

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT AND FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

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CHERISH THE ENVIRONMENT FOUNDATION LIMITED

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DIRECTORS' REPORT

The directors present the financial report for Cherish The Environment Foundation Limited for the financial year 1 July 2018 to 30 June 2019.

Directors

The names of each person who has been a director during the period and to the date of this report are:

Director	Appointed Date	Ceased Date
Mr Shane O'Kane	30 th November 2011	
Mr Stephen Rafter	22 nd February 2012	
Mr David Morrison	19 th May 2016	16 th October 2018
Ms Kerry Silver	9 th March 2018	16 th October 2018
Mr Greg Chemello	24 th October 2018	28 th January 2020
Mr Steve Greenwood	4 th February 2020	

Review of Operations

The profit/(loss) of the Foundation for the financial year 1 July 2018 to 30 June 2019 amounted to \$148,253. The profit/(loss) of the Foundation for the previous financial year was \$413,941.

Short and Long-Term Objectives and Strategy

The Foundation's principal objectives are to:

1. Work closely with Ipswich City Council and local landholders to increase the area of natural bushland through environmental offsets and other relevant mechanisms;
2. Enable the community and businesses of Ipswich to become more environmentally active;
3. Provide education materials and programs to build capacity and to increase the level of awareness and understanding of Ipswich's environmental values; and
4. Partner with Ipswich businesses and industries to implement energy, waste and water efficiency processes, reduce carbon issues and broker access to relevant funding and technical support.

The Foundation will pursue its principal objectives by:

1. Working in affiliation with Ipswich City Council and the Ipswich community and value adding to existing and future environmental programs.
2. Providing supportive mechanisms to increase the capacity that Ipswich businesses and community have on improving energy, waste and water efficiencies, resulting in a reduction in their carbon footprint.
3. Establishing successful, collaborative partnerships with local businesses and industries.
4. Contributing to achieving an increase in protected natural areas in Ipswich.

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DIRECTORS' REPORT

Principal Activities – Long-Term

The Foundation will focus on projects that can make the greatest long-term strategic change in environmental sustainability outcomes in Ipswich. The key business program areas to be pursued over the next five years are:

1. Nature Conservation
2. Water
3. Waste
4. Energy
5. Food

Up to the end of the current financial year, Cherish The Environment Foundation Limited has focused on program element 1. Nature Conservation. Activities have included ongoing management and improvement of koala habitat within the Ipswich Local Government Area. Program elements 2-5 have not progressed to date.

Cherish The Environment Foundation Limited will be reviewing their Strategic Plan over the next year.

To achieve the long term goals of the Foundation, five key projects have been identified. The five key projects to be pursued are:

1. Ipswich Koala Conservation Bank
2. Ipswich Bremer River Water Quality Bank
3. Recycling Business Options Research Study
4. Ipswich Energy Efficiency Program
5. Ipswich Food Strategy

Performance Measures – Long-Term

The Foundation's performance will be continually assessed. Each of its programs will be evaluated on a regular basis. Each key project will incorporate performance measures. The following table establishes measures against each of the long-term goals over the five year timeframe of the Foundation's Business Plan 2013-2018.

Goal	Measure	Metric
Partnership with Ipswich City Council	Survey the extent to which the Foundation's activities have contributed to achieving the environmental goals of Ipswich City Council.	Survey Outcome
Energy and Waste Efficiency	Yearly average amount of waste generated and energy consumed per household.	Tonnes of waste kWh Electricity
Partnerships	Relationships with key partners and stakeholders.	Number
Natural Areas	Assessing the extent of protected areas in Ipswich City Council.	Hectares

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DIRECTORS' REPORT

Principal Activities – Current Year

The Foundation's principal activities carried out during the year were as follows:-

1. Maintaining existing offset sites in accordance with contractual obligations
2. Continuing the establishment of the Calvert Koala Fodder Farm
3. Ongoing land management of sites owned by Cherish The Environment Foundation Limited

The principal activities carried out during the year achieve the Foundation's objectives of enhancing the environment in the Ipswich Local Government Area by protecting and improving Koala habitat.

Board Meetings

For the financial year the following meetings were held:-

1. 01.08.18 - via email circular
2. 04.04.19 - via email circular
3. 28.05.19 - via email circular

Membership and Categories

The company has two classes of members:

- (1) ordinary members; and
- (2) corporate members.

The criteria for membership is in accordance with clause 5.1 of the constitution.

Founding Member

Ipswich City Council is the founding member of Cherish The Environment Foundation Limited and is a contributor to the revenue and operations of the Foundation. There is currently a Secondment Agreement in place which outlines the services provided by Ipswich City Council to Cherish The Environment Foundation Limited.

Directors' Qualifications, Experience and Social Responsibilities

Shane O'Kane -B Comm LLB

Shane has over 25 years of experience in the finance sector and has extensive board experience in both the for-profit and not for profit sectors. He has been a Director of Cherish the Environment since its establishment in 2011. In the not for profit sector he is currently a Director of the Pyjama Foundation and Cherish the Children Foundation.

Stephen Rafter - BCom

Stephen has more than 20 years' experience as a Chartered Accountant. Stephen is currently working in business consultancy and managing the careers of sporting athletes.

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DIRECTORS' REPORT

Greg Chemello

Greg has some 35 years' professional and management experience; the last two decades in leadership roles within public and private sector organisations undergoing significant change. His professional experience is generally in the property and development sectors through senior professional, management and leadership roles with both property asset owners and advisory/consulting businesses and organisations.

In addition to roles involved with delivery of developments and capital works, Greg has extensive business management experience having undertaken Director / General Manager / Senior Executive roles for a number of private companies and public sector organisations. Greg has developed considerable expertise in areas such as strategic planning, governance, change management, commercial negotiation and stakeholder management and communication.

Greg's most recent role as General Manager of Economic Development Queensland (EDQ) involved leading EDQ's land use and infrastructure planning, community consultation and property development teams to facilitate economic and community development opportunities on sites across the State. On 22 August 2018, following dissolution of the Ipswich City Council by the Queensland Parliament, Greg was appointed as Interim Administrator for the City of Ipswich. He is now working with council management and staff to become a leading local government in Australia in terms of governance arrangements, operational policies and procedures, business and community engagement prior to the March 2020 Queensland local government elections.

Steve Greenwood

Steve founded and is currently Chief Executive of the Queensland Futures Institute; a unique partnership of academic, business, community and social services, government, industry and research organisations that seek improved economic and societal growth through collaborative public policy reform.

Steve is also the Chairman of Invest Logan, an independent company owned by Logan City Council, that aims to contribute to the city's economic growth, whilst delivering social and community benefits. He is also the Interim Administrator of Ipswich City Council; and previously a member of the Interim Management Committee, appointed by the State Government following the dismissal of Ipswich City Council in August 2018.


Prior to this, Steve was the Chief Executive of a leading Australian agricultural membership body, and the Queensland Head of the Property Council of Australia. He has also held management positions with the Local Government Association of Queensland; heavily engaged in local, State and Federal Government policy reform.

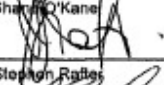
Steve has successfully led complex public policy reform initiatives; has extensive experience as a media spokesperson and regularly provides comment on current public policy issues. Steve's years of experience across a multitude of industries has allowed him to build extensive professional networks throughout various sectors, public and private.

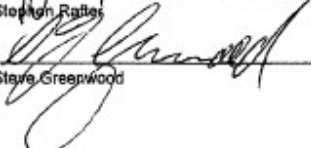
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DIRECTORS' REPORT

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mr Shane O'Kane

Director: 
Mr Stephen Rafter

Director: 
Mr Steve Greenwood

Dated this 27th day of April 2020

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Income			
Revenue	3	464,022	664,405
Expenditure			
Accountancy expenses		(6,390)	(4,700)
Administration Charges		(40,290)	-
Auditors' remuneration		(10,000)	(3,500)
Conservation Initiatives		(199,233)	(203,294)
Depreciation and impairment expenses		(30,784)	(7,264)
Other expenses		(29,072)	(31,706)
		(315,769)	(250,464)
Total comprehensive income for the year		148,253	413,941

The accompanying notes form part of the financial statements.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,558,421	1,562,606
Trade and other receivables	5	16,666	367,775
Inventories	6	347,779	280,843
TOTAL CURRENT ASSETS		<u>1,922,866</u>	<u>2,211,024</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,110,480	2,011,799
TOTAL NON-CURRENT ASSETS		<u>2,110,480</u>	<u>2,011,799</u>
TOTAL ASSETS		<u>4,033,346</u>	<u>4,222,823</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	19,978	8,890
Other current liabilities	9	450,231	799,050
TOTAL CURRENT LIABILITIES		<u>470,209</u>	<u>807,940</u>
TOTAL LIABILITIES		<u>470,209</u>	<u>807,940</u>
NET ASSETS		<u>3,563,137</u>	<u>3,414,883</u>
EQUITY			
Retained earnings	10	3,563,137	3,414,883
TOTAL EQUITY		<u>3,563,137</u>	<u>3,414,883</u>

The accompanying notes form part of the financial statements.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained earnings \$	Total \$
Balance at 29 May 2017		3,025,942	3,025,942
Prior Period Error Adjustment		(25,000)	(25,000)
Balance at 29 May 2017 - Restated		3,000,942	3,000,942
Profit attributable to equity shareholders		413,941	413,941
Balance at 30 June 2018		3,414,883	3,414,883
Profit attributable to equity shareholders		148,253	148,253
Balance at 30 June 2019		<u>3,563,137</u>	<u>3,563,137</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		461,658	186,696
Payments		(290,354)	(253,072)
Interest received		21,113	14,343
Net cash provided by (used in) operating activities		<u>192,417</u>	<u>(52,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(129,465)	(707,291)
Inventories		(67,137)	(74,485)
Net cash provided by (used in) investing activities		<u>(196,602)</u>	<u>(781,776)</u>
Net increase (decrease) in cash held		(4,185)	(833,809)
Cash at beginning of year		<u>1,562,606</u>	<u>2,396,415</u>
Cash at end of year		<u>1,558,421</u>	<u>1,562,606</u>

The accompanying notes form part of the financial statements.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 Statement of Significant Accounting Policies

The financial statements cover Cherish The Environment Foundation Limited as an individual entity. Cherish The Environment Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not for Profits Commission Act 2012* and the Australian Accounting (Standards). The standards adopted in these financial statements include but are not limited to, AASB 101, AASB 107, AASB 108, AASB 141, AASB 1048 and AASB 1054. The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. All amounts throughout the financial statements are in Australian Dollars.

The current financial year is from 1 July 2018 to 30 June 2019. The prior financial year is from 30 May 2017 to 30 June 2018.

The financial statements were authorised for issue by the directors of the Foundation at the date of signing the Director's Declaration.

2 Summary of Significant Accounting Policies

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the entity becomes a party to the contractual provisions to the financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Classification

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair values. No financial assets and financial liabilities have been offset and are presented on a net basis in the Statement of Financial Position.

The Foundation does not enter into, or trade with, instruments for speculative purposes, nor for hedging.

These financial statements comply with all measurement and recognition requirements of the Australian Accounting Standards (standards) but not the disclosure requirements.

Trade and Other Receivables

Debtors are recognised at the amounts due at the time of sale or service delivery, ie the agreed purchase/contract price, with settlement on debtors generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically for impairment. All known bad debts were written off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Accrued Income

Accrued income is recognised as income earned by the Foundation for providing a service during the current financial year that will be invoiced and received after the end of the financial year, but within 12 months of the end of the reporting year.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits held at call with banks.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Income Taxes

No Provision for income tax has been raised as the entity is a registered charity and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Property, plant and equipment

Land

Land is stated at cost. As there is no finite useful life for land related carrying amounts are not depreciated.

A voluntary declaration has been certified and the declaration of an area of high nature conservation value has been made by the Department of Natural Resources, Mines and Energy on CTEF's Mutdapilly (01.11.2016) and Calvert (06.06.2018) properties currently used for the purpose of meeting client environmental offset obligations. The declaration requires management of the declared area, monitoring of the condition of the declared area, and reporting on the condition of the declared area. The obligations associated with a voluntary declaration are attached to the land and transfer with ownership.

Buildings, plant and other equipment

Buildings, plant and other equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in its intended manner.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. Buildings are depreciated on a straight-line basis over their expected useful life. Currently the Foundation only has one building and the building has been estimated to have an effective life of 20 years which is being written down at a rate of 5% per annum.

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Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Bearer Plants

The bearer plants are trees which are recorded at cost. Bearer trees are accounted for as work in progress, until they are in the location and condition necessary to be capable of operating in the manner intended by management. The agricultural produce of the bearer trees at the Calvert property are their leaves which are harvested for koala fodder. Koala fodder, when harvested, is accounted for as inventory.

Capital Improvements

Capital improvements are depreciated over the effective life of the improvements. The capital improvements in the financial statements relate to the Calvert property and include the construction of a fence, construction of an all-weather access road, a shed and tanks.

Inventories

The inventories are biological assets which relate to trees planted at the Grandchester property and Calvert properties for the purposes of meeting future client environmental offset obligations.

Inventories have been valued at cost as it is not possible to determine their fair value.

The Foundation has a plantation of bearer plants for the producing of koala fodder located at the Calvert property. However, to the date ending 30 June 2019, no agricultural produce has been harvested from these trees.

Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Foundation and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the year.

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NOTES TO THE FINANCIAL STATEMENTS
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If the outcome cannot be reliably estimated then revenue is recognised as a proportion of expenses incurred for the period over total forecast expenses for the project.

There is no income to report for the Grandchester Site, Calvert 1a Site, Calvert 2 Site and Woolshed Sites, as there are currently no offset or services agreements in place.

Rental income

Rental revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Long Standing Obligations

Cherish The Environment Foundation Limited currently has long standing obligations to which the company is committed arising from Offset Management Plans/Service Agreements for properties located at Calvert and Mutdapilly. Cherish has a requirement to manage these sites in accordance with the Koala Management Plans and the Voluntary Declaration over these properties made under the *Vegetation Management Act 1999*.

Members' Guarantee

Each member undertakes to contribute an amount not more than \$10 to the property of the company if the company is wound up whilst he, she or it is a member (or within one year after he, she or it ceases to be a member) for:

- (a) payment of the company's debts and liabilities contracted or incurred before the time the member ceased to be a member; and
- (b) the costs, charges and expenses of the winding up; and
- (c) the adjustment of the rights of the contributories among themselves.

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NOTES TO THE FINANCIAL STATEMENTS
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	2019 \$	2018 \$
3 Revenue and Other Income		
Revenue		
Other Revenue	225,821	197,762
Koala Offset Service Revenue	238,201	466,643
Total revenue	<u>464,022</u>	<u>664,405</u>
Other revenue from:		
Enviroplan Contributions	82,359	79,768
Rents Received	11,732	12,761
Interest Received	21,113	14,343
Insurance Recoveries	-	17,658
Other Services Revenue	-	4,000
Services Agreement Revenue	110,617	69,242
Total other revenue	<u>225,821</u>	<u>197,762</u>
Koala Offset Service Revenue	238,201	466,643
Total revenue	<u>464,022</u>	<u>664,405</u>
4 Cash and Cash Equivalents		
Cash at Bank	<u>1,558,421</u>	<u>1,562,606</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash at Bank	<u>1,558,421</u>	<u>1,562,606</u>
5 Trade and Other Receivables		
Current		
Accounts Receivable	193	343,911
GST Account	16,473	23,864
	<u>16,666</u>	<u>367,775</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2019 ^a \$	2018 \$
6 Inventories		
Inventories – at Cost		
Grandchester Site	230,346	217,923
Calvert Site 1a	117,433	62,720
Total Inventories – at Cost	<u>347,779</u>	<u>280,643</u>
Total Inventories	<u>347,779</u>	<u>280,643</u>
 Movement of Inventories	Grandchester Site	Calvert Site 1a
Closing Balance as at 29 May 2017	206,159	0
Inventories added during year ending 30 June 2018	11,764	62,720
Closing Balance as at 30 June 2018 (Note 13)	217,923	62,720
Inventories added during year ending 30 June 2019	12,423	54,713
Closing Balance as at 30 June 2019	230,346	117,433
 7 Property, Plant and Equipment		
Bearer Plants (Work in progress)		
Calvert 2		
Bearer Plants – at Cost (Note 13)	246,539	142,156
Total Bearer Plants – Calvert 2	<u>246,539</u>	<u>142,156</u>
 Land and Buildings		
82-200 G Hines Road, Mutdapilly		
Land at Cost	683,590	683,590
Buildings - at Cost	119,409	119,409
Impairment of Buildings	(22,252)	-
Less Prov'n for Depreciation	<u>(22,157)</u>	<u>(16,187)</u>
Total Land and Buildings - 82-200 G Hines Road, Mutdapilly	<u>758,590</u>	<u>786,812</u>
 Lot 1 Rosewood Laidley Road, Calvert		
Land at Cost	518,482	518,482
Capital Improvements at Cost	70,291	70,291

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	2019 \$	2018 \$
Less Prov'n for Depreciation	(3,219)	(787)
Total Land and Improvements – Lot 1 Rosewood Laidley Road, Calvert	585,554	587,988
528-530 Woolshed Creek Road, Woolshed		
Land at Cost	493,595	493,595
Capital Improvements at Cost	26,332	1,250
Less Prov'n for Depreciation	(130)	-
Total Land and Improvements – 528-530 Woolshed Creek Road, Woolshed	519,797	494,845
Total Land, Improvements and Buildings	1,863,941	1,869,643
Total Property, Plant and Equipment	2,110,480	2,011,799
8 Trade and Other Payables		
Current		
Accounts Payable	98	40
Accrued Expenses		
Accounting Fees	6,250	5,850
Audit Fees	10,000	3,000
Valuation Fees	3,630	-
Total Accrued Expenses	19,880	8,850
	19,978	8,890
9 Other Liabilities		
Current		
Unearned Revenue		
Koala Offset Service Revenue	317,590	555,791
Calvert Site Services Agreement (Note 13)	132,641	243,258
Total Unearned Revenue	450,231	799,050
10 Retained Earnings		
Retained earnings at the beginning of the financial year	3,414,883	3,025,942
Less prior year retained earnings adjustment (Note 13)	-	(25,000)
Net profit attributable to members of the Foundation	148,253	413,941
Retained earnings at the end of the financial year	3,563,137	3,414,883

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NOTES TO THE FINANCIAL STATEMENTS
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Foundation Details

The registered office of the Foundation is:

Cherish The Environment Foundation Limited

37 South Street, IPSWICH QLD 4305

12 Related Parties

Related Party Guarantees

Ipswich City Council guarantees that the Offset contracts in relation to the Calvert and Mutdapilly properties will be delivered, should Cherish The Environment Foundation Limited fail to deliver the offset. There are currently negotiations regarding the removal of these guarantees.

Related Party Transactions

Ipswich City Council	2019	2018
	\$	\$
Revenue		
Enviroplan Contributions	82,359	79,758
Total Related Party Revenue	82,359	79,758
Related Party Expenses		
Ipswich City Council		
Council Rates and Fire Levy	13,988	12,205
Administration Charges	40,290	0
General expenses including maintenance expenses, equipment and material expenses	3,907	2,506
Reimbursement of expenses	403	0
Ipswich City Enterprises Pty Ltd		
Reimbursement of expenses	305	728
Ipswich City Properties Pty Ltd		
Reimbursement of expenses	14	45
Total Related Party Expenses	58,905	15,484

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13 Prior Period Errors

Prior Period Errors explained

The 30 June 2018 balances have been restated to reflect capitalisation of costs in accordance with AASB 102 Inventories and AASB 116 Property, Plant and Equipment and the recognition of unearned revenue in accordance with AASB 118 Revenue.

Prior period adjustments

Financial reports and notes changed	Reference	30.06.2018 Signed FS's	Correction	30.06.2018 Restated
Statement of Comprehensive Income				
Revenue (Note 3)	(a)	\$882,663	-\$218,258	\$664,405
Conservation initiatives expense	(b)	\$627,344	-\$424,050	\$203,294
Total Comprehensive Income	(c)	\$208,149	\$205,792	\$413,941
Statement of Financial Position				
Inventories (Note 6)	(b)	\$0	\$280,643	\$280,643
Property, plant and equipment (Note 7)	(b)	\$1,868,393	\$143,406	\$2,011,799
Other Current Liabilities (Note 9)	(a)	\$555,792	\$243,258	\$799,050
Equity (Note 10)	(d)	\$3,234,091	\$180,792	\$3,414,883
Statement of Changes in Equity				
Balance at 29 May 2017	(a)	\$3,025,942	-\$25,000	\$3,000,942
Profit attributable to Equity Shareholders	(c)	\$208,149	\$205,792	\$413,941
Statement of Cash Flows				
Payments		\$541,253	-\$288,181	\$253,072
Payments for PP&E		\$493,595	\$213,696	\$707,291
Inventories		\$0	\$74,485	\$74,485
Note 3 Revenue and Other Income				
Other Revenue	(a)	\$416,020	-\$218,258	\$197,762
Services Agreement Revenue	(a)	\$287,500	-\$218,258	\$69,242

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Prior period adjustments continued

Financial reports and notes changed	Reference	30.06.2018 Signed FS's	Correction	30.06.2018 Restated
Note 6 Inventory				
Grandchester Site	(b)	\$0	\$217,923	\$217,923
Calvert Site 1a	(b)	\$0	\$62,720	\$62,720
Note 7 Property Plant and Equipment				
Bearer Plants - at Cost	(b)	\$0	\$142,156	\$142,156
Capital Improvements at Cost - Woolshed Creek	(b)	\$0	\$1,250	\$1,250
Less Prov'n for Depreciation		\$0	\$0	\$0
Note 9 Other Liabilities				
Calvert Site Services Agreement	(a)	\$0	\$243,258	\$243,258
Note 10 Retained Earnings				
Net profit attributable to members of the Foundation	(c)	\$208,149	\$205,792	\$413,941

- (a) Reverses the Calvert Site Services Agreement funds (Note 9) previously recognised as revenue in 2016/17 and 2017/18 that should have been brought to account as unearned revenue. The \$243,258 correction relates to the 29 May 2017 equity balance adjustment of \$25,000 (Note 10) and to the \$218,258 correction to the 30 June 2018 Services Agreement Revenue line item balance (Note 3).
- (b) Conservation initiatives expense was decreased by \$424,050. This was to reflect the capitalisation of inventory which had previously been expensed for the Grandchester site (\$217,923) and Calvert 1a site (\$62,720). The remaining balance relates to the capitalisation of property, plant and equipment for bearer plants on the Calvert 2 site (\$142,156) and capital improvement for the Woolshed Creek site (\$1,250).
- (c) Represents net impact of unearned revenue recognition and capitalisation of expenses on Total Comprehensive Income.
- (d) Represents the net impact of the adjustments made to reduce revenue to recognise unearned revenue (2017: \$25,000; 2018: \$218,258) and the reduction in conservation initiatives expense to recognise the capitalisation of expenses (2018: \$424,050) on Total Comprehensive Income.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED


ABN: 41 154 545 589

DIRECTORS' DECLARATION

The directors of the Foundation declare that:

1. The financial statements and notes, as set out on pages 6 to 20, for the year ended 30 June 2019 are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standards as stated in accounting policy Note 1 to the financial statements.
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Foundation.
2. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

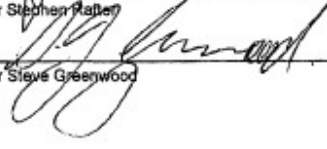
This declaration is made in accordance with a resolution of the Board of Directors.

Director:  _____

Mr Shane O'Kane

Director:  _____

Mr Stephen Matter

Director:  _____

Mr Steve Greenwood

Dated this 27th day of April 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Cherish the Environment Foundation Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cherish the Environment Foundation Limited.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and the financial reporting framework described in Note 1.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial accountability responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other information

Other information comprises the information included in the foundation's directors' report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. The Directors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and the financial reporting framework described in Note 1, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the company's directors determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my 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 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 expressing an opinion on the effectiveness of the company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
-

- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Patrick Flemming
as delegate of the Auditor-General

30 March 2020

Queensland Audit Office
Brisbane