



Conservation Ecology Centre
Cape Otway

2020 ANNUAL REPORT

CONSERVATION ECOLOGY CENTRE

FROM THE CEO

In the midst of an extremely challenging year, it is timely to recall the summer bushfires that raged across eastern Australia. Similar large-scale fires are currently destroying vast areas in the western states of America. It is sobering and saddening to think of the devastation these fires have caused. We may have anticipated the fires, but no-one could have predicted the chaos unleashed by Covid-19, and while the pandemic may be preventing us from travelling to wild places, it is abundantly clear that nature still needs our support.

Thankfully, due to the socially distanced nature of our work, we have been able to continue our research and conservation activities here at the Conservation Ecology Centre and, despite the many tests that 2020 presents, we are working as hard as ever to secure a better future for our native species.

In times like these we could not be more thankful to our supporters and our team who are not only helping us see through these tough times, but who also continue to drive the vision of a brighter future for the wild Otways, and for nature around Australia and the world.

Thank you.

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





HEALTHY LANDSCAPE

NURTURING LANDSCAPE THROUGH IMPACT-DRIVEN
RESEARCH

RESTORING COUNTRY

We develop, trial and demonstrate land management techniques ranging from germination of fragile native lilies to large scale woodland restoration projects. Our team leads community planting weekends, facilitates multiple partnerships to deliver an ecological burning program and maintains long term habitat monitoring.

In the past 8 years we have restored 120 hectares of a depleted woodland within our region, including planting of more than 120,000 trees, shrubs and herbs. This year we planted 6,000 plants over an area of approximately 5.5 hectares. Our annual Big Otway Tree Plant, held on 15 & 16 June 2019 attracted 100 volunteers and achieved approximately 1,100 volunteer planting hours.



Photo: Emma Catherine

SPECIES RECOVERY

Some species require a little extra help to survive in a landscape which is changing too fast for them to keep up. We are working with a range of partners to create wild insurance populations of some species and guide and support land management improvements across the region, including:

- Long-term Monitoring of Cape Otway Leafy Greenhoods - with Deakin University.
- Evidence-Based Approach to the Conservation of *Astelia australiana* - with The University of Melbourne & funded by the Foundation for Australia's Most Endangered Species (FAME).
- Occupancy and Distribution of the Southern Toadlet - with Emma O'Dwyer-Hall, Honours Student, Deakin University, funded by the Helen Macpherson Smith Trust.



EXPANDING THE OTWAY ARK

Parks Victoria is leading a large-scale fox management program across public land to support the recovery of small native mammals. We designed and implemented an expansion of this program beyond Park boundaries, delivering a 20 per cent increase across strategically selected public and private land, helping protect threatened species such as Long-nosed Potoroos, Southern Brown Bandicoots and Swamp Antechinus across the landscape through best-practice cross-tenure fox control.

HUMANS VS. CONSERVATION DOGS

To assist Parks Victoria to evaluate the effectiveness of the Otway Ark program, Conservation Ecology Centre staff and volunteers have been surveying the landscape for fox scats, and sending them to the labs at CESAR for genetic analysis to determine which foxes are surviving and where they are.

This year we enlisted the help of two fox detection dogs and their handler from Phillip Island Nature Parks, pitting them against the humans to see who was better at finding scats. Although the dogs won out in terms of the number of scats they found, we're investigating whether their higher detection rates yielded more information about the foxes in the landscape, or just more scats to send off for analysis. This work will help direct funding resources most effectively and is being undertaken in partnership with Monash University PhD candidate, Emma Bennet, with the support of The Helen Macpherson Smith Trust and a Knowledge Acquisition Grant.

We're also working with Nicholas Rutter, PhD Candidate, LaTrobe University, to investigate the role volunteers and their pets could play in conservation - particularly whether those dogs are able to detect a novel odour in a controlled environment in under 12 weeks.



FIRE & THREATENED SPECIES

In 2019, we continued our long-term prescribed burn program on Cape Otway in partnership with the Country Fire Authority. We undertook 5 hectares of autumn burns, as well as 1 hectare of low intensity winter burns in the landscape. With the support of The Thyne Reid Foundation we have commenced a program monitoring the effects of these controlled burns on insect populations, helping to build understanding for biodiversity conservation in planned burning.

We also partnered with Forest Fire Management Victoria and Deakin University to monitor the responses of small mammals, including the Long-nosed Potoroo, to prescribed burning activities across the Otways using novel GPS tracking technology. This work was funded by The Hermon Slade Foundation.

We continue to investigate the different ways fire and feral predators impact on threatened native mammals in the Otways as part of an ARC Linkage Grant with The University of Melbourne, Deakin University, Parks Victoria, Australian National University and the Department of Environment, Land, Water & Planning.

ADDRESSING EMERGING THREATS

Feral pigs are an emerging threat in the Otways with the potential to cause significant ecological and economic damage if left unchecked. However, with swift, collaborative action between landowners and researchers, this threat can be effectively abated before feral pigs gain a strong foothold in the region.

Collaborating with Parks Victoria, Barwon Water and the Southern Otways Landcare Network we're working to locate feral pigs in the region and determine the best locations for control measures. The community can greatly assist by reporting any pig sightings or signs of damage caused by pigs on the Feral Scan app.



THOUGHT LEADERSHIP

AN EFFECTIVE AND COLLABORATIVE APPROACH TO
CONSERVATION

PHOTO: PHIL HINES



OTWAYS THREATENED SPECIES NETWORK

We have developed a network of land management agencies, research institutions and community conservation groups involved in the management and research of threatened species and threatening processes in the Otways.

The Otway Threatened Species Network (OTSRN) comprises over 220 people and has proven invaluable for gathering data and developing projects focused on land management application through combining skills, expertise and resources.

In August 2019, over 100 delegates attended the 4th annual OTSRN Forum in Geelong to hear about ongoing research and land management programs within the Otways on topics ranging from fire to foxes, and novel technologies such as environmental DNA: www.conservationecologycentre.org/2019/08/26/threatened-species-forum. This year we also engaged a wider audience with print, TV and radio stories:



Photo: Phi Hines



Photo: Garry Summers

- **Otway Ranges home to a thriving population of feral cats – but no big cats or panthers**, *Geelong Advertiser*, 8/8/2019
- **Groups of feral pigs roaming the Otways can be eradicated, conservationists say**, *Geelong Advertiser*, 8/8/2019
- **More than 600 twitchers spent four years recording Geelong's birdlife**, *Geelong Advertiser*, 11/8/2019
- **Critically endangered Southern Right Whales attracting attention of paparazzi**, *Geelong Advertiser*, 12/8/2019
- **Researchers gather for local conservation forum with Otways focus**, *Surf Coast Times*, 8/8/2019
- **Drone noise can distress whales**, *Surf Coast Times*, 8/8/2019
- **Forum on threatened species takes flight**, *Surf Coast Times*, 15/8/2019
- **Cat's out of the bag: The Otways are home to nothing more than a bunch of feral cats**, *3AW*, 9/8/2019
- **The battle to keep feral pigs from taking over Victoria's Otway Ranges**, *ABC TV & online*, 21/9/2019
- **Otway rainforest's tall astelias have power to thrive if given a little light, scientists show**, *ABC South West Victoria*, radio & online 25/8/2019
- **Interview with Matt Rees about feral cats**, *ABC Ballarat*, 6/8/2019



SCIENTIFIC PAPERS

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).

CONFERENCE PRESENTATIONS

Pascoe, J.H. Ecologists and practitioners collaborating to set research priorities for threatened species conservation in the Otways, *Ecological Society of Australia Conference 2019 & South-West Biodiversity Forum 2019*.

Le Pla, M. Evaluating Efficacy: Non-invasive genetic sampling in the Otway Ranges, *Ecological Society of Australia 2019 & OTSRN Forum 2019*

Le Pla, M. Long-term monitoring of Leafy Greenhoods reveals a population of national significance on Cape Otway, *South West Biodiversity Forum 2019*

Birnbaum E.K. Expanding the Otway Ark - a local fox-control program that has gone cross tenure, *Private Land Conservation Conference 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*.



CONGRATULATIONS LIZZIE CORKE OAM

“For service to conservation and the environment”

Earlier this year our CEO Lizzie Corke was awarded a Medal of the Order of Australia in the Australia Day Honours.

For the past 20 years Lizzie has invested immense time and energy in the conservation of our unique Australian environment. A leader in ecotourism and social enterprise, Lizzie has also been at the forefront of the development of novel and innovative funding models for conservation.

From the moment they made their home on Victoria’s Cape Otway, Lizzie and her husband Shayne have been dedicated to furthering our understanding of the Otways environment and working to conserve the plants and animals that live there.

In 2000, Lizzie and Shayne founded the Conservation Ecology Centre (CEC) and since then have developed a substantial research program in partnership with universities, government and other stakeholders,

The CEC’s multi award-winning Great Ocean Ecolodge, which opened in 2004, has operated as a successful social enterprise to help fund the CEC’s research and conservation work and to educate guests about the importance of the Otways ecosystems.

Now Lizzie and Shayne are transferring this novel model of promoting our unique wildlife and funding conservation to CEC’s new Wildlife Wonders project. This new ecotourism experience will allow visitors the opportunity to encounter Australia’s wildlife like never before - with all the profits going back into the CEC’s research and conservation work in the Otways.





ECOTOURISM THAT GIVES BACK

Wildlife Wonders will share the magic of the Great Ocean Road and its precious wildlife with thousands of people, allowing them to experience what the Otways would be like without non-native predators.

It will introduce people to animals they have never seen before and are unlikely to see in the wild, and will share the story of how the Conservation Ecology Centre is working to protect these species across the Otways. And as a social enterprise, all profits will go directly back into the conservation activities of the Conservation Ecology Centre.

The COVID-19 pandemic has thrown up a range of challenges for us this year, but we are working hard behind the scenes to open as soon as we are able.

THIS YEAR WILDLIFE WONDERS...

- Appointed General Manager, Leonie Bowles, formerly Strategy Consultant at Cambridge Conservation Initiative with ecotourism experience both in Australia and overseas.
- Completed 1.4km of pathways for walkers of all abilities.
- Removed vast thickets of blackberry & planted thousands of local indigenous trees, ferns, grasses and shrubs.
- Began construction of the Visitor Centre & predator proof fence.
- Featured in *The Guardian Australia*, as well as *The Age, Traveller* in February and *The Age, Traveller* in July.
- Filmed a segment for the TV travel show Getaway - to air in October.
- Began community engagement via social media with 525 followers on Facebook, 232 on Instagram and 70 on Twitter.
- Commenced development of our website and online booking system.



A photograph of two capybaras in a natural enclosure, overlaid with a semi-transparent blue filter. One capybara is in the foreground, sitting and looking towards the camera. Another is partially visible behind it to the left. The background shows a log and some foliage.

PROVIDING OPPORTUNITY

COMMUNITY EMPOWERMENT & FOSTERING
CONSERVATION CAREERS



ENGAGING THE COMMUNITY

Otways landholders are actively engaged in a range of land management and monitoring programs but the involvement of the wider community is critical for sustainability in conservation.

Since 2004 we have welcomed visitors to the Great Ocean Ecolodge to enjoy the incredible natural scenery and learn more about the local landscapes, the plants and animals which depend upon them, and the conservation projects which support them.

During COVID-19 travel restrictions we have pivoted to offering Zoom encounters and teaching sessions with conservationists. We are currently developing a new project, Wildlife Wonders which will enable us to engage with an even wider audience once travel restrictions are lifted.

OUR ACTIVITIES INCLUDE...

- Seasonal email newsletters to over 2,600 subscribers.
- Regular engagement with 7,700 [Facebook](#) followers, 1,700 [Twitter](#) followers and 2,000 [Instagram](#) followers.
- Engagement with local community and Landcare on pest plant & animal projects.
- Annual Big Otway Tree Plant and Koala Survey activities.
- Media releases resulting in TV, radio, print & online coverage of our conservation work including Feral Pig monitoring and Tall Astelia translocation projects.
- Nightly wildlife tours for guests of the Great Ocean Ecolodge, featuring kangaroos, koalas, potoroos and tiger quolls - which transitioned to Zoom and 'locals' tours' during COVID-19 lockdowns.



FOSTERING CONSERVATION CAREERS

Over the last 15 years the Conservation Ecology Centre has evolved from a two person team working largely voluntarily on a 165 acre site to an organisation supporting seven permanent employees, casual staff, interns and volunteers.

Our team work on a wide range of projects across the Otways region, delivering a substantial research and conservation program, a well-established ecotourism social enterprise (The Great Ocean Ecolodge), forging strong strategic partnerships with government agencies, research institutions, industry bodies and NGOs and contributing to the conservation and ecotourism sectors at a state and national level.

The Wildlife Wonders social enterprise offers an outstanding opportunity to increase organisational impact through providing significant reliable funding and we're thrilled at the potential it offers us to increase our impact and provide substantial regional employment.

Our amazingly flexible team has adapted to working from home, socially distancing and pivoting various aspects of our operations. This incredible effort has enabled us to continue delivering critical conservation and engagement projects throughout COVID-19.

We've also been able to make changes to our internship program to ensure we could continue our support of early-career conservationists during this time.





GOVERNANCE & FINANCIALS

PHOTO: DOUG GIMESY



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

The Conservation Ecology Centre is a scientific organisation generating knowledge to nurture Country. We combine rigorous research with practical land management applications to develop and deliver solutions to the most urgent conservation challenges in the Otway region. The contribution of our Board members is critical to this success.

WILDLIFE WONDERS

Board

Ms Leonie Bowles

Mr Matthew Bridges

Mr Andrew Buchanan

Assoc Prof Charles Corke

Ms Elizabeth Corke OAM

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 2020

- Consolidated Statement of 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 Audit Report

Conservation Ecology Trust

Statement of Profit or Loss and Comprehensive Income For the Year Ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|-----------------------------------|------|------------------|------------------|
| Income | | | |
| Revenue | 3 | 210,713 | 267,384 |
| Other income | 3 | 4,416,767 | 984,139 |
| | | 4,627,480 | 1,251,523 |
| Advertising | | 27,404 | 38,052 |
| Accounting fees | | 28,385 | 6,593 |
| Bank fees | | 13,217 | 3,215 |
| Bad debts | | 7,049 | |
| Administration cost | | 36,720 | 118 |
| Conference expenses | | 5,811 | 8,221 |
| Conservation & research | | 192,345 | 171,026 |
| Contract work | | - | 34,410 |
| Depreciation | 4 | 83,549 | 73,758 |
| Engagement expenses | | 824 | 5,058 |
| Fuel & oil | | 20,589 | 21,026 |
| Electricity & gas | | 5,582 | 5,590 |
| Guest services | | 9,759 | 9,133 |
| Insurance | | 23,494 | 10,772 |
| Interest paid | | 75,823 | - |
| Land management | | (22,064) | 6,718 |
| Laundry & dry cleaning | | 4,310 | 4,261 |
| Leave provisions | | 58,143 | 45,694 |
| Legal costs | | 18,625 | 31,584 |
| Other expenses | | 12,865 | 6,611 |
| Office supplies & postage | | 6,171 | 4,975 |
| Professional fees | | - | 3,971 |
| Purchases | | 37,787 | 41,151 |
| Rates & taxes | | 540 | 659 |
| Registrations & licences | | 12,380 | 11,277 |
| Repairs & maintenance | | 23,976 | 18,185 |
| Staff training & welfare | | 2,297 | 6,618 |
| Subscriptions | | - | - |
| Superannuation - employees | | - | 38,404 |
| Telephone | | 8,139 | 8,115 |
| Travelling expenses | | 4,644 | 6,488 |
| Uniform | | 966 | 3,156 |
| Wages | | 417,135 | 408,938 |
| Waste disposal | | 1,320 | 1,255 |
| Wildlife husbandry supplies | | 1,606 | 3,194 |
| Workcover | | 13,285 | 15,341 |
| | | 1,132,676 | 1,053,567 |
| Profit (Loss) for the year | | 3,494,804 | 197,956 |

Conservation Ecology Trust

Statement of Financial Position As at 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 783,979 | 86,014 |
| Financial assets | 6 | - | 20,385 |
| Total Current Assets | | 927,526 | 195,512 |
| Non Current Assets | | | |
| Property, plant and equipment | 8 | 7,934,216 | 4,239,214 |
| Total Non Current Assets | | 7,934,216 | 4,239,214 |
| Total Assets | | 8,861,742 | 4,434,726 |
| Liabilities | | | |
| Current Liabilities | | | |
| Bank overdraft | 5 | - | 11,431 |
| Trade and other payables | 9 | 586,229 | 215,193 |
| Financial liabilities | 10 | 1,150,000 | 1,781,046 |
| Employee benefits | 12 | 47,209 | 115,758 |
| Accrued expenses | 11 | 19,718 | 35,037 |
| Prepaid accommodation deposits | | 15,470 | 15,470 |
| Total Current Liabilities | | 1,818,626 | 2,173,935 |
| Non Current Liabilities | | | |
| Scholarship fund held in trust | | 5,000 | 5,000 |
| Financial liabilities | 10 | 2,811,863 | 1,547,197 |
| Employee benefits | 12 | 31,633 | 8,778 |
| Total Non Current Liabilities | | 2,848,496 | 1,560,975 |
| Total Liabilities | | 4,667,122 | 3,734,910 |
| Net Assets | | 4,194,620 | 699,816 |
| Equity | | | |
| Settlor's fund | | 10 | 10 |
| Retained earnings | | 4,194,610 | 699,806 |
| Total Equity | | 4,194,620 | 699,816 |

Conservation Ecology Trust

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

Balance at 1 July 2019
Profit attributable to members
Balance at 30 June 2020

| Settlor's fund | Retained earnings | Total equity |
|----------------|-------------------|------------------|
| \$ | \$ | \$ |
| 10 | 699,806 | 699,816 |
| - | 3,494,804 | 3,494,804 |
| 10 | 4,194,610 | 4,194,620 |

2019

Balance at 1 July 2018
Profit attributable to members
Balance at 30 June 2019

| Settlor's fund | Retained earnings | Total equity |
|----------------|-------------------|----------------|
| \$ | \$ | \$ |
| 10 | 501,850 | 501,860 |
| - | 197,956 | 197,956 |
| 10 | 699,806 | 699,816 |

Conservation Ecology Trust

Statement of Cash Flows For the Year Ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|--|------|--------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers, grants, donations, interest and other | | 5,112,730 | 1,389,661 |
| Payments to suppliers, employees and interest paid | | (1,258,403) | (1,055,028) |
| Net Cash Provided by (used in) Operating Activities | 17 | 3,854,327 | 334,633 |
| Cash Flow from Investing Activities | | | |
| Purchase of property, plant and equipment (net) | | (3,778,551) - | 995,300 |
| Net Cash Provided by (used in) Investing Activities | | (3,778,551) | (995,300) |
| Cash Flow from Financing Activities | | | |
| Proceeds from borrowings (net) | | 633,617 | 699,775 |
| Net Cash Provided by (used in) Financing Activities | | 633,617 | 699,775 |
| Net increase (decrease) in cash and cash equivalents held | | 709,393 | 39,108 |
| Cash and Cash equivalents at beginning of financial year | | 74,583 | 35,475 |
| Cash and Cash equivalents at end of financial year | 5 | 783,976 | 74,583 |

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

Principle of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Conservation Ecology Trust ('Parent Entity') as at 30 June 2020 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.

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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

Current and non-current classifications

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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company 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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

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.

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.

Conservation Ecology Trust

Notes to the Financial Statements
For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted Going concern

At 30 June 2020 the Trust had a net current asset deficiency, whereby current liabilities exceeded current assets by \$891,100 and the net profit for the year was \$3,494,804. As a result of this condition, there was a material uncertainty as at 30 June 2020 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. The Trust has continued to receive grants and attract donations subsequent to year end.

In addition the entity has continued to experience disruption to its operations arising from the effect of the COVID-19 virus. The disruption has 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.

2 Critical accounting judgements, estimates and assumptions

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)

Where necessary comparative information has been reclassified and restated as required to be consistent with current year disclosures.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| 3 Revenue | | |
| Revenue | <u>210,713</u> | <u>267,384</u> |
| Other income | | |
| Donations | 379,020 | 316,881 |
| Grants | 3,898,815 | 648,765 |
| COVID-19 stimulus | 111,417 | |
| Interest received | 13,415 | 46 |
| Fuel rebates | - | 3,874 |
| Other revenue | 14,100 | 14,573 |
| | <u>4,416,767</u> | <u>984,139</u> |
| Total revenue | <u>4,627,480</u> | <u>1,251,523</u> |
| 4 Expenses | | |
| Depreciation | | |
| Buildings | 1,400 | 1,400 |
| Plant and equipment | 67,045 | 67,042 |
| Motor vehicles | 15,104 | 5,316 |
| Total depreciation | <u>83,549</u> | <u>73,758</u> |
| 5 Cash and Cash Equivalents | | |
| Cash at bank and on hand | 783,979 | 86,014 |
| Bank overdraft | - | (11,431) |
| Total cash and cash equivalents | <u>783,979</u> | <u>74,583</u> |
| 6 Financial assets | | |
| SEFA Escrow | - | 20,385 |
| Total financial assets | <u>-</u> | <u>20,385</u> |
| 7 Trade and Other Receivables | | |
| Current | | |
| Trade receivables | 15,862 | 81,854 |
| GST receivable | 127,685 | 7,259 |
| Total Trade and Other Receivables | <u>143,547</u> | <u>89,113</u> |

Conservation Ecology Trust

Notes to the Financial Statements
For the Year Ended 30 June 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| 8 Property, Plant and Equipment | | |
| Land and buildings | | |
| Land | | |
| At cost | 2,448,645 | 2,462,145 |
| Total Land | 2,448,645 | 2,462,145 |
| Buildings | | |
| At cost | 56,021 | 56,021 |
| Accumulated depreciation | (9,488) | (8,088) |
| Total Buildings | 46,533 | 47,933 |
| Capital works in progress | | |
| At Cost | 5,277,401 | 1,485,350 |
| Total capital works in progress at cost | 5,277,401 | 1,485,350 |
| Plant and equipment | | |
| At cost | 394,381 | 394,381 |
| Accumulated depreciation | (240,675) | (173,630) |
| Total plant and equipment | 153,706 | 220,751 |
| Motor Vehicles | | |
| At cost | 80,339 | 80,339 |
| Accumulated depreciation | (72,408) | (57,304) |
| Total Motor Vehicles | 7,931 | 23,035 |
| Total Property Plant and Equipment | 7,934,216 | 4,239,214 |

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

8 Property, Plant and Equipment (continued)

Reconciliations

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

| | Land and buildings | Buildings | Capital works in progress | Plant and equipment | Motor Vehicles | Total |
|-------------------------|-----------------------|---------------|---------------------------------|------------------------|-------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 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 30 June 2019 | 2,462,145 | 47,933 | 1,485,350 | 220,751 | 23,035 | 4,239,214 |
| Balance at 1 July 2019 | 2,462,145 | 47,933 | 1,485,350 | 220,751 | 23,035 | 4,239,214 |
| Additions | - | - | 3,792,051 | - | - | 3,792,051 |
| Depreciation expense | - | (1,400) | - | (67,045) | (15,104) | (83,549) |
| Balance at 30 June 2020 | 2,462,145 | 46,533 | 5,277,401 | 153,706 | 7,931 | 7,947,716 |

Land is subject to charge as a security for borrowings as detailed in note 10.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| 9 Trade and Other Payables | | |
| Current | | |
| Trade Payables | 562,658 | 207,101 |
| PAYGW payable | 23,571 | 8,092 |
| Total Trade and Other Payables | 586,229 | 215,193 |
| 10 Financial liabilities | | |
| Current financial liabilities | | |
| Loan - Other | - | 95,060 |
| Loan - SEFA | - | 1,156,619 |
| Loan - Private Individuals and entities | 1,150,000 | 529,367 |
| Total current financial liabilities | 1,150,000 | 1,781,046 |
| Non-current financial liabilities | | |
| Loan - Private individuals and entities | 2,811,863 | 1,547,197 |
| Total non-current financial liabilities | 2,811,863 | 1,547,197 |
| <p>A portion of loans (\$1.7m) are guaranteed with charge over land at 475 Great Ocean Road, Apollo Bay.</p> | | |
| 11 Other current liabilities | | |
| Superannuation payable | 19,718 | 35,037 |
| Total other current liabilities | 19,718 | 35,037 |

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

12 Employee benefits

Current

| | | |
|--|---------------|----------------|
| Provision for annual leave | 47,209 | 69,731 |
| Provision for long service leave | 31,633 | 46,027 |
| Total current employee benefits | 78,842 | 115,758 |

Non-current

| | | |
|--|---------------|----------------|
| Provision for long service leave | - | 8,778 |
| Total non-current financial liabilities | - | 8,778 |
| Total employee benefits | 78,842 | 124,536 |

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Contingent liabilities

The Consolidated Entity had no contingent liabilities as at 30 June 2020 or 30 June 2019.

14 Commitments

The Consolidated Entity had commitments for expenditures as at 30 June 2020 or 30 June 2019.

15 Parent entity

Conservation Ecology Trust is the Parent Entity.

16 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:

| Subsidiaries | Country of incorporation | Ownership interest | |
|----------------------|--------------------------|--------------------|------|
| | | 2020 | 2019 |
| CEC Marengo Ltd | Australia | 100% | 100% |
| Wildlife Wonders Ltd | Australia | 100% | 100% |

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.

Conservation Ecology Trust

Notes to the Financial Statements For the Year Ended 30 June 2020

| | 2020 | 2019 |
|--|------------------|----------------|
| | \$ | \$ |
| 17 Reconciliation of surplus after income tax to net cash from operating activities | | |
| Profit for the Year | 2,536,863 | 197,956 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - Depreciation | 83,549 | 73,758 |
| Changes in Assets and Liabilities | | |
| - (increase)/decrease in trade and other receivables | (54,434) | 144,325 |
| - (increase)/decrease in financial assets | 20,385 | - |
| - (increase)/decrease in income in advance | | 271 |
| - increase/(decrease) in trade and other payables | 371,036 | (152,520) |
| - increase/(decrease) in accruals | (15,319) | 25,149 |
| - increase/(decrease) in employee benefits | (45,694) | 45,694 |
| Cash flow from Operations | 2,896,386 | 334,633 |

Conservation Ecology Trust

Certificate by Member of the Trust

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

In the opinion of the Trustees' the financial report as set out:

The Directors of the Company declare that the financial statements:

- 1 Comply with basis of preparation and accounting policies as set out in note 1; and
- 2 Give a true and fair view of the financial position of the Trust as at 30 June 2020 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.

Trustee

Elizabeth Coke

Trustee

John RO

Dated

2 November 2020.....

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CONSERVATION ECOLOGY TRUST

REPORT ON THE FINANCIAL REPORT

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 2020, 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, the accompanying financial report of the Entity is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for 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 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 - 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.

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.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe West VIC, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.