



Conservation Ecology Centre
Cape Otway

2019 ANNUAL REPORT

CONSERVATION ECOLOGY CENTRE

FROM THE CEO

I've always known the Otways are special, but the more we find out about this landscape through our research, the more important I realise it is.

Firstly, in providing critical safe-havens for the plants and animals who live here - particularly those that have been lost elsewhere. But also the role this magical place plays in inspiring us. It has a special ability to demonstrate to us all the beauty of nature, and her true potential if cared for thoughtfully.

I simply cannot wait until Wildlife Wonders opens its gates to visitors and we are able to share the stories of this amazing landscape with more people than ever before.

In the meantime, I'd like to offer my sincerest thanks to our supporters who have helped us achieve so much in the past year. Without collaboration, conservation simply does not happen - but when we work together we can achieve amazing things.

Thank you for your involvement in this journey.

LIZZIE CORKE OAM
CHIEF EXECUTIVE OFFICER





A YEAR IN REVIEW

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Our purpose, vision and values

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Healthy Landscape - nurturing landscape through impact-driven research

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OUR PURPOSE

To generate knowledge to
nurture country



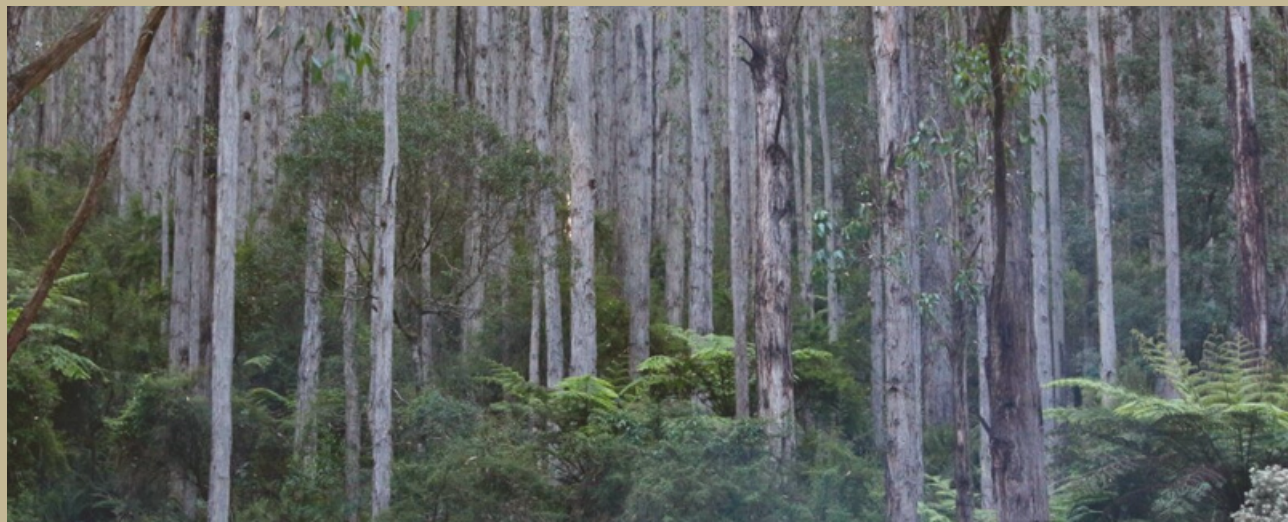
OUR VISION

The Otways landscape
cared for forever



OUR VALUES

Integrity// Respect//
Results



A koala is the central focus of the image, sitting in a nest made of dry branches and grass. The koala is looking towards the left of the frame. The background is a soft-focus natural setting with green foliage. The entire image has a dark blue-green tint, and a solid light yellow vertical bar is on the right side.

HEALTHY LANDSCAPE

NURTURING LANDSCAPE THROUGH IMPACT-DRIVEN
RESEARCH

PHOTO: EMMA CATHERINE

OTWAY ARK PARTNERSHIP PROJECTS

The Otway Ark is a landscape-scale small mammal recovery program, which has provided an opportunity for researchers & land managers to collect data on how threatened species and exotic predators occupy the Otways. Fox control has now commenced across three of the four target areas, and monitoring this year will provide insight into how animals have responded. We continue to support the Otway Ark through the Technical Working Group and Project Control Group and by contributing to the research that will help develop the program and support its conservation outcomes.

OUR INVOLVEMENT

- **Spatial Distribution Modelling for Threatened Mammals** (with The University of Melbourne) will provide a valuable foundation to inform where future research projects on ground-dwelling mammals should be focussed.
- **Using scats to measure fox mortality & abundance** (with The University of Melbourne, CESAR, Victoria University) uses DNA analysis to assess efficacy of baiting for controlling foxes.
- **Threatened Species Database** compiles data from multiple organisations, now live at www.vvb.org.au with over 14,000 records.
- **Changes to the abundance of feral cats & fox diet due to Otway Ark** (with Matt Rees, The University of Melbourne). 424 fox scats originating from >37 foxes were analysed for dietary content, pairing genetic identification & dietary analysis of wild foxes and giving unprecedented insight into what foxes prey upon in the Otways.
- **Expansion of Otway Ark onto private land** - with Southern Otway Landcare Network, supporting effective biodiversity conservation through a collaborative, landscape-scale approach.



Photo: Doug Gimesy



Photo: Doug Gimesy

CAPE OTWAY WOODLAND RESTORATION

The coastal woodlands of Cape Otway have suffered greatly from over-browsing by koalas and encroachment by coastal shrubs. Our annual koala monitoring is showing koala numbers are now healthier and ecological burning is supporting woodland recovery, but we still have a lot of work to do to nurse these woodlands back to good health.

With the help of volunteers at our annual Big Otway Tree Plant we've planted over 100,000 tree seedlings, across 100 Ha of affected woodland areas at Cape Otway in recent years. These seedlings are already starting to grow into healthy young trees. We've also implemented the Cape Otway Ecological Burns Program to re-establish a fire regime on Cape Otway, which is improving habitat for the diverse plants and animals of our coastal woodlands.

THIS YEAR WE...

- Planted 7,000 seedlings across both Cape Otway & the Wildlife Wonders site.
- Saw amazing survival of the trees planted in the 2017 Big Otway Tree Plant, averaging around 80 per cent. This can be in part attributed to the use of better tree guards, as well as the natural resilience on the site.
- Unfortunately, had to cancel the 2018 Big Otway Tree Plant due to bad weather.
- Conducted our first entirely volunteer-run planned burn on Cape Otway.
- Commenced trials of low intensity winter burns.
- Began to work with Eastern Maar to incorporate Indigenous knowledge into the burn program – which we hope will help us achieve even greater results for the koalas and other threatened species on Cape Otway.



Photo: Emma Catherine



Photo: Emma Catherine

OTHER RESEARCH WE'RE INVOLVED IN...

The Conservation Ecology Centre partners with universities, government agencies and private landholders to deliver a coordinated and effective research program. By acting as a local hub we can help ensure efforts are effectively targeted to areas of most need and that valuable hours are not wasted duplicating work that has already been undertaken. We also ensure research results are communicated back to land managers to help inform their decision making.

- **Supporting effective decision-making for integrated management of introduced predators, fire and other threats to Australia's native mammals** - ARC Linkage Grant, Partner Investigator with The University of Melbourne, Deakin University, Charles Darwin University, Arthur Rylah Institute.
- **Impact of predators on critical weight range mammals** - Supervision of two Masters projects, The University of Melbourne.
- **Occupancy and Distribution of the Southern Toadlet**, supervision of Honours project, Deakin University.
- **Understanding the Koala Microbiome** - partner in ARC Linkage Grant led by Dr Ben Moore, Western Sydney University.
- **Evidence-Based Approach to the Conservation of *Astelia australiana*** - Linda Parker, PhD candidate, and Dr Craig Nitschke, The University of Melbourne.
- **The efficacy of volunteer detection dogs** - Emma Bennet, PhD candidate, Monash University.
- **The motivations of volunteers involved in conservation dog projects** - Nicholas Rutter, PhD candidate, LaTrobe University.



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THOUGHT LEADERSHIP

AN EFFECTIVE AND COLLABORATIVE APPROACH TO
CONSERVATION

PHOTO: DOUG GIMESY





WILDLIFE WONDERS

THE WILD SIDE OF THE GREAT OCEAN ROAD

INNOVATIVE SOCIAL ENTERPRISE

Wildlife Wonders is a unique ecotourism social enterprise being developed by the Conservation Ecology Centre. It offers an outstanding opportunity to engage visitors to the Great Ocean Road and build capacity for conservation across the Otways.

Wildlife Wonders will engage the local and global community in conservation, inviting them to join in a vision of a healthy and resilient ecosystem teeming with wildlife.

THIS YEAR WE...

- Purchased a stunning site just outside Apollo Bay and secured a long term leased of adjoining land.
- Secured planning permission from Colac Otway Shire.
- Commenced extensive habitat restoration.
- Began landscaping and pathway construction under guidance of Brian Massey (Hobbiton).
- Appointed a Board of Directors.
- Secured Charity status with ACNC.
- Secured \$2million in Commonwealth Government funding and \$1.5million in Victorian State Government funding.
- Engaged philanthropic supporters
- Received endorsement from former Victorian Premier, The Hon Steve Bracks AC.



OTWAYS THREATENED SPECIES NETWORK

Membership of the Otways Threatened Species Research Network (OTSRN) expanded in 2018 and now includes representatives from seven universities, four government agencies and six NGOs, with a network now comprising 150 people.

The Conservation Ecology Centre established the network to:

- Improve the quality and quantity of data to inform threatened species management in the Otways.
- Act as a hub – a port of call – to pool resources and data to publicly inform management of threatened species in the Otways.
- Be a reputable collaboration of researchers and managers providing mutual support for one other's goals (including financial where appropriate).
- Provide the latest research, knowledge and advice required to improve threatened species and land management across all Otway land tenures.
- Advise the urgent action of land managers to save species from extinction in the Otways.

In August 2018, close to 100 delegates attended the third annual OSTRN Forum in Geelong to hear about ongoing research and land management programs within the Otways.

Presentations covered a variety of topics ranging from fire, invasive pests, microbats and a range of threatened flora projects. They can be viewed at: www.conservationecologycentre.org/2018/08/24/2018-otsrnforum-abstracts

The Otways Threatened Species Forum continues to be a key component of the Conservation Ecology Centre's engagement program.



PAPERS & CONFERENCE PRESENTATIONS

Rees, M.W., **Pascoe, J.H.**, Wintle, B., **Le Pla, M.**, **Birnbaum, E.** and Hradsky, B. (2019). Unexpectedly high densities of feral cats in a rugged temperate forest. *Biological Conservation* vol. 239.

Blyton, M.D.J., Soo, R., Whisson, D., Marsh, K., **Pascoe, J.H.**, **Le Pla, M.**, Foley, W., Hugenholtz, P. and Moore, B. (2019). Faecal inoculations alter the gastrointestinal microbiome and allow dietary expansion in a wild specialist herbivore, the koala. *Animal Microbiome* 1(6).

Pascoe, J.H., Flesh, J.S., Duncan, M., **Le Pla, M.** and Mulley., R.C. (2019). Territoriality and Seasonality in the home range of adult male free-ranging lace monitors (*Varanus varius*) in South-eastern Australia. *Herpetological Conservation and Biology* 14(1):97-104.

- **Pascoe J.H.** The Otway Threatened Species Forum, *South-West Biodiversity Forum 2019*.
- **Pascoe, J.H.** Ecologists and practitioners collaborating to set research priorities for threatened species conservation in the Otways, *Ecological Society of Australia Conference 2019*.
- **Le Pla, M.** Long-term Monitoring of Leafy Greenhoods reveals a population of national significance on Cape Otway, *SW Biodiversity Forum 2019*.
- **Le Pla, M.** Evaluating the impact of fox control in the Otway Ranges, *Geelong Field Naturalists Club 2019*.
- **Le Pla, M.** Evaluating Efficacy: Non-invasive genetic sampling in the Otway Ranges, *Ecological Society of Australia 2019, Federation, University Seminar Series 2019, VicBioCon 2019, OTSRN Forum 2019*.
- **Birnbaum, E.K.** Expanding the Otway Ark- A cross tenure fox control program. *Private Land Conservation Conference 2019, OTSRN Forum 2019, South-West Biodiversity Forum 2019*.
- **Birnbaum, E.K.** The Next Big Threat-tackling the feral pig problem", *OTSRN Forum 2019 South-West Biodiversity Forum 2019*.





PROVIDING OPPORTUNITY

COMMUNITY EMPOWERMENT & FOSTERING
CONSERVATION CAREERS

PHOTO: DOUG GIMESY



CONNECTING WITH COMMUNITY

In addition to our work with universities, government agencies and land managers we also undertake a significant amount of outreach to the general public. We work to our empower our local (and global) community to engage in conservation.

ACTIVITIES INCLUDE...

- Seasonal email newsletters to over 2,500 subscribers.
- Production of short videos on our Cape Otway Woodland Restoration Project and Wildlife Wonders available via our [YouTube](#) Channel and shared on social media.
- Regular engagement with 7,000 [Facebook](#) followers, 1,500 [Twitter](#) followers and 1,600 [Instagram](#) followers.
- Annual Big Otway Tree Plant and Koala Count activities.
- Six media releases and coverage in local newspapers and on radio.
- Nightly tours for guests at our current social enterprise, The Great Ocean Ec Lodge, featuring kangaroos, koalas, potoroos and tiger quolls - these are both educational and inspirational and will be the model for the Wildlife Wonders tours.
- Engagement with local community and Landcare on pest plant & animal projects.

FOSTERING CONSERVATION CAREERS

Funding for conservation is limited in Australia and there are few stable, long-term career pathways. During this financial year we employed three new staff, two of whom had previously undertaken internships with us. This internship program has now provided over 50 people with entry-level experience in conservation since 2011.

Our capacity to hire and provide career pathways for ecologists and in other 'green-collar' roles will be significantly enhanced through the operation of Wildlife Wonders.

HIGHLIGHTS THIS YEAR...

- Biodiversity Response Plan (BRP) funding announced in August 2018 by The Hon Lily D'Ambrosio MP, Minister for Environment, allowed us to hire Emma Birnbaum as a part time Project Coordinator. Emma completed an internship at CEC in 2017.
- Wildlife Wonders engaged Ben Lake to support landscaping and habitat restoration works. Ben completed an internship at CEC in 2018.
- CEC engaged Wildlife and Interpretation Manager, Emma McKenzie, to manage resident wildlife and guide nightly tours from the Ecolodge. Emma is also supporting wildlife sourcing and planning for Wildlife Wonders.
- CEC secured philanthropic support to support our internship program, providing a stipend for each three month placement.



A photograph of a mouse in a natural setting, possibly a nest or a hole, with a blue overlay. The mouse is the central focus, looking towards the right. The background consists of wood chips and some green leaves. The overall tone is dark and moody.

GOVERNANCE & FINANCIALS

PHOTO: TONI STEVENS

CEC GOVERNANCE

Our Patron

The Hon Steve Bracks AC (Patron)

Advisory Board

Dr Deborah Seifert AM (Chair)

Mr Matthew Bridges

Mr John Clarke

Mrs Alison Corke

Assoc Prof Charles Corke

Mr Doug Humann AM

Dr Rik Thwaites

Prof Alan York

Public Fund Management Committee

Dr Deborah Seifert AM

Mr Matthew Bridges

Mr John Clarke

Mrs Alison Corke

Assoc Prof Charles Corke

Mr Doug Humann AM

Dr Rik Thwaites

Prof Alan York

OUR TEAM

Conservation is not for the fainthearted. We are very grateful to the extraordinary team who go the extra mile to help ensure a safe future for the flora and fauna of this special region – those working on the ground to deliver the projects and those who support them in this important work in all sorts of capacities from all over the world.

WILDLIFE WONDERS

Board

Ms Leonie Bowles

Mr Matthew Bridges

Mr Andrew Buchanan


Assoc Prof Charles Corke

Ms Elizabeth Corke

Mr Brian Massey

Mr Shayne Neal

Mr Tim Noonan



CONSERVATION ECOLOGY TRUST
ABN 90 681 731 286
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

- Consolidated Statement of Profit and Loss and Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Financial Statements
- Certificate by Members of the Trust
- Independent Auditor's Report

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019**

		Consolidated	
		2019	2018
	Note	\$	\$
Income			
Revenue	3	267,384	248,627
Other income	3	984,139	941,423
		<u>1,251,523</u>	<u>1,190,050</u>
Expenses			
Advertising		38,052	13,962
Accounting fees		6,593	-
Bank fees		3,215	3,729
Administration cost		118	-
Conference expenses		8,221	8,909
Conservation & research		171,026	12,534
Contract work		34,410	132,261
Depreciation	4	73,758	45,196
Engagement expenses		5,058	1,171
Fuel & oil		21,026	15,969
Electricity & gas		5,590	3,677
Guest services		9,133	13,293
Insurance		10,772	13,191
Interest paid		-	4,443
Land management		6,718	-
Laundry & dry cleaning		4,261	1,186
Leave provisions		45,694	78,842
Legal costs		31,584	5,144
Other expenses		6,611	-
Office supplies & postage		4,975	6,810
Professional fees		3,971	6,817
Purchases		41,151	36,482
Rates & taxes		659	303
Registrations & licences		11,277	13,966
Repairs & maintenance		18,185	25,771
Staff training & welfare		6,618	2,410
Subscriptions		-	173
Superannuation - employees		38,404	39,078
Telephone		8,115	4,143
Travelling expenses		6,488	-
Uniform		3,156	1,114
Wages		408,938	415,017
Waste disposal		1,255	210
Wildlife husbandry supplies		3,194	1,349
Workcover		15,341	7,058
		<u>1,053,567</u>	<u>914,208</u>
Net Profit/(Loss)		<u>197,956</u>	<u>275,842</u>

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
For the Year Ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash at bank	5	86,014	63,087
Financial asset	6	20,385	20,385
Trade and other debtors	7	89,113	233,438
TOTAL CURRENT ASSETS		195,512	316,910
FIXED ASSETS			
Property, plant and equipment	8	4,239,214	3,317,672
TOTAL FIXED ASSETS		4,239,214	3,317,672
TOTAL ASSETS		4,434,726	3,634,582
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	5	11,431	27,612
Trade and other payables	9	215,193	367,713
Financial liabilities	10	1,781,046	32,992
Employee benefits	11	115,758	65,842
Accrued expenses	12	35,037	9,888
Prepaid accommodation deposits		15,470	15,199
TOTAL CURRENT LIABILITIES		2,173,935	519,246
NON-CURRENT LIABILITIES			
Scholarship fund held in trust		5,000	5,000
Financial liabilities	10	1,547,197	2,595,476
Employee benefits	13	8,778	13,000
TOTAL NON-CURRENT LIABILITIES		1,560,975	2,613,476
TOTAL LIABILITIES		3,734,910	3,132,722
NET ASSETS		699,816	501,860
EQUITY			
Settlor's fund		10	10
Retained earnings		699,806	501,850
TOTAL EQUITY		699,816	501,860

**Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019**

	Note	Consolidated	
		2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and interest received		1,389,661	818,028
Payments to suppliers and employees and interest paid		(1,055,028)	(288,799)
Net cash provided by operating activities	20	<u>334,633</u>	<u>529,229</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment (net)		(995,300)	(3,088,494)
Net cash (used in) investing activities		<u>(995,300)</u>	<u>(3,088,494)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings (net)		699,775	2,581,863
Net cash provided by financing activities		<u>699,775</u>	<u>2,581,863</u>
Net increase in cash and cash equivalents held		39,108	22,598
Cash and cash equivalents at beginning of year		35,475	12,877
Cash and cash equivalents at end of financial year	5	<u>74,583</u>	<u>35,475</u>

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2019**

2019 Consolidated

	Settlor's fund	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2018	10	501,850	501,860
Profit attributable to members	-	197,956	197,956
Balance at 30 June 2019	10	699,806	699,816

2018 Consolidated

	Settlor's fund	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2017	10	226,008	226,018
Profit attributable to members	-	275,842	275,842
Balance at 30 June 2018	10	501,850	501,860

Notes to the Financial Statements For the Year Ended 30 June 2019

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

General information

The financial statements cover the Conservation Ecology Trust as a Consolidated Entity consisting of Conservation Ecology Trust and CEC Marengo Ltd and Wildlife Wonders Ltd which are the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is Conservation Ecology Trust's functional and presentation currency.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the Trustees' opinion, the Trust and Consolidated Entity are not reporting entities because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012*. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Conservation Ecology Trust.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flows*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1048 '*Interpretation of Standards*' and AASB 1054 '*Australian Additional Disclosures*', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Conservation Ecology Trust ('Parent Entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Conservation Ecology Trust and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Note 1. Significant accounting policies cont.

Principles of consolidation cont.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent. Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity. Dividends received from subsidiaries are recognised as other income by the Parent Entity and its receipt may be an indicator of an impairment of the investment.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Sale revenue generally consists of events, fundraising and raffles. Amounts disclosed as revenue are net of sales returns and trade discounts.

Grants revenue

Grants are recognised as revenue, in accordance with AASB 1004, when the consolidated entities gain control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-Reciprocal grants are recognised as revenue when the grant is received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Incorporated Association is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies cont.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the consolidated statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current liabilities.

Note 1. Significant accounting policies cont.

Investments and other financial assets

Investments and other financial assets, other than interests in subsidiaries or associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Consolidated Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available for-sale reserve.

Property, plant and equipment

Land and buildings are shown at cost. Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rate used are as follows:

Buildings	2 - 2.5%
Plant and equipment	20 - 30%
Motor vehicles	18 - 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies cont.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. Significant accounting policies cont.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2019. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Going concern

At 30 June 2019 the Trust had a net current asset deficiency, whereby current liabilities exceeded current assets by \$1,978,423 and the net profit for the year was \$197,956. As a result of this condition, there was a material uncertainty as at 30 June 2019 over the consolidated entity's ability to pay its debts as and when due.

Notwithstanding the above condition, these accounts are prepared on a going concern basis as management of the consolidated entity have refinanced sufficient current debt and obtained additional sources of funding. Subsequent to year end, the management of the Trust has refinanced a loan amounting to \$1,150,000, extended the payment terms of another loan amounting to \$500,000 to 2021 and obtained additional funding of approximately \$460,000. The Trust has continued to receive grants and attract donations subsequent to year end.

As disclosed in note 17, subsequent to year end, the Consolidated Entity has experienced disruption to its operations arising from the effect of the COVID-19 virus which resulted in substantial disruption to commercial activities in Australia, including those in the tourism industry which are affected by the absence of both domestic and international tourists. It is not known when this disruption is likely to end. Management have revised their cash flow forecasts for the period up to 30 June 2021 and the material portion of income and expenditure during the 6 month period from the date of this report comprises committed government grants and establishment expenses to be incurred in development of the Consolidated Entity's tourist facilities. The Consolidated Entity will also avail themselves of government support measures to assist with personnel and operating expenses. Based on this analysis, management expect to be able to continue trading and development activities in this period.

As a result, management believe the accounts should be prepared on a going concern basis.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions cont.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Consolidation of CEC Marengo Ltd and Wildlife Wonders Ltd (collectively subsidiaries)

In determining the composition of the consolidated group, the entity has applied judgement in the determination of its ability to control the two subsidiaries.

Note 3 Revenue	Consolidated	
	2019	2018
	\$	\$
<i>Revenue</i>		
Ecotourism sales	267,384	248,627
	<u>267,384</u>	<u>248,627</u>
<i>Other revenue</i>		
Donations	316,881	509,358
Grants	648,765	349,127
Interest received	46	202
Fuel rebates	3,874	4,376
Other revenue	14,573	78,360
	<u>984,139</u>	<u>941,423</u>
Total Revenue	1,251,523	1,190,050

Note 4 Expenses	Consolidated	
	2019	2018
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	1,400	1,400
Plant and equipment	67,042	37,254
Motor vehicles	5,316	6,542
	<u>73,758</u>	<u>45,196</u>

Note 5. Current assets - cash and cash equivalents	Consolidated	
	2019	2018
	\$	\$
Cash at bank	86,014	63,087
Bank overdraft	(11,431)	(27,612)
	<u>74,583</u>	<u>35,475</u>

Note 6. Financial asset	Consolidated	
	2019	2018
	\$	\$
SEFA Escrow	20,385	20,385
	<u>20,385</u>	<u>20,385</u>

Note 7. Current assets – trade and trade receivables

	Consolidated	
	2019	2018
	\$	\$
Trade receivables	81,854	73,043
GST receivable	7,259	33,895
Stamp duty refund	-	126,500
	<u>89,113</u>	<u>233,438</u>

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Land - at cost	2,462,145	2,462,145
	<u>2,462,145</u>	<u>2,462,145</u>
Buildings	56,021	56,021
Less: accumulated depreciation	(8,088)	(6,688)
	<u>47,933</u>	<u>49,333</u>
Capital work in progress	1,485,350	505,050
	<u>1,485,350</u>	<u>505,050</u>
Plant and equipment - at cost	394,381	379,381
Less: accumulated depreciation	(173,630)	(106,588)
	<u>220,751</u>	<u>272,793</u>
Motor vehicles - at cost	80,339	80,339
Less: accumulated depreciation	(57,304)	(51,988)
	<u>23,035</u>	<u>28,351</u>
	<u>4,239,214</u>	<u>3,317,672</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Buildings	Capital work in progress	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2017	146,762	50,733	-	41,986	34,893	274,374
Additions	2,315,383	-	505,050	268,061	-	3,088,494
Depreciation expense	-	(1,400)	-	(37,254)	(6,542)	(45,196)
Balance at 30 June 2018	2,462,145	49,333	505,050	272,793	28,351	3,317,672
Additions	-	-	980,300	15,000	-	995,300
Depreciation expense	-	(1,400)	-	(67,042)	(5,316)	(73,758)
Balance at the 30 June 2019	<u>2,462,145</u>	<u>47,933</u>	<u>1,485,350</u>	<u>220,751</u>	<u>23,035</u>	<u>4,239,214</u>

The land at 475 Great Ocean Road, Apollo Bay, is subject to charge as a security for the borrowing from SEFA loan and The RE Ross Trust.

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	207,101	344,475
PAYGW payable	8,092	23,238
	<u>215,193</u>	<u>367,713</u>

Note 10. Current financial liabilities

	Consolidated	
	2019	2018
	\$	\$
Loan - other	95,060	32,992
Loan - SEFA	1,156,619	-
Loan - The RE Ross Trust	529,367	-
	<u>1,781,046</u>	<u>32,992</u>
Non-current financial liabilities		
Loan - SEFA	-	1,156,614
Loan - The RE Ross Trust	-	508,643
Loan - private individuals	1,547,197	930,219
	<u>1,547,197</u>	<u>2,595,476</u>

The loan from SEFA and the RE Ross Trust is guaranteed with charge over land at 475 Great Ocean Road, Apollo Bay.

Note 11. Current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Provision for annual leave	69,731	47,209
Provision for long service leave	46,027	18,633
	<u>115,758</u>	<u>65,842</u>

Note 12. Current liabilities - other

	Consolidated	
	2019	2018
	\$	\$
Superannuation payable	35,037	9,888
	<u>35,037</u>	<u>9,888</u>

Note 13. Non-current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Provision for long service leave	8,778	13,000
	<u>8,778</u>	<u>13,000</u>

Note 14. Equity - Retained surpluses

	Consolidated	
	2019	2018
	\$	\$
Retained surpluses at the beginning of the financial year	501,850	226,008
Surplus/(loss) after income tax expense for the year	197,956	275,842
Retained surpluses at the end of the financial year	<u>699,806</u>	<u>501,850</u>

Note 15. Contingent liabilities

The Consolidated Entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Note 16. Commitments

The Consolidated Entity had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

Note 17. Events after the reporting period

Subsequent to year end, the Consolidated Entity has experienced disruption to its operations arising from the effect of the COVID-19 virus which was characterized as a pandemic by the World Health Organisation in March 2020 and resulted in substantial disruption to commercial activities in Australia, including those in the tourism industry which are affected by the absence of both domestic and international tourists. It is not known when this disruption is likely to end. Management have revised their cash flow forecasts for the period up to 30 June 2021, including performing a sensitivity analysis around the disruption to tourism lasting approximately 6, 9 and 12 months from the date of this report. The material portion of income and expenditure during the 6 month period from the date of this report comprises committed government grants and establishment expenses to be incurred in development of the Consolidated Entity's tourist facilities. The Consolidated Entity will also avail themselves of government support measures to assist with personnel and operating expenses. Based on this analysis, management expect to be able to continue trading and development activities in this period.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Consolidated Entity operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 18. Parent entity

Conservation Ecology Trust is the Parent Entity.

Note 19. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
CEC Marengo Ltd	Australia	-	-
Wildlife Wonders Ltd	Australia	-	-

CEC Marengo Ltd and Wildlife Wonders Ltd are consolidated in accordance with AASB 10, as the Parent Entity has the ability to control the activities of both subsidiaries and to use this to obtain benefits from the assets and activities of both subsidiaries.

Note 20. Reconciliation of surplus after income tax to net cash from operating activities

	Consolidated	
	2019	2018
	\$	\$
Surplus/(Loss) after income tax expense for the year	197,956	275,842
Adjustments for:		
Depreciation and amortisation	73,758	45,196
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	144,325	(114,845)
Decrease/(increase) in financial asset	-	(20,385)
(Decrease)/increase in trade payables	(152,520)	267,334
Increase/(decrease) in accruals	25,149	(7,201)
Increase in employee benefits	45,694	78,842
(Decrease)/increase in income in advance	271	4,446
Net cash from operating activities	<u>334,633</u>	<u>529,229</u>

Certificate by Members of the Trust

Annual statements give true and fair view of financial performance and position of Incorporated Association

In the opinion of the Trustees' the financial report as set out on pages 1 to 15:

1. Comply with Australian Accounting Standards – the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*; and
2. Give a true and fair view of the financial position of the Trust as at 30 June 2019 and of the performance for the year ended on that date.

In the Trustees' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Dated: 3 April 2020

Elisabeth Cake

Jim Hill



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CONSERVATION ECOLOGY TRUST

REPORT ON THE FINANCIAL REPORT

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the Conservation Ecology Trust (the Trust), which comprises the Consolidated Balance Sheet as at 30 June 2019, the Consolidated Profit and Loss and Other Comprehensive Income Statements, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' Declaration.

In our opinion, subject to the effects of such adjustment, if any, as might have been determined to be necessary had the limitations discussed in the basis for qualified opinion paragraph not existed, the financial report of Conservation Ecology Trust gives a true and fair view of the financial position of Conservation Ecology Trust as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Conservation Ecology Trust to maintain an effective system of internal control over receipts until their initial entry in the accounting records. Accordingly, our audit in relation to revenue was limited to amounts recorded.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw attention to Note 1 'Going Concern' to the financial report, which describes uncertainty related to the Trust's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern. Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Conservation Ecology Trust to meet its reporting requirements. As a result, the financial report may not be suitable for another purpose.

Trustee's Responsibility for the Financial Report

The Trustee of the Trust is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation is described in Note 1 to the financial report is appropriate to meet the needs of the members. The Trustee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The Trustee of the Trust is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustees' 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 Trust'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 Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

CROWE WEST VIC

Richard Ainio

RICHARD AINIO
Partner

Dated: 3 April 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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