



Victorian National Parks Association Inc.

ABN: 34 217 717 593
Registration No: A0004350N

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Victorian National Parks Association Inc

Financial Report for the Year Ended 30 June 2018

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Victorian National Parks Association Inc

ABN: 34 217 717 593 Reg No: A0004350N

Council Report

Your council members submit the financial report of Victorian National Park Association Inc for the financial year ended 30 June 2018.

Council Members

The council members that held office during the financial year and at the date of this report are:

Euan Moore (President)	
Bruce McGregor (Vice-President)	Russell Costello
Michael Forster (Secretary)	Michael Feller
Gary Allan (Treasurer)	Deb Henry
Lara Bickford	Gerard McPhee
Ann Birrell	Dianne Marshall
Jan Hendrik Brueggemeir	James Thyer

Principal Activities

Victoria National Parks Association Inc is an independent, non-profit, membership-based group, which exists to support and protect Victoria's unique natural environment and biodiversity through the establishment and effective management of national parks, conservation reserves and other measures. The Association is classified as a Tier 3 association under the Associations Incorporation Reform Act 2012 in that its annual revenue exceeds \$1m and as such is required to have the financial report audited.

Significant Changes


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

Operating Result

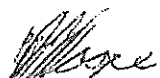
The operating surplus for the 2018 financial year amounted to \$166,567 (2017: deficit \$62,206).

This operating surplus of \$166,567 was boosted by an abnormally high level of bequests this year of \$195,673 compared to \$8,763 in the prior year. Your Council is very grateful for the positive impact these bequests have had on the financial position of the Association and would encourage the current membership to consider such bequests as a means of strengthening the long term future of the Association.

This statement is signed for and on behalf of the Council by:



Gary Allan
Treasurer



Euan Moore
President

Dated this 6th day of September 2018

Victorian National Parks Association Inc

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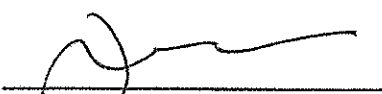
True and Fair Certification by members of the Council

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 and the provisions of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*.

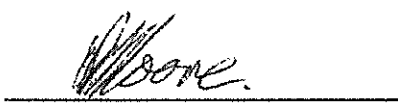
In accordance with a resolution of the Council of Victorian National Parks Association Inc, the members of the Council declare that:

1. the financial statements and notes, as set out on pages 5 to 12, comply with Australian Accounting Standards and give a true and fair view of the financial position of Victorian National Parks Association Inc as at 30 June 2018 and its performance for the year ended on that date; and
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; and
3. this declaration is signed in accordance with subs 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

This statement is signed for and on behalf of the Council by:



Gary Allan
Treasurer



Euan Moore
President

Dated this 6th day of September 2018

Victorian National Parks Association Inc

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Statement of Profit or Loss and other Comprehensive Income For the Year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue and other income	2	1,461,647	1,256,101
Expenses	3	<u>1,295,080</u>	<u>1,318,307</u>
Current year operating surplus (deficit)		<u>166,567</u>	<u>(62,206)</u>
Total Comprehensive Income Attributable to Members of the Entity		<u><u>166,567</u></u>	<u><u>(62,206)</u></u>
<i>Comprised as follows:</i>			
Individual bequests received in excess of \$25,000		159,575	-
General Operating Surplus (Deficit) For Year		<u>6,992</u>	<u>(62,206)</u>
		<u><u>166,567</u></u>	<u><u>(62,206)</u></u>

Victorian National Parks Association Inc

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Statement of Financial Position as at 30 June 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents		1,466,626	1,107,925
Accounts Receivable and Other Debtors		28,671	14,972
Inventory - Publications Held for Resale		2,699	1,303
Total Current Assets		<u>1,497,996</u>	<u>1,124,200</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	<u>62,220</u>	<u>67,894</u>
Total Non-current Assets		<u>62,220</u>	<u>67,894</u>
TOTAL ASSETS		<u>1,560,216</u>	<u>1,192,094</u>
CURRENT LIABILITIES			
Accounts Payable and Other Payables		49,933	41,314
Projects/Hosted Networks		495,989	334,366
Employee Entitlements and Prepayments	6 (a)	<u>158,726</u>	<u>146,118</u>
Total Current Liabilities		<u>704,648</u>	<u>521,798</u>
NON-CURRENT LIABILITIES			
Employee Entitlements and Prepayments	6 (b)	<u>47,236</u>	<u>34,724</u>
Total Non-current Liabilities		<u>47,236</u>	<u>34,724</u>
TOTAL LIABILITIES		<u>751,884</u>	<u>556,522</u>
NET ASSETS		<u>808,332</u>	<u>635,572</u>
ASSOCIATION FUNDS			
Bequest Reserve Funds		159,575	-
Other - Retained Surplus		648,757	635,572
Total Association Funds		<u>808,332</u>	<u>635,572</u>

Victorian National Parks Association Inc

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Statement of Changes in Equity For the Year ended 30 June 2018

	Note	Retained Surplus \$	Bequest Reserve Funds \$	Total \$
<i>Balance at 1 July 2016</i>		697,778	-	697,778
Deficit for the year attributable to members of the entity		(62,206)	-	(62,206)
Other comprehensive income for the year		-		
<i>Balance at 30 June 2017</i>		<u>635,572</u>	<u>-</u>	<u>635,572</u>
Surplus for the year attributable to members of the entity		6,992		6,992
Current Year Bequests			159,575	159,575
Prior year adjustment - incorporation of Bushwalking Group bank account into the Association cash reserves	5	6,193		6,193
<i>Balance at 30 June 2018</i>		<u>648,757</u>	<u>159,575</u>	<u>808,332</u>

Victorian National Parks Association Inc

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Statement of Cash Flows for Year Ended 30 June 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Appeals, Donations & Bequests	1,102,310	896,632
Receipts from Membership Fees	92,441	98,223
Receipts from Grants & Sponsorships	364,160	283,336
Receipts from Sales & Activities	43,993	33,213
Payments to Suppliers & Employees	<u>(1,232,878)</u>	<u>(1,291,179)</u>
Cash Generated By Operations	<u>370,026</u>	<u>20,225</u>
Interest Income	<u>16,477</u>	<u>15,374</u>
Cash Generated by Operating Activities	<u>386,503</u>	<u>35,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(27,802)	(50,389)
Cash Utilised in Investing Activities	<u>(27,802)</u>	<u>(50,389)</u>
Net Increase (Decrease) in Cash During Year	358,701	(14,791)
Cash & Cash Equivalents at Beginning of Year	<u>1,107,925</u>	<u>1,122,716</u>
Cash & Cash Equivalents at End of Year	<u>1,466,626</u>	<u>1,107,925</u>

Victorian National Parks Association Inc

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Notes to the Financial Statements for Year Ended 30 June 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*. The Council has determined that the Association is not a reporting entity.

Statement of Compliance

The financial report has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

The financial report has been prepared 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 generally consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Cash & 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.

Inventory

Inventory 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.

Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the expected net cash flows which will be received from the assets employment and eventual disposal. In determining the recoverable amount, the expected net cash flows have not been discounted to present values.

The depreciable amount of all fixed assets are depreciated on a straight-line basis over the useful lives of the assets commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Plant & Equipment	10%-50%
Website	33%

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Notes to the Financial Statements for Year Ended 30 June 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Typically, fifty percent of long service leave entitlements are reflected as a current liability and 50% as a non-current liability.

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 a 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.

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

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

Revenue from appeals, grants, donations, bequests and membership fees income is recognised when the Association obtains control over the funds which is generally at the time of receipt.

Bequests

Individual bequests received in excess of \$25,000 per annum are allocated to Bequest Reserve Funds as detailed in the Statement of Changes in Equity

Specific Projects/Campaigns & 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 5).

Victorian National Parks Association Inc

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Notes to the Financial Statements for Year Ended 30 June 2018

NOTE 2: REVENUE	2018	2017
	\$	\$
Appeals & Donations	916,357	892,299
Bequests	195,673	8,763
Grants and Sponsorships	206,068	207,017
Membership Fees	92,441	98,223
Interest	19,678	16,586
Publication Sales, Events & Outdoor Activities	31,430	33,213
	<u>1,461,647</u>	<u>1,256,101</u>

NOTE 3: EXPENSES

Employment Expenses	848,587	864,327
Campaigns, Projects, Activities and Education	111,164	125,867
Office and Administration	165,001	157,043
Printing/Publications/Web	73,028	68,513
Occupancy Costs	87,837	92,340
Insurances	10,580	10,802
Cost of Sales - Publications held for resale	(1,118)	(586)
	<u>1,295,080</u>	<u>1,318,307</u>

NOTE 4: PROPERTY, PLANT & EQUIPMENT

Plant & Equipment	100,984	91,913
Less Accumulated Depreciation	<u>(70,296)</u>	<u>(74,132)</u>
Net Total	<u>30,688</u>	<u>17,781</u>
Website	56,307	56,307
Less Accumulated Depreciation	<u>(24,775)</u>	<u>(6,194)</u>
Net Total	<u>31,532</u>	<u>50,113</u>
Total Property, Plant & Equipment	<u><u>62,220</u></u>	<u><u>67,894</u></u>

Victorian National Parks Association Inc

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Notes to the Financial Statements for Year Ended 30 June 2018

NOTE 5: BUSH WALKING ACTIVITIES GROUP

With effect from 1 July 2017, the bank account of the Bush Walking Activities Group (BWAG) has been consolidated into the general accounts and the Group activities have been included in the Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2018, as well as being detailed in this note.

The bank balance at 1 July 2017 of \$6,194 was not considered sufficiently material to warrant an adjustment to the comparative figures.

The BWAG bank balance of \$6,194 at 30 June 2017 was not considered material enough to warrant an adjustment to the comparative figures in the Statement of Financial Position.

	2018	2017
	\$	\$
Opening Bank Balance	6,194	4,217
Income - receipts	4,990	6,100
Expenditure - payments	(1,336)	(123)
Contribution to VNPA - payment	(4,500)	(4,000)
Closing Balance	<u>5,348</u>	<u>6,194</u>

NOTE 6: EMPLOYEE ENTITLEMENTS AND PREPAYMENTS

(a) CURRENT LIABILITY

Prepaid Membership Fees	12,600	10,964
Provision for Parental Leave	15,000	-
Provision for Annual Leave	76,485	85,457
Provision for Long Service Leave	47,234	34,723
Provision for Time Off In Lieu	7,408	14,974
	<u>158,726</u>	<u>146,118</u>

(b) NON-CURRENT LIABILITY

Provision for Long Service Leave	<u>47,236</u>	<u>34,724</u>
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Victorian National Parks Association Inc

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NOTE 7: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with net current year surplus (deficit)

	2018	2017
	\$	\$
Net current year surplus (deficit)	166,567	(62,206)
Adjusted for:		
- depreciation	33,476	18,975
Movements in working capital:		
- increase in accounts receivable and other debtors	(13,699)	(7,785)
- increase in inventory	(1,396)	(1,036)
- increase/(decrease) in accounts payable and other payables	8,620	(8,451)
- increase in projects and hosted networks	161,622	77,822
- increase in provisions and prepayments	25,119	18,280
- prior year adjustment - refer Note 5 (a)	6,194	-
Cash generated by operating activities	<u>386,503</u>	<u>35,599</u>

NOTE 8: SERVICE AGREEMENT COMMITMENT

On 1 September 2017, the Association entered into a 3 year information technology maintenance contract at \$2,359 per month, payable as follows:

- within 12 months	\$28,308
- thereafter	\$33,026

This maintenance expenditure will be funded as part of the annual operating budget of the Association.

NOTE 9: LITIGATION

The Association has concluded a Cost Agreement with Environmental Justice Australia in relation to a legal challenge against the planned usage of the Belfast Coastal Reserve.

The Association has agreed to make a fixed contribution of \$8,700 to the legal costs expected to be incurred in challenging the planned usage.

Independent Audit Report to the members of Victorian National Parks Association Inc

Opinion

We have audited the financial report of Victorian National Parks Association Inc, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income for the year then ended, statement of changes in equity and statement of cash flows and notes to the financial statements including a summary of significant accounting policies, and the certification by members of the Council on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Victorian National Parks Association Inc has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the requirements of the *Associations Incorporation Reform Act 2012*, including:

- giving a true and fair view of the financial position of the association as at 30 June 2018 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1 and Div 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of the Ethics for Professional Accountants* (the Code).

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the *Associations Incorporation Reform Act 2012* and for the purposes of fulfilling the financial reporting responsibilities of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Council for the Financial report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the

going concern basis of accounting unless the Council either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

COSTER GALGUT PTY LTD
ACN 66 005 054 866



Martin Reichenberg CA
Dated: 6 September 2018

