

COSTER GALGUT PTY LTD

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CHARTERED ACCOUNTANTS

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Victorian National Parks Association Inc

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Liability limited by a scheme approved under Professional Standards Legislation

Directors: Desmond J Galgut CA

Martin Reichenberg BComm BAcc CA

Consultant: Lindsay C Coster BEc FCA

Victorian National Parks Association Inc

Annual Report for the Year Ended 30 June 2011

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**Victorian National Parks Association Inc.
Statement by Members of the Council**

The members of the Council have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

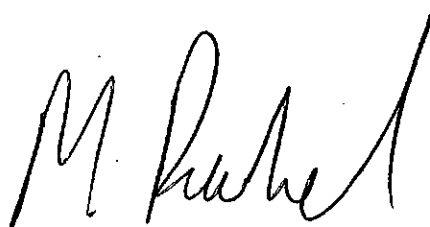
In the opinion of the members of the Council the financial report:

1. Presents a true and fair view of the financial position of Victorian National Parks Association Inc as at 30 June 2011 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that Victorian National Parks Association Inc will be able to pay its debts as and when they fall due.

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



**Russell Falvey
Treasurer**



**Matt Ruchel
Executive Director**

Dated this ²⁵th day of August 2011

Income Statement for the Year ended 30 June 2011

| REVENUE | Note | 2011 | 2010 |
|-------------------------------|-------------|------------------|------------------|
| Operating Activities | | \$ | \$ |
| Appeals, Donations & Bequests | | 764,923 | 812,696 |
| Grants & Sponsorships | | 472,643 | 474,076 |
| Membership Fees | | 111,070 | 105,938 |
| Interest | | 62,918 | 55,960 |
| Sales | | 34,885 | 27,110 |
| Administration Contributions | | 9,447 | 27,700 |
| GVEHO Grant * | | 0 | 2,300 |
| Reserve Transfer | | 132,429 | 86,119 |
| Total Income | | 1,588,316 | 1,591,899 |

| EXPENDITURE | | | |
|---|----------|------------------|------------------|
| Employment Expenses | | 827,112 | 914,304 |
| Campaigns, Projects, Activities & Education | | 345,428 | 324,765 |
| Office & Administration | | 215,245 | 132,911 |
| Printing/Publications/Web | | 88,598 | 149,597 |
| Occupancy Costs | | 77,192 | 72,728 |
| Insurances | | 20,533 | 19,009 |
| Cost of Sales | | 10,773 | 6,095 |
| Total Expenses | | 1,584,880 | 1,619,409 |
| OPERATING SURPLUS (DEFICIT) | 4 | 3,436 | (27,510) |

Balance Sheet as at 30 June 2011

| ASSETS | | \$ | \$ |
|------------------------------------|--|------------------|------------------|
| Cash and Cash Equivalents | | 1,179,162 | 1,459,229 |
| Receivables | | 80,137 | 62,826 |
| Inventory | | 24,175 | 22,293 |
| Fixed Assets at Written Down Value | | 20,396 | 39,274 |
| TOTAL ASSETS | | 1,303,870 | 1,583,621 |

| LIABILITIES | | | |
|--------------------------|----------|----------------|----------------|
| Creditors | | 33,888 | 54,579 |
| Projects/Hosted Networks | | 405,008 | 406,590 |
| Provisions | 5 | 187,108 | 417,339 |
| TOTAL LIABILITIES | | 626,004 | 878,508 |
| NET ASSETS | | 677,866 | 705,113 |

| ASSOCIATION FUNDS | | | |
|--------------------------------|----------|----------------|----------------|
| Accumulated Surplus | 6 | 97,880 | 90,080 |
| Publication Funds | 6 | 4,734 | 9,098 |
| Crosbie Morrison Fund | 6 | 474,497 | 489,252 |
| Special Reserves Fund | 6 | 100,755 | 116,683 |
| TOTAL ASSOCIATION FUNDS | | 677,866 | 705,113 |

* Commonwealth's Grants to Voluntary Environment & Heritage Organisations Program

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2011

| | 2011 | 2010 \$ |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from appeals, donations and bequests | 573,788 | 799,127 |
| Receipts from membership fees | 120,655 | 104,183 |
| Receipts from grants & sponsorships | 471,061 | 464,989 |
| Receipts from sales | 35,094 | 32,274 |
| Receipts from administration fees | 9,447 | 27,700 |
| Proceeds on sale of computer equipment | 1,545 | - |
| Payments to suppliers and employees | (1,586,839) | (1,625,685) |
| Cash generated by (utilised in) operations | (375,249) | (197,412) |
| Interest income | 95,183 | 36,531 |
| Cash generated by (utilised in) operating activities | (280,067) | (160,881) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of fixed assets | - | (14,158) |
| Cash (utilised in) generated by investing activities | - | (14,158) |
| Net increase (decrease) in cash during year | (280,067) | (175,039) |
| Cash and cash equivalents at beginning of year | 1,459,229 | 1,634,268 |
| Cash and cash equivalents at end of year | 1,179,162 | 1,459,229 |

**Notes to the Financial Statements
for year ended 30 June 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Victoria). The Council has determined that the Association is not a reporting entity.

The financial report has been prepared in on an accrual basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting.

The leave liabilities are calculated on the basis of employees' remuneration, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on the basis of first in and first out and includes all costs necessary to bring stock into its current condition and location.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term highly liquid investments with maturities of twelve months or less.

Fixed Assets

Fixed assets are carried at cost less, where applicable, any accumulated depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets commencing from the time the asset is held ready for use.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Revenue

Grant and donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

Goods and Services Tax (GST)

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

Specific Projects/Campaigns and Hosted Networks

Monies received in connection with specific projects/campaigns are carried as current liabilities to the extent that monies received exceed related expenditure at balance date.

Monies received in respect of projects hosted by the Association on behalf of third parties are carried as current liabilities to the extent that monies received exceed related expenditure at balance date (refer note 2).

Notes to the Financial Statements
for year ended 30 June 2011

NOTE 2: ACTIVITIES & HOSTED NETWORK ACCOUNTS

The accounts for the Bushwalking Group has not been consolidated into the general accounts.

Victorian Environment Friends Network funds are carried by the Victorian National Parks Association as project liabilities as at 30 June 2011

| | Note | 2011 \$ | 2010 \$ |
|---|------|--------------|------------|
| BUSHWALKING & ACTIVITIES GROUP | | | |
| Opening Balance | | 196 | 2,626 |
| Income | | 9,964 | 10,219 |
| Expenditure | | (1,337) | (949) |
| Contribution to VNPA | | (4,000) | (11,700) |
| Closing Balance | | 4,823 | 196 |

| | | | |
|--|--|--------------|--------------|
| VICTORIAN ENVIRONMENT FRIENDS NETWORK | | | |
| Opening Balance | | 6,967 | 9,543 |
| Income | | 140 | 3,872 |
| Expenditure | | (1,724) | (6,448) |
| Closing Balance | | 5,383 | 6,967 |

NOTE 3: PUBLICATION DIVISION - OPERATING RESULTS

| | | | |
|-----------------------------------|--|----------------|---------------|
| Income | | | |
| Sales | | 31,040 | 17,711 |
| Interest | | - | 384 |
| | | 31,040 | 18,095 |
| Expenditure | | | |
| Cost of Goods Sold | | 10,773 | 5,810 |
| Other Costs | | 24,631 | 8,935 |
| | | 35,404 | 14,745 |
| SURPLUS (DEFICIT) for Year | | (4,364) | 3,350 |

NOTE 4: COMPOSITION OF OPERATING SURPLUS (DEFICIT) FOR YEAR

| | | | |
|---|---|--------------|-----------------|
| General Account | | 7,800 | (30,860) |
| Publications | 3 | (4,364) | 3,350 |
| Operating Surplus (Deficit) for Year | | 3,436 | (27,510) |

NOTE 5: PROVISIONS

| | | | |
|--------------------------------------|--|----------------|----------------|
| Prepaid Membership Fees | | 12,085 | 2,500 |
| Patron Donations Received in Advance | | 55,000 | 303,997 |
| Provision for Annual Leave | | 72,902 | 65,364 |
| Provision for Long Service Leave | | 39,104 | 34,328 |
| Provision for Time In Lieu | | 8,016 | 11,150 |
| TOTAL PROVISIONS | | 187,107 | 417,339 |

NOTE 6: COMPOSITION OF TOTAL FUNDS

| | | | |
|--|---|----------------|----------------|
| General Funds Start of Year | | | |
| Surplus (Deficit) for Year | | 7,800 | (30,860) |
| General Funds End of Year | | 97,880 | 90,080 |
| Publication Funds Start of Year | | | |
| Surplus (Deficit) for Year | 3 | (4,364) | 3,350 |
| Publications Funds End of Year | | 4,734 | 9,098 |
| Crosbie Morrison Fund | | | |
| Bequests and Specific Donations | | 101,747 | 38,704 |
| Transfer to Special Reserves Fund | | (116,502) | - |
| Crosbie Morrison Fund End of Year | | 474,496 | 489,251 |
| Special Reserves Fund | | | |
| Transfer from Crosbie Morrison Fund | | 116,683 | 202,802 |
| Transfer to Income Statement | | (132,429) | (86,119) |
| Special Reserves Fund End of Year | | 100,756 | 116,683 |
| TOTAL FUNDS | | 677,866 | 705,113 |



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Independent Auditor's Report to the Members of Victorian National Park Association Inc.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Victorian National Park Association Inc, which comprises the assets and liabilities statement as at 30 June 2011, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by members of the Council.

Council's Responsibility for the Financial Report

The Council of Victorian National Parks Inc is responsible for preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act (Victoria) and the needs of members. The Council's responsibility also includes such internal controls as the Council determines necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 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 judgement, 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 control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, 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.

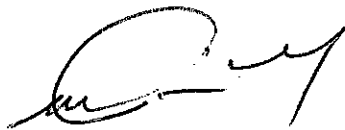
Qualification

In common with similar organisations it is not feasible for the Association to institute accounting controls over all cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Audit's Opinion

In our opinion, except for the existence of the limitation on the scope of our work as described in the qualification paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, the financial report presents fairly, in all material respects the financial position of Victorian National Parks Association Inc as of 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Association's Incorporation Act (Victoria).

Coster Galgut Pty Ltd
Chartered Accountants



Martin Reichenberg CA

26 August 2011