by a contract liability (a liability to the recipients of the Environmentalist of the Year Award in future years), reflecting the special purpose of this bequest.

2(k) Inventory

Inventory comprises Council branded merchandise and is measured at the lower of cost to purchase and net realisable value.

2(l) Office furniture and equipment

Office furniture and equipment was revalued by the Board at 30 June 2022 to reflect fair value. Prior to this revaluation, office equipment was recorded at cost less accumulated depreciation. At the time of the revaluation, accumulated depreciation was offset against the cost of the asset and the resulting increase in value arising from the revaluation is reported in the Statement of Comprehensive Income and included in Retained Funds as a revaluation reserve. Assets are depreciated, on a straight-line basis, over their useful lives to the Council. Depreciation rates are as follows: Office furniture - 10%; Office equipment - 20%.

2(m) Right-of-use asset: Lease of office space

The Council rents 130 m² of office space from the Australian National University (ANU) under a 10-year, non-cancellable, concessionary lease agreement. Lease payments comprise an annual “peppercorn” rental of \$1 (payable “as and when demanded”) and the reimbursement of “outgoings” of \$9,001 per annum (payable monthly). The lease terminates on 30 June 2023 with an option to renew for a further 10 years.

In the preparation of these financial statements at 30 June 2022 the Council has adopted Australian Accounting Standard *AASB 16 - Leases* for the first time. In prior years the lease was deemed to be an operating lease. Ordinarily, *AASB 16 - Leases* (together with *AASB 1058*) require that such a concessionary lease be classified as a finance lease and that the underlying right-of-use asset be measured at fair value and the corresponding lease liability to be measured at present value.

However, *AASB 2018-8 - Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* provides some relief for charities and the Council has elected to measure the right-to-use asset at cost rather than fair value. Furthermore, the Council has elected to avail itself of the transitional provisions of *AASB 16 - Leases* (specifically para C10 (c)) to continue to treat the lease as an operating lease for the remaining term of the lease (since the remaining term is not greater than 12 months).

Notes to and forming part of the Financial Statements Year ended 30 June 2022

2(m) Right-of-use asset: Lease of office space (continued)

The Board has since resolved to exercise its option to extend the term of the lease by 10 years.
 The concessionary lease is important to the Council in its ability to further its charitable purposes.
 During the year the ANU has provided COVID-19 related rent relief totalling \$5,591 (2021 \$5,363).

2(n) Impairment

At year end the Council's Board reviews the carrying value of its assets to determine whether there is any indication that the value of those assets has been impaired. If such an indication exists, the asset is measured at the lower of its carrying value and recoverable amount.

2(o) Employee benefits

The Council's obligations for short-term employee benefits (including wages and salaries, time-in-lieu, annual leave and superannuation) are recognised at year end as current liabilities. They are measured at the un-discounted amounts expected to be paid when the obligation is settled. The Council has no material non-current employee benefit (including long service leave) obligations. Employee entitlements to personal/carer's leave are accumulating but non-vesting on termination/retirement and the Council's liability is contingent upon the extent to which the leave entitlement is accessed before then. See also Note 10.

2(p) Going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of operations. The ability of the Council to continue to operate as a going concern is dependent upon the ability of the Council to generate sufficient cash flows from operations, including operational grants, membership fees, donations and fundraising to meet its liabilities.

2(q) Critical accounting estimates and judgements

The Council's Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Council.

	2022	2021
Note	\$	\$

3: Accounting fees

Accounting fees relate to bookkeeping fees only. The auditor received no remuneration or any other benefits.

4: Salaries and wages

Wages and salaries	252,407	270,388
Less Federal government JobKeeper subsidy	-	(54,000)
Total salaries and wages	252,407	216,388
Total key management personnel remuneration	104,805	97,382

5: Deficit/(Surplus) recognised on completed projects

No projects were completed in the current year. The following amounts were written off in the prior year:

Heritage project	-	5,101
CZE "Make the Switch" (Gas) project	-	4,057
Completed project Net Deficit	-	9,158

2(g), 9

Notes to and forming part of the Financial Statements Year ended 30 June 2022

	2022	2021
Note	\$	\$
6: Cash and cash equivalents		
<i>Held for Council campaigning and administrative operations</i>		
Cash at bank – Australia Bank: Community Access account	161,382	185,621
Cash at bank – Australia Bank: Debit Card account	451	314
Cash at bank – Australia Bank: Public DGR donations - Bogong Fund*	2(i) 71,373	52,029
Cash at bank – Australia Bank: Short term deposit - M Rowland Bequest	2(j) 10,000	10,000
PayPal Account	1,271	1,359
	244,477	249,323
<i>Held for grant funded Projects</i>		
Cash at bank – Australia Bank: Community Access account	9 46,858	11,413
Total cash and cash equivalents	291,335	260,736
 *Movements in the public DGR donations - Bogong Fund are as follows:		
Balance at the beginning of the year	52,029	110,040
DGR donations received	83,146	84,059
Interest net of bank fees	56	148
Donations transferred to the Community Access account	(63,858)	(142,218)
Balance at the end of the year	71,373	52,029
 7: Office Furniture and Equipment	 2(l)	
Movements in Office Furniture and Equipment were as follows:		
Balance at 1 July 2020 - at cost		35,930
Additions during the year		-
Disposals/write-offs (of fully depreciated items) during the year		(22,339)
Balance at 30 June 2021 - at cost		13,591
Balance at 1 July 2021 - at cost	13,591	
Additions during the year	-	
Disposals/write-offs during the year	-	
Offset of accumulated depreciation	(4,090)	
Increase from revaluation at 30 June 2022	10,499	
Balance at 30 June 2022 - at fair value	20,000	
 8: Provisions for Employee Leave Entitlements	 2(o)	
Movements in the Provisions for Employee Leave Entitlements were as follows:		
Balance at the beginning of the year	12,305	13,876
Entitlements accrued during the year	27,144	26,705
Less Leave entitlements paid and expensed during the year	(26,965)	(28,276)
Balance at the end of the year	12,484	12,305

Notes to and forming part of the Financial Statements Year ended 30 June 2022

	2022	2021
Note	\$	\$
9: Administered Grant-funded Projects - Expenditure and offsetting Income	2(g)	
<u>Project expenditure:</u>		
Consultants and contractors	1,875	3,516
Equipment expensed	662	4,582
Printing and stationery	50	3,823
Website development and hosting		7,225
Photo/video costs		5,000
Miscellaneous expenses	2,418	15,338
Salaries and wages	2,562	15,053
Superannuation	253	1,413
Total Project expenditure	7,820	55,950
<u>Less Offsetting Project funding received:</u>		
Project grants and funding rolled forward from prior year	11,413	18,633
New Grants received/receivable in current year	43,265	39,572
Less Project grants and funding rolled forward to following year	(46,858)	(11,413)
Total Project income recognised	7,820	46,792
Completed project Net Deficit/(Surplus)	-	9,158

10: Contingent liabilities

The Board of the Council is not aware of any contingent liabilities other than a potential liability for personal/carer's leave which, while not vesting at the completion of the employees' employment, nevertheless accumulates and may become payable in the future depending on whether employees claim the benefit before then. Accumulated personal/carer's leave unclaimed at year end amounted to \$13,437 (2021 \$11,223).

11: Related party transactions

During the year the Council did not enter into any related party contracts.

12: Subsequent events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Council, the results of its operations or the state of affairs of the Council in subsequent financial years. The financial report of the Council for the year ended 30 June 2022 was authorised for issue on the date of signing of the attached Responsible Entity's Declaration.

13: Segment reporting

The Council operates to promote a healthy environment and a sustainable future for the ACT and region through its role as a peak environment body.

14: Council details

The principal place of business of the Council is: 14/26 Barry Drive, Canberra, ACT, 2601.

Responsible Entity's Declaration Year ended 30 June 2022

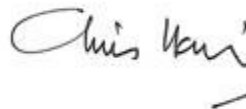
The Responsible Entity of the Conservation Council ACT Region Incorporated is the governing Board.

1. In the opinion of the Board, the Financial Report, set out on pages 3 to 12, gives a true and fair view of the financial position of the Conservation Council ACT Region Incorporated at 30 June 2022 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
2. In accordance with Section 60.15 of the *Australian Charities and Not-for-profits Commission Regulations 2013*, the Board declares that in its opinion:
 - (a) the financial statements and the notes thereto satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and
 - (b) at the date of this declaration, there are reasonable grounds to believe that the Conservation Council ACT Region Incorporated will be able to pay all of its debts as and when they become due and payable.

Signed on 14 October 2022 in accordance with a resolution of the Board and signed for and on behalf of the Board:



Sarah Reid – President



Chris Ikin – Treasurer