



**World Wide Fund for Nature Australia
ACN 001 594 074**

Annual Financial Report

30 June 2023



ACFID
MEMBER

WWF-Australia is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

World Wide Fund for Nature Australia
ACN 001 594 074
Annual Financial Report – 30 June 2023

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This financial report covers World Wide Fund for Nature Australia as an individual entity.

World Wide Fund for Nature Australia is a company incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3.01, Level 3, 45 Clarence Street
Sydney NSW 2000

A description of the nature of the entity's operations and its principal activities is included in the Directors' Report on page 2, which does not form part of this financial report.

The financial report was authorised for issue by the Directors on the 31st October 2023. The entity has the power to amend and reissue the financial report.

Directors' Report

The Directors present their report on the entity for the year ended 30 June 2023

Directors

The Directors of World Wide Fund for Nature Australia (WWF-Australia) during the whole of the financial year and up to the date of the report are:

Mr M Wilder AM (President)*
 Ms R Boundy (retired November 2022)
 Dr C Dickman*
 Mr P Everingham*
 Mr S Triner *
 Mrs N Sparshott*
 Mr P Rist*
 Mrs J Lupton *
 Prof G Wardle *
 Mrs J Slatyer *
 Ms J Button (appointed October 2022)
 Prof J Pittock (appointed November 2022)

* Director for the whole financial year

Principal Activities

The principal activities of the entity during the year remained unchanged, being the receiving of gifts of real and personal property or other interest and income therein for the benefit of, or in connection with, the conservation and protection of nature in all its forms and the natural environment. The entity aims to expend all available resources to achieve these objectives.

Entity Results

	Year to 30 June 2023 \$	Year to 30 June 2022 \$
Operating deficit	<u>(7,344,177)</u>	<u>(7,974,663)</u>

Review of Operations

In FY23 the organisation incurred an operating deficit of \$7,344,177 (2022: deficit of \$7,974,663). The total revenue for the year was \$47,686,407 (2022: \$50,191,388). As a result, total comprehensive loss for the year was \$7,100,275 (2022: \$8,946,629). The deficit was funded by reserves accumulated in prior years. Deficits are expected as prior year restricted funds are utilised in subsequent years. The reserves and equity position are exceeding WWF-Australia's benchmarks.

During the year, the entity transferred \$7,831,009 from earmarked reserves (2022: \$5,114,774 from reserves). These reserves represent monies set aside for specific conservation projects and Australian Wildlife and Nature Recovery funded Projects that are to be undertaken in future years.

In FY23 \$40,083,523 (2022: \$40,480,521) was spent on conservation projects and community education, some of which were funded by Australian Wildlife and Nature Recovery Fund.

WWF-Australia's annual report provides more details on the Conservation outcomes achieved in the FY23 (www.wwf.org.au)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of World Wide Fund for Nature Australia.

Directors' Report (continued)

Matters Subsequent to the End of the Financial Year

No matters or occurrences have come to our attention up to the present time which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of World Wide Fund for Nature Australia.

The Directors are not aware of any circumstances that have arisen since 30 June 2023 which would significantly affect:

- (i) The operations of the entity in future financial years;
- (ii) The results of those operations in future financial years; or
- (iii) The state of affairs of the entity in future financial years.

Likely Developments and Expected Results of Operations

At the date of this report, there were no developments in the operations of the entity likely to materially change the status shown by the financial statements at 30 June 2023 and the Directors consider that revenue from donations and other sources will continue to be received in order to meet ongoing conservation and other expenditure.

Directors' Benefits

No Director has received, or become entitled to receive, a benefit by reason of a contract made by the entity with the member or with a firm of which he/she is a member or with an entity in which he/she has a substantial financial interest.

Environmental Regulation

World Wide Fund for Nature Australia aims to achieve a high standard in environmental matters. Due to the nature of its operations, however, it is not subject to any significant environmental regulation under a law of the Commonwealth or of a State, or Territory.

Information on Directors

Name	Experience	Special Responsibilities
Ms R Boundy	Director since 2014 – Retired November 2022 Governor since 2014 Partner, Allens; Member, Australian Institute of Company Directors.	Company Secretary; Chair, Nominating and Governance Committee until Nov 2022
Ms J Button	Director since October 2022 Governor since 2022 Partner and Melbourne Practice Director, Allens;	Company Secretary since Nov 2022; Member, Nominating and Governance Committee.
Prof C Dickman	Director since 2015 Governor since 1996 Member of WWF-Australia's Eminent Scientists Group; Professor in Ecology (Personal Chair), University of Sydney; Councillor, Royal Zoological Society of NSW; Member of the Research Committee for the Hermon Slade Foundation and the Australia and Pacific Science Foundation; Member, Technical Advisory Panel, Environmental Defenders Office; Member, Conservation and Science Advisory Committee, Invasive Species Council; Fellow, Australian Academy of Science; International Honorary Member, American Academy of Arts and Sciences.	Member of the Nominating and Governance Committee
Mr P Everingham	Director since 2017 Governor since 2017 Member of WWF-Australia's Innovation & Ventures Group; Director, Super Retail Group; Director, Medibank Private Limited.	Member of Finance, Audit and Risk Management Committee; Chair of Nominating and Governance Committee (since Dec 2022).

Directors' Report (continued)

Mrs J Lupton	Director since 2021 Governor since 2021 Partner, KPMG; Member, Institute of Chartered Accountants Australia and New Zealand; Fellow of the Financial Services Institute Australasia.	Treasurer; Chair of Finance, Audit and Risk Management Committee
Prof J Pittock	Director since November 2022 Governor since 2013 Professor, Fenner School of Environment and Society at The Australian National University. Public Fund member, Water Stewardship Asia-Pacific. Board member, NRM Regions Australia Chair, ACT Natural Resources Management Advisory Committee Member, IUCN World Commission on Protected Areas. Member, Institute of Australian Geographers. Member, International Water Resources Association. Fellow of the Higher Education Academy (FHEA). Graduate of the Australian Institute of Company Directors	Chair, WWF Eminent Scientists Group.
Mr P Rist	Director since 2019 Governor since 2014 Executive Officer and Founding Member, Girringun Aboriginal Corporation; Process Unite Coordinator.	
Mrs Judy Slatyer	Director since November 2021 Governor since November 2020 Chair, Natural Carbon CSIRO, Data61, entrepreneur in-residence Lead, Responsible AI Think Tank, National AI Centre Director, Climate Leaders Coalition Chair NSW Net Zero Emissions & Clean Energy Board Board Director, Talent Beyond Boundaries Board Director, Gigacomm	Member of Finance, Audit & Risk Management Committee.
Mrs N Sparshott	Director since 2018 Governor since 2018 Chair of WWF-Australia's Innovation & Ventures Group; Global Chief of Transformation for Unilever. Non Executive Director, Global Sisters. Founding Member Climate Leaders Coalition & B-Team Australasia. Member of Australasian Advisory Board of the Ehrenberg-Bass Institute Member of UTS Vice Chancellors Industry Advisory Board. Member Chief Executive Women	Member of Finance, Audit & Risk Management Committee.
Mr S Triner	Director since 2017 Governor since 2016 Owner and Director, Moceanic. Director, Better World Ventures Pty Ltd (Australia) Director, Better World Communications Ltd (HK) Fellow of the Fundraising Institute Australia (FFIA)	Member of Finance, Audit & Risk Management Committee
Prof G Wardle	Director since August 2021 Governor since April 2021 Member of WWF-Australia's Eminent Scientists Group; Professor in Ecology and Evolution, University of Sydney, Sydney Co-lead Desert Ecology Research Group; Member of the Sydney Institute of Agriculture & the Citizen Science Node of the Charles Perkins Centre; Chair of the Ecosystem Science Council of Australia;	Member of Nominating and Governance Committee.

Directors' Report (continued)

TERN NSW Ambassador;
Biodiversity theme lead for ARC Centre for Data Analytics for
Resources and Environment (DARE)

Mr M Wilder, AM	Director since 2012 Governor since 2002 President of World Wide Fund for Nature Australia; Founder and CEO, Pollination; Governor of the Climate Council of Australia; Chair and Governing Board Member, Renewable Energy and Energy Efficiency Partnership (REEEP); Member, Wentworth Group of Concerned Scientists; Visiting Professor of Law, Australian National University.	Elected President Nov 2017; Ex Officio Member of Finance, Audit & Risk Management Committee; Ex Officio Member of Nominating and Governance Committee.
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Meetings of Directors

The numbers of meetings of the entity's Directors and of each Committee held during the year ended 30 June 2023 and the numbers of meetings attended by each Director (the number of meetings Directors were eligible to attend appears in brackets):

	Full meeting of Directors	Finance, Audit and Risk Management Committee	Nominating & Governance Committee
Number of meetings held:	7	7	5
Numbers of meetings attended by:			
Ms R Boundy	4 (4)**	*	1 (2)**
Ms J Button	5 (5) **	*	4 (4)**
Prof C Dickman	6 (7)	*	5 (5)
Mr P Everingham	6 (7)	7 (7)	5 (5)
Ms J Lupton	7 (7)	7 (7)	*
Prof J Pittock	3 (4)**	*	*
Mr P Rist	5 (7)	*	*
Mrs J Slatyer	7 (7)	5 (5)**	*
Mrs N Sparshott	5 (7)	6 (7)	*
Mr S Triner	7 (7)	7 (7)	*
Prof G Wardle	5 (7)	*	1 (1)**
Mr M Wilder AM	7 (7)	3 (7)	2 (5)

* Not a member of the relevant committee

** Member for part of the year

Directors' emoluments

The Directors of World Wide Fund for Nature Australia receive no remuneration from the entity.

In FY23 the management took a decision to include all the members of the WWF executive committee in Key management personnel disclosure. FY22 figures are accordingly restated.

The totals of remuneration paid to the key management personnel of the company during the financial year are as follows:

	2023 \$	2022 \$
Short-term employee benefits	1,324,102	1,354,903
Post-employment benefits	162,967	465,244
	1,487,069	1,820,147

Directors' Report (continued)

Corporate Governance

WWF-Australia is committed to achieving best practise corporate governance. Day to day management of WWF- Australia's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO and senior executives as set out in the entity's delegations' policy. These delegations are reviewed and approved by the Board on an annual basis.

The Board reviews the performance of the CEO compared to formally agreed key performance indicators on an annual basis. The review for the 2022-23 financial year occurred in June 2023. Senior executives are formally reviewed against their individually agreed key performance indicators twice a year with the most recent review occurring in June 2023.

The Board has a Charter of Corporate Governance, which clearly establishes the relationship between the Board and management and describes the functions and responsibilities of the Board as a collective, the responsibility of individual directors and the specific responsibilities of the President.

The composition of the Board is reviewed on an ongoing basis to ensure that the Board has an appropriate balance of experience and expertise across the range of disciplines required to govern the entity, including specifically conservation, financial and legal expertise. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience.

The Board reviews and evaluates its own performance and the individual performance of each director, including the President during a formal session on an annual basis as do the Committees of the Board. The Board believes that due to the size of the entity and the nature of its operations a self-assessment approach to performance evaluation is appropriate.

The Board has established two Committees (Finance, Audit and Risk Management and Nominating & Governance) to review, in more detail, specific areas of WWF-Australia's activities. The charters of these Committees are also available on the WWF website www.wwf.org.au.

Risk Management

WWF-Australia's Risk Management Framework is designed to ensure strategic, operational, environmental and social, reputational, financial and legal risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of WWF-Australia's objectives.

The Board, through the Finance, Audit and Risk Management Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance, and internal control systems. Risk management an integral part of WWF-Australia's organisational culture, and an essential component of its strategic planning, decision-making, and considerable importance is placed on maintaining a strong control environment. During the year, WWF-A established a full time Work Health & Safety (WHS) specialist role to strengthen WHS.

There is an organisational structure with clearly drawn lines of accountability and delegation of authority and the Board actively promotes a culture of quality and integrity. The risk management policy and the operation of the risk management and compliance system is managed by WWF-Australia's senior executives. The Finance, Audit and Risk Management Committee devotes two meetings a year to reviewing risk registers, scanning the external environment for potential risks, and reviewing management's responses to identified significant risks. The outcome of these meetings and the resulting changes implemented are presented to the Board in an annual report as to the effectiveness of WWF-Australia's management of material risks.

WWF-Australia's Risk Management Framework is aligned with Australian Standard AS/NZS ISO31000:2018, and the Risk Management Policy identifies those risks facing the organisation, assigns responsibility to managing these risks and how these should be monitored and reported on an ongoing basis.

Directors' Report (continued)

Compliance

WWF-Australia is committed to accountability and transparency and aims to faithfully fulfil the organisation's charitable purpose. With the support of the now established Compliance role, The Finance, Audit and Risk Management Committee also assists in monitoring and ensuring the integrity of WWF-Australia's compliance, legal, statutory, and regulatory requirements, policies and expectations of key stakeholders.

WWF-Australia is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC) and regulated under the ACNC Act 2012. It is also a signatory and member to the Australian Council For International Development (ACFID) Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. This Code sets minimum standards of governance, management, and accountability for member agencies. Adherence to the code is monitored by an independent Code of Conduct Committee.

Corporate Reporting

The CEO and COO have made the following certifications to the Board:

- that WWF-Australia's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of WWF-Australia and are in accordance with relevant accounting standards.
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that WWF-Australia's risk management and internal compliance and controls are operating efficiently and effectively in all material respects in relation to financial reporting risks.

Insurance of Officers

During the financial year, World Wide Fund for Nature Australia paid a premium of \$21,034 (2022: \$19,902) to insure the Directors and Secretaries of the entity and the managers of each of the divisions of the entity. The insurer will pay, on behalf of the Directors, Secretaries or managers any loss for which they may not be legally indemnified by World Wide Fund for Nature Australia arising out of any claim, by reason of any wrongful act committed by them in their capacity as a Director, first made against them jointly or severally during the period of insurance and notified to the insurer during the indemnity period.

Independent professional advice

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at WWF-Australia's expense. Prior written approval of the President is required, but this will not be unreasonably withheld.

Proceedings on behalf of entity

No person has applied to the Court for leave to bring proceedings on behalf of the entity, or to intervene in any proceedings to which the entity is a party, for the purpose of taking responsibility on behalf of the entity for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the entity with leave of the Court.

Non-audit services

The entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the entity are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* for the following reason:

- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the entity, acting as advocate for the entity or jointly sharing economic risk and rewards.

Directors' Report (continued)

Auditor

PricewaterhouseCoopers ("PwC") continues in office in accordance with Australian Charities and Not-for-profits Commission Act 2012.

WWF-Australia and Finance, Audit and Risk Management Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually by this Committee. PricewaterhouseCoopers was appointed as the external auditor on 27 November 1998. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on companies periodically, and in line with that policy a new audit engagement partner was introduced for the year ended 30th June 2023.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in Note 6 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Finance, Audit and Risk Management Committee.

PricewaterhouseCoopers will attend the annual general meeting and be available to answer members' questions about the conduct of the audit and the preparation and content of the audit report.

Auditor Indemnity

WWF-Australia has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from WWF-Australia's breach of its agreement with PwC. The indemnity stipulates that WWF-Australia will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Auditor independence declaration

A copy of the auditor's independence declaration as required under section 60.15 of the Australian Charities and Not-for-Profit Commission Regulations 2013 is set out on page 9.

Signed at Sydney this 31st day of October 2023 in accordance with a resolution of Directors.

Martijn Wilder

.....
Director – M. Wilder AM

Joanne Lupton

.....
Director – J. Lupton



Auditor's Independence Declaration

As lead auditor for the audit of World Wide Fund for Nature Australia for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'EPenny'.

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
31 October 2023

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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from continuing operations		45,761,449	49,482,574
Other revenue		1,924,958	708,814
Total Revenue	3	47,686,407	50,191,388
International Aid and Development Programs Expenditure			
Funds to International Programs		6,304,844	4,547,824
Program Support Costs		786,449	623,753
Total International Aid and Development Programs Expenditure		7,091,293	5,171,577
Other International Programs		5,144,690	4,141,088
Funds to domestic programs		22,947,077	24,115,081
Community education		4,900,463	7,052,775
Public fundraising costs		10,291,110	12,912,215
Accountability and Administration		4,257,887	4,436,841
Share of losses of associate company		398,064	336,474
Total expenditure		55,030,584	58,166,051
Operating deficit for the year	13(b)	(7,344,177)	(7,974,663)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income		243,902	(971,966)
Total comprehensive (loss) for the year		(7,100,275)	(8,946,629)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash assets	7	56,527,412	66,566,479
Receivables	8	969,749	1,559,732
Other assets	9	802,944	773,151
Total Current Assets		<u>58,300,105</u>	<u>68,899,362</u>
Non-Current Assets			
Property, plant and equipment	10(a)	632,257	310,307
Investments at Fair Value through OCI	10(b)	5,541,696	4,986,375
Right-of-use assets	10(c)	348,416	677,060
Total Non-Current Assets		<u>6,522,369</u>	<u>5,973,742</u>
Total Assets		<u>64,822,474</u>	<u>74,873,104</u>
Current Liabilities			
Lease Liabilities	11(b)	125,837	689,747
Payables	11(a)	4,838,349	5,565,547
Other Liabilities	11(c)	5,870,491	8,155,473
Provisions	12(b)	645,986	522,279
Total Current Liabilities		<u>11,480,663</u>	<u>14,933,046</u>
Non-Current Liabilities			
Lease Liabilities	11(b)	301,852	288,236
Provisions	12 (b)	2,849,426	2,361,014
Total Non-Current Liabilities		<u>3,151,278</u>	<u>2,649,250</u>
Total Liabilities		<u>14,631,941</u>	<u>17,582,296</u>
Net Assets		<u>50,190,533</u>	<u>57,290,808</u>
Equity			
Reserves	13(a)	26,898,908	34,486,015
Accumulated Surplus	13(b)	23,291,625	22,804,793
Total Equity		<u>50,190,533</u>	<u>57,290,808</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	Reserves \$	Accumulated Surplus \$	Total Equity \$
Balance at 30 June 2021		40,572,755	25,664,682	66,237,437
Total deficit for the year		-	(7,974,663)	(7,974,663)
Other comprehensive income		(971,966)	-	(971,966)
Total comprehensive loss for the year		(971,966)	(7,974,663)	(8,946,629)
Transferred from accumulated surplus to reserves (Earmarked funds)		2,893,480	(2,893,480)	-
Transferred from accumulated surplus to reserves (Australian wildlife and nature recovery fund)		(8,008,254)	8,008,254	-
Balance at 30 June 2022	13	34,486,015	22,804,793	57,290,808
Total deficit for the year		-	(7,344,177)	(7,344,177)
Other comprehensive income		243,902	-	243,902
Total comprehensive income for the year		243,902	(7,344,177)	(7,100,275)
Transferred from accumulated surplus to reserves (Earmarked funds)		1,074,436	(1,074,436)	-
Transferred to accumulated surplus from reserves (Australian wildlife and nature recovery fund)		(8,905,445)	8,905,445	-
Balance at 30 June 2023		26,898,908	23,291,625	50,190,533

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from fundraising:			
Corporate		2,879,446	3,138,183
Supporters / major gifts / other		25,318,571	26,509,280
Receipt from Government Grants		4,914,039	5,323,843
WWF entities		5,551,144	6,745,929
Legacies and bequests		5,405,140	4,992,908
Dividends received		430,470	130,607
Interest received		1,545,229	281,223
Proceeds from disposal of financial assets at fair value		-	175,536
Payments to suppliers and non-conservation staff		(14,420,630)	(17,752,385)
Payments for conservation		(39,752,145)	(40,255,142)
Net cash (outflow) from operating activities	15	(8,128,736)	(10,710,018)
Cash Flows from Investing Activities			
Payments for plant and equipment / leasehold Assets	10(a)	(525,811)	(50,079)
Proceeds from sale of land		-	3,060,000
Purchase for investments		(791,906)	(1,114,727)
Net cash (outflow) / inflow from investing activities		(1,317,717)	1,895,194
Cash Flows from Financing Activities			
Principal elements of lease payments	10(c)	(592,614)	(592,515)
Net cash (outflow) from financing activities		(592,614)	(592,515)
Net (decrease) in cash held		(10,039,067)	(9,407,339)
Cash at the beginning of the financial year		66,566,479	75,973,818
Cash at the end of the financial year	7	56,527,412	66,566,479

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for World Wide Fund for Nature Australia as a single entity.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and *Australian Charities and Not-for-profits Commission Act 2012*. World Wide Fund for Nature Australia is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Simplified Disclosure for Not-for-Profit Entities

The financial statements of World Wide Fund for Nature Australia comply with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Entities as issued by Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by World Wide Fund for Nature Australia

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2022 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Early adoption of standards

The entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2022.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(v) Critical accounting estimates

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

(b) Revenue recognition

Revenue is recognised when the entity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is recognised under AASB1058 unless it has been determined that AASB15 applied.

Donations and gifts

Donations and gifts are recognised when received.

Corporate campaign

Corporate sponsorship income is recognised on an accrual basis. Corporate donations are recognised on receipt of funds.

Legacies and bequests

Legacies and bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property is recognised at fair value, being the market value of the shares or property at the date the entity becomes legally entitled to the shares or property.

Note 1 Summary of Significant Accounting Policies (continued)*Government funding*

The entity's conservation activity is partially supported by grants received from the federal, state and local governments. Revenue from grants is recognised when received except for agreements with a termination of convenience clause, in which case revenue is recognised when spent.

Income from other WWF entities

Income is recognised when received.

Investment income

Investment income comprises interest, dividends and distributions. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividends and distributions from listed entities are recognised when the right to receive a dividend or distribution has been established.

(c) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources.

Project costs are those costs incurred directly in support of expenditure on the objects of the entity and include project management carried out by central administration.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the entity.

Community education costs are those costs of disseminating information relating to the activities carried on by the entity.

Administration costs are those incurred in connection with the management and administration of the entity and compliance with constitutional and statutory requirements.

(d) Income tax

The entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Earmarked funds

Business and public appeal donations and grants include monies which have been earmarked by the donors for designated conservation projects. Such donations which remain unexpended at year end are transferred to earmarked funds to be utilised on the designated projects at a subsequent date.

(f) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment over its expected useful life. Estimate of useful life is:

Plant and equipment	3-5 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

WWF-Australia have determined in prior years that WWF-Australia is the accounting owner of the asset for the right to use the fit-out of WWF's office in Ultimo. WWF-Australia have been recognising fit-out incentive as leasehold improvements and have been amortizing it over the life of the lease. This process will continue under AASB 16.

Note 1 Summary of Significant Accounting Policies (continued)**(g) Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable on a long-term basis. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is determined by reference to depreciated replacement cost. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(h) Receivables

Receivables are for interest, dividend franking credits, services provided and corporate sponsorship. Amounts are generally received within 30 days of being recorded.

(i) Trade and other creditors

Accounts payable balances are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. Trade accounts payable are normally settled within 30 days.

(j) Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(k) Investments

WWF-Australia classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. AASB9 (4.1.4), (5.7.1). For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, an irrevocable election at the time of initial recognition has been made to account for the equity investment at fair value through other comprehensive income (FVOCI).

(l) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by WWF-Australia.

WWF-Australia leases various premises. Lease terms are negotiated on an individual basis and contain different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by WWF-Australia under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases WWF-Australia enters into, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, WWF-Australia has used external third party lending rates as WWF-Australia has no financing arrangements.

(m) Asset acquisition

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition.

Note 1 Summary of Significant Accounting Policies (continued)**(n) Recoverable amount of non-current assets**

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount.

(o) Maintenance and repairs

The cost of any maintenance or repairs of non-current assets is charged as an expense, except where they relate to the replacement of a component of an asset, in which case the cost is capitalised and depreciated in accordance with Note 1(g).

(p) Employee benefits*Wages and salaries and annual leave*

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised as employee benefits in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised as employee benefits in provisions (either current or non-current, as appropriate). The standard requires to measure provision as 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.

WWF-Australia ensures that the amount provided is not materially different to the level required by the standard.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after Balance sheet date are discounted to present value.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the Balance sheet. 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 taxation authority, are presented as operating cash flows.

(r) Cash and cash equivalents

For cash flow statement presentation purposes, 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, and bank overdrafts.

(s) Going concern

The Directors believe WWF-Australia will continue as a going concern on the basis that existing cash resources, future revenues, grants and donations will be received of a sufficient amount to enable the entity to meet commitments for earmarked projects and other obligations as and when they fall due.

Note 1 Summary of Significant Accounting Policies (continued)

(t) New accounting standards and interpretations

There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods.

Note 2 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In determining the lease term, WWF-Australia considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(b) Grants with Termination for Convenience (TFC) clause

A Termination for Convenience (TFC) clause is a contractual clause which allows one or both parties to terminate an agreement without cause. Such clauses are especially common in government contracts and funding agreements. WWF-Australia adopted a view that funds received would be recognised as a liability on receipt, with that liability being subsequently measured and/or derecognised in accordance with the requirements of AASB 9 Financial Instruments.

Note 3 Revenue**(a) Revenue**

	2023	2022
	\$	\$
Revenue from continuing operations:		
Donation and partnership income:		
Supporters	20,781,248	22,549,807
Corporate campaign	2,845,296	3,102,378
Legacies and bequests		
Monetary	5,405,140	4,992,908
Non-monetary	-	-
Realised gain on sale of bequeathed land	-	1,094,365
Grants:		
Australian Department of Foreign Affairs and Trade (DFAT)	277,119	150,000
Australian NGO Cooperation Program		
Government (other)	6,844,902	6,550,049
Major gifts	4,374,661	3,867,444
Other WWF entities	5,233,083	7,175,623
	<u>45,761,449</u>	<u>49,482,574</u>
Other Income:		
Dividend income and distributions	430,470	130,607
Interest income	1,544,502	281,223
Rental income	27,768	33,782
Realised (loss)/gain on sale of investments	(82,424)	175,536
Other	4,642	87,666
	<u>1,924,958</u>	<u>708,814</u>
Total revenue	<u>47,686,407</u>	<u>50,191,388</u>

Note 3 Revenue (continued)**(b) Disaggregation of revenue**

WWF-Australia derives revenue from the transfer of goods and services over time and at a point in time as follows:

	2023	2022
	\$	\$
Timing of revenue recognition		
At a point in time	47,670,519	49,972,148
Over time	15,888	219,240
	<u>47,686,407</u>	<u>50,191,388</u>

Note 4 Expenses

	2023	2022
	\$	\$
Operating deficit includes the following specific expenses:		
Loss on disposal of fixed assets	17,378	-
Depreciation - plant and equipment	100,885	96,148
Depreciation: Leasehold improvements	85,598	86,262
Depreciation: ROU Lease assets	328,644	371,963
Provision for employee benefits	187,760	272,997
Conservation Expenditure:		
Community Education (Domestic)	4,900,463	7,052,775
National Conservation Program	23,356,127	24,115,081
International Conservation Program	11,826,933	9,312,665
	<u>40,083,523</u>	<u>40,480,521</u>

Conservation Expenditure is inclusive of the employee benefits and superannuation expense of WWF conservation experts.

Employee benefits	16,796,407	15,833,668
Defined Contribution benefits	<u>1,951,869</u>	<u>1,685,420</u>

Note 5 Directors' Emoluments

The Directors of World Wide Fund for Nature Australia receive no remuneration from the entity.

Note 6 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor of World Wide Fund for Nature Australia:

(a) Audit Services

	2023	2022
	\$	\$
PricewaterhouseCoopers' Australian firm		
Audit and review of financial reports	<u>71,400</u>	<u>79,808</u>

Note 6 Auditor's Remuneration (continued)**(b) Non-audit Services**

	2023 \$	2022 \$
PricewaterhouseCoopers' Australian firm	<u>37,650</u>	<u>25,398</u>

Note 7 Current Assets - Cash Assets

	2023 \$	2022 \$
Cash and Cash equivalents	45,138,745	39,179,762
Term Deposits	11,388,667	27,386,717
	<u>56,527,412</u>	<u>66,566,479</u>

Cash in the operating account was earning interest of 0.05% p.a. at 30 June 2023 (2022: 0.05%). The term deposits were earning interest ranging from 4.11% to 4.51% p.a. at 30 June 2023 (2022: from 0.34% to 0.74% p.a.). The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows (page 13).

Note 8 Current Assets – Receivables

	2023 \$	2022 \$
Trade receivables	909,890	1,185,849
Other receivables	59,859	373,883
	<u>969,749</u>	<u>1,559,732</u>

Note 9 Other assets

	2023 \$	2022 \$
Other Current Assets		
Prepayments	579,168	315,172
GST receivable	223,776	457,979
	<u>802,944</u>	<u>773,151</u>

Note 10 Non-Current Assets

	2023 \$	2022 \$
(a) Property, Plant and Equipment		
New Office Lease Improvement (CWIP)	477,056	-
Plant and equipment – at cost	729,238	1,926,452
Less: Accumulated depreciation	(574,684)	(1,702,382)
Leasehold improvements – at cost	6,453	835,408
Less: Accumulated depreciation	(5,806)	(749,171)
Total property, plant and equipment	<u>632,257</u>	<u>310,307</u>

Note 10 Non-Current Assets (continued)

WWF-Australia have determined in prior years that WWF-Australia is the accounting owner of the asset for the right to use the fit-out of WWF's office in Ultimo. WWF-Australia have been recognising the \$800k fit-out incentive as leasehold improvements and have been amortising it over the life of the lease. The existing lease liability account which accounts for the straight-lining of the lease incentive was adjusted against the right-of-use asset (ROU) in FY20 on the transition to AASB 16 and continues to be depreciated over the life of the lease. The fit-out incentive has been fully amortised as of 30 June 2023.

Reconciliation

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:

	2023	2022
	\$	\$
Carrying amount at start of year	310,307	2,242,638
Additions: Leasehold improvements	477,056	-
Additions: Plant and equipment	48,755	50,079
Disposals: Land & Building	-	(1,800,000)
Loss on disposal of fixed assets (Note 4)	(17,378)	-
Depreciation expense Plant and equipment (Note 4)	(100,885)	(96,148)
Depreciation expense Leasehold improvements (Note 4)	(85,598)	(86,262)
Carrying amount at end of year	<u>632,257</u>	<u>310,307</u>
	2023	2022
	\$	\$

(b) Investments at fair value through other comprehensive income (OCI)

Investments at cost	5,284,143	4,972,725
Unrealised gain on investments	257,553	13,650
	<u>5,541,696</u>	<u>4,986,375</u>

The unrealised gain on investments represents the difference between cost and market value of these investments.

For equity securities which are not held for trading, an irrevocable election has been made at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments. Therefore, this classification is considered this to be more relevant. The units held in the managed funds are classified as equity instruments by the Fund. These investments are intended to be held for the long-term. Investments at fair value through other comprehensive income (FVOCI) comprise the following categories:

	2023	2022
	\$	\$
Managed Portfolios	1,381,319	1,473,076
Australian Listed Securities	1,694,861	1,407,390
Managed Funds	2,465,516	2,105,909
Total Portfolio Balance	<u>5,541,696</u>	<u>4,986,375</u>

(c) Right-of-use asset (ROU)

In accordance with AASB 16, the lessee shall measure the right-of-use asset and the lease liability at commencement date.

In accordance with Paragraph 24 of AASB 16, the right-of-use asset shall comprise of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee. Under the modified retrospective approach elected by WWF-Australia, the right-of-use asset will be measured as amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the balance sheet immediately before the date of initial application (2019).

The right-of-use assets recognised shall be measured at cost model by depreciating the right-of-use asset from the commencement date to the end of the lease term.

Note 10 Non-Current Assets (continued)

Amount recognised in the balance sheet.	2023	2022
	\$	\$
Right-of-use assets		
Premises	348,416	677,060
Amount recognised in the statement of comprehensive income	2023	2022
	\$	\$
Depreciation charge of right-of-use assets		
Premises	328,644	371,963
Interest expenses	42,320	85,506
Expenses relating to short-term leases	132,970	77,002

Total cash outflow for leases in 2023 was \$592,614 (2022: \$592,515)

(d) Other assets

In December 2021 the Board of the WWF-Australia resolved to provide a loan of \$500,000 to the WWF New Zealand to strengthen conservation outcomes in the Australia-New Zealand-South Pacific region. The term of the loan is 7 years unless terminated earlier or extended by mutual agreement. The first instalment of \$300,000 was paid in February 2022, with the balance payable upon completion of the milestone as per loan agreement.

As there is no guarantee the WWF New Zealand will repay the loan the provision was made up to the amount paid. There were no changes to the value of the loan in FY23.

	2023	2022
	\$	\$
Loan to WWF New Zealand	-	-
Reconciliation of carrying amount:		
Loan value at the beginning of the year	-	-
Loan to WWF New Zealand	-	300,000
Provision for doubtful debt	-	(300,000)
Loan value at the end of the year	-	-

Note 11 Liabilities**(a) Payables**

	2023	2022
	\$	\$
Trade creditors	1,930,489	3,631,213
Other creditors	1,425,270	627,808
Employee benefits	1,482,590	1,306,526
	4,838,349	5,565,547

Average number of employees during the financial year was 147 (2022: 150).

Note 11 Liabilities (continued)**(b) Lease Liabilities**

Lease liability is measured at the present value of the lease payments that are not paid at that date. Lease payments shall be discounted using lessee's incremental borrowing rate. WWF-Australia used the incremental borrowing rate 6.5%. The rate is based on the transition date of 1 July 2019 and the remaining lease term and lease payment amount for each lease at this date. For any new leases that are entered into in the future a new discount rate will need to be estimated based on the date of the inception of lease, lease term and payment amount.

	2023 \$	2022 \$
Lease liability recognised in the balance sheet	427,689	977,983
Of which are:		
Current lease liabilities	125,837	689,747
Non-current lease liabilities	301,852	288,236
Future lease payment in relation to lease liabilities as at year end are as follow:		
Within one year	301,852	597,869
Later than one year but no later than five years	294,780	426,050
	<u>596,632</u>	<u>1,023,919</u>

Sydney new office lease liability of \$1,193,705 commenced subsequent to the balance sheet date.

(c) Other Liabilities

In prior years WWF received \$11,500,000 (excluding GST) government grant from the Department of Foreign Affairs and Trade (DFAT), and \$2,380,000 from Department of Industry, Science, Energy and Resources.

The Grant agreements contain Termination for Convenience clause. WWF-Australia adopted a view that funds received would be recognised as a liability on receipt, with that liability being subsequently measured and/or derecognised as funds are spent and recognised in profit and loss as revenue from government grants. In FY23 WWF received additional \$2,500,000 extension of DFAT grant which was recorded as liability similar to grants received in FY22 and FY21.

	2023 \$	2022 \$
Other Liabilities recognised in the balance sheet	5,870,491	8,155,473

Note 12 Provisions

	2023 \$	2022 \$
(a) Current Provisions		
Current employee benefits	645,986	522,279
Total current provisions	<u>645,986</u>	<u>522,279</u>
(b) Non-Current Provisions	2023 \$	2022 \$
Non-current employee benefits	261,416	373,428
Non-current provision for network fee	2,330,470	1,780,046
Non-current makegood provision	257,540	207,540
	<u>2,849,426</u>	<u>2,361,014</u>

Note 12 Provisions (continued)**Movements in Provisions**

Movements in each class of provision during the financial year are set out below:

	Make Good Provision \$	Network Fees \$	Employee Entitlements \$
Carrying amount at start of the year 2023	207,540	1,780,046	895,707
Additional provisions during the year	50,000	3,429,721	75,545
LSL paid in the year	-	-	(63,850)
Network payments during the year	-	(2,879,297)	-
Carrying amount at end of the year 2023	257,540	2,330,470	907,402

Note 13 Accumulated Surplus and Reserves

	2023 \$	2022 \$
(a) Reserves		
Earmarked Funds	26,606,603	34,437,612
Changes in the fair value of Investments	292,306	48,403
	26,898,908	34,486,015
	2023 \$	2022 \$
Movements:		
Balance at the beginning of the financial year	34,486,015	40,572,755
Transferred to accumulated surplus	(7,831,009)	(5,114,774)
Changes in the fair value of investments	243,902	(971,966)
Balance at the end of the financial year	26,898,908	34,486,015
	2023 \$	2022 \$
(b) Accumulated surplus		
Accumulated surplus at the beginning of the financial year	22,804,793	25,664,682
Operating deficit	(7,344,177)	(7,974,663)
Transferred from Earmarked Funds	7,831,009	5,114,774
	23,291,625	22,804,793
(c) Nature and purpose of Reserves		

Earmarked Funds are those amounts received from donors which remain unexpended to pay for specific projects.

Note 14 Related Parties and directors' interests in contracts

WWF-Australia is limited by guarantee and there is no immediate and ultimate controlling entity. However, in relation to conservation policies and procedures the entity complies with the policies of World Wide Fund for Nature International (incorporated in Switzerland). During the reporting period, income from other WWF entities were \$5,233,083 (2022: \$7,175,623). As the end of the reporting period receivables due are \$492,557 (2022: \$810,619). Total payments to other WWF entities were \$6,932,559 (2022: \$6,698,213). As at the end of the reporting period payables owed are \$106,534 (2022: \$320,565).

Phil Rist is a director of WWF-Australia and Executive Officer and Founding Member of Girringun Aboriginal Corporation. During FY23 Girringun was paid \$15,000 ex GST in respect of indigenous forum and \$20,000 ex GST for the strategy planning workshop in the ordinary course of business.

Joanne Lupton is Treasurer and Chair of Finance, Audit and Risk Management Committee of WWF-Australia and Partner at KPMG Australia. In FY23 KPMG provided \$150,000 to Koala Carbon project led by WWF under sponsorship agreement.

There were no other related party transactions or directors, or executive staff interests in contracts, other than the reimbursement of expenses and the receipt by the entity of donations in the normal course of business.

Note 15 Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2023	2022
	\$	\$
Operating deficit	(7,344,177)	(7,974,663)
Depreciation - plant and equipment	100,885	96,148
Depreciation - leasehold improvement	85,598	86,262
Depreciation – ROU	328,644	371,963
Interest expense	42,320	85,506
Decrease/(increase) in receivables	589,983	(455,536)
(Increase) in other assets	(29,793)	(531,927)
Increase in employee benefit provisions	187,760	272,997
(Decrease) / increase in trade and other payables	(903,263)	606,618
(Decrease) in other liabilities	(2,284,983)	(1,344,527)
Increase in makegood provision	50,000	47,540
Increase / (decrease) in Network fee provision	550,424	(1,046,873)
Share of losses of associate company	398,064	336,474
Gain on sale of land	-	(1,260,000)
Loss on assets disposal	17,378	-
Realised loss on sale of investments	82,424	-
Net cash (outflow) from operating activities	(8,128,736)	(10,710,018)

Note 16 Directors & Key Management Personnel Disclosures**(a) Directors**

The Directors of World Wide Fund for Nature Australia during the financial year were those persons listed in the Directors' Report on pages 3 to 5.

(b) Key Management Personnel

In FY23 the management took a decision to include all the members of the WWF executive committee in key management personnel disclosure. FY22 figures are accordingly restated.

The totals of remuneration paid to the key management personnel of the company during the financial year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	1,324,102	1,354,903
Post-employment benefits	162,967	465,244
	1,487,069	1,820,147

Note 17 Operating Leases

From 1 July 2019 WWF-Australia has recognised right-of-us assets for office premises leases, except for short term and low-value leases, see Note 10 (c) for further information.

For the year ended 30 June 2023, World Wide Fund for Nature Australia has \$620,000 (2022: \$504,000) of combined bank guarantees with ANZ Banking Group Limited in relation to Sydney and Brisbane office leases.

Note 18 Events Occurring after Reporting Date

No matters or occurrences have come to our attention up to the present time which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of World Wide Fund for Nature Australia.

Note 19 Contingent liabilities

World Wide Fund for Nature Australia does not have any contingent liabilities at the end of the financial year which would require disclosure in these financial statements (2022: nil).

Note 20 Information and Declarations to be furnished under the Charitable Fundraising Act 1991**Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals:**

	2023 \$	2022 \$
Gross proceeds from fundraising appeals	28,001,205	29,519,629
Supporters	20,781,248	22,549,807
Major gifts	4,374,661	3,867,444
Corporate fundraising	2,845,296	3,102,378
Total costs of fundraising appeals	10,291,110	12,912,215

Information on any Material Matter or Occurrence

There were no material matters or occurrences requiring disclosure during the year ended 30 June 2023. In line with WWF-Australia's strategic objective to acquire an increased number of individual donors in order to fund a larger conservation program in future years. Total costs of fundraising appeal included \$5,105,516 (2022: \$7,749,981) invested in supporter acquisition programs. This activity will be on-going in 2023/24. This investment is expected to achieve an appropriate return over the expected 3-5 years commitment from these donors.

Statements showing how funds raised were applied to charitable purposes.

	2023 \$	2022 \$
Net surplus from fundraising appeals	17,710,095	16,607,414
This was applied to charitable purposes in the following manner:		
Conservation program expenditure	35,183,060	33,427,746
Community education	4,900,463	7,052,775
Administration expenditure *	4,257,887	4,436,841
Other expenditure	398,064	336,474

* Administration expenditure includes support for some elements of the conservation projects. This support has not been charged against the projects.

The shortfall of \$27,029,379 (2022: \$28,646,422) between the amount received from charitable and fundraising donations and expenditure was provided by the following sources:

	2023 \$	2022 \$
Government grants	7,122,021	6,700,049
WWF entities	5,233,083	7,175,623
Bequests and other	7,330,098	6,796,087
Total income from other sources	19,685,202	20,671,759

The excess of revenue over expenditure represents the deficit for the year \$7,344,177 (2022: deficit \$7,974,663).

Note 20 Information and Declarations to be furnished under the Charitable Fundraising Act 1991 (continued)

	2023	2022
	\$	\$
Comparison of certain monetary figures and percentages		
Total cost of public fundraising	<u>10,291,110</u>	12,912,215
Gross income from fundraising	<u>28,001,205</u>	29,519,629
	37%	44%
Net surplus from fundraising	<u>17,710,095</u>	16,607,414
Gross income from fundraising	<u>28,001,205</u>	29,519,629
	63%	56%
Total conservation expenditure and community education	<u>40,083,523</u>	40,480,521
Total expenditure	<u>55,030,584</u>	58,166,051
	73%	70%
Total conservation expenditure and community education	<u>40,083,523</u>	40,480,521
Total income received	<u>47,686,407</u>	50,191,388
	84%	81%

Note 21 Investment in Associate

In FY19 WWF-Australia together with BCG Digital Ventures (BCG DV) established a joint venture company called OpenSC. The objective of OpenSC is to develop a technology-enabled supply chain traceability and transparency platform to drive sustainable production and consumption with the initial focus around food. This capability is aimed to help people and business to avoid illegal, environmentally damaging or unethical products.

BCG DV is the startup and corporate venture capital arm of The Boston Consulting Group and has a proven track record of launching successful new ventures in partnership with the world's most influential organisations.

Since the incorporation of OpenSC two impact investors have funded the company through the issue of shares.

As at 30 June 2023 the shareholding of OpenSC is as follows:

Shareholder	Ownership	Ownership
	2023	2022
BCGDV	26.81%	26.81%
WWF-Australia	26.81%	26.81%
Impact investors	46.38%	46.38%
TOTAL	100%	100%

In FY21 OpenSC took a decision to issue convertible notes (Notes) to the Investors. Eligible shareholders were offered the opportunity to purchase OpenSC Notes for cash or through a 'payment in kind' arrangement (or a combination of the two). In FY21 WWF-Australia purchased the equivalent of US\$200,000 of Notes in cash. WWF-Australia also agreed to purchase the equivalent of further US\$100,000 of Notes through an in-kind arrangement. The Notes will automatically convert into Senior Shares as per terms on the purchase agreements.

In FY22 WWF-Australia purchased the equivalent of US\$250,000 of Notes in cash.

In FY23 WWF-Australia purchased the equivalent of US\$200,000 of Notes in cash.

	2023	2022
	\$	\$
Gross investments in Open SC (commencing balance)	602,248	265,775
Additions during the year	497,288	336,474
Gross investments in Open SC (year-end balance)	1,099,536	602,249
	2023	2022
	\$	\$
Carrying Value: Investment in OpenSC	-	-
<u>Reconciliation of carrying amount:</u>		
Costs of equity accounted investment at the beginning of the year	-	-
Additions to investment in OpenSC	497,288	336,474
Accumulated losses of OpenSC – equity method of accounting	(497,288)	(336,474)
Costs of equity accounted investment at the end of the year	-	-

Note 22 ACFID Compliance

WWF-Australia is a signatory to the ACFID Code of Conduct, which is a voluntary, self - regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

The ACFID Code of Conduct offers a mechanism to address concerns relating to signatories' conduct. Complaints against WWF-Australia may be initiated by any member of the public and lodged with the ACFID Code of Conduct Committee at acfid.asn.au/code-of-conduct/complaints or for further information on the ACFID Code please see ACFID website acfid.asn.au.

Statement of comprehensive income for the Year Ended 30 June 2023

	2023	2022
	\$	\$
REVENUE		
Donations and gifts – monetary	28,001,205	29,519,629
Bequests and Legacies	5,405,140	6,087,273
Grants		
Department of Foreign Affairs & Trade Australian NGO Cooperation Program	277,119	150,000
Other Australian	6,844,902	6,550,049
Other overseas	5,233,083	7,175,623
Investment income	1,924,958	708,814
TOTAL REVENUE	47,686,407	50,191,388
EXPENDITURE		
International aid and development programs expenditure		
Funds to international programs	6,304,844	4,547,824
Program support costs	786,449	623,753
Total international aid and development programs expenditure	7,091,293	5,171,577
Other international programs		
Funds to international programs	5,144,690	4,141,088
Total Other International Programs Expenditure	5,144,690	4,141,088
Domestic Programs Expenditure		
Funds to domestic programs	22,947,077	24,115,081
Community education	4,900,463	7,052,775
Fundraising costs		
Public	10,291,110	12,912,215
Accountability and administration	4,257,887	4,436,841
Total domestic programs expenditure	42,396,537	48,516,912
Other Expenditure		
Share of losses of associate company	398,064	336,474
TOTAL EXPENDITURE	55,030,584	58,166,051
EXCESS OF EXPENDITURE OVER REVENUE	(7,344,177)	(7,974,663)
Other comprehensive income		
Changes in the fair value of equity investments	243,902	(971,966)
Total comprehensive loss for the year	(7,100,275)	(8,946,629)

For the purposes of the ACFID Code of Conduct, at the end of 30 June 2023, WWF- Australia had no transactions in the following categories: Revenue for International Political or Religious Adherence Promotion Programs and Expenditure for International Political or Religious Adherence Promotion Programs

Note 22 ACFID Compliance (continued)**Statement of Financial Position as at 30 June 2023**

	2023	2022
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	56,527,412	66,566,479
Trade and other receivables	969,749	1,559,732
Other financial assets	802,944	773,151
Total Current Assets	<u>58,300,105</u>	<u>68,899,362</u>
Non-Current Assets		
Property, plant and equipment	632,257	310,307
Other financial assets	5,541,696	4,986,375
Right-of-use assets	348,416	677,060
Other assets	-	-
Total Non-Current Assets	<u>6,522,369</u>	<u>5,973,742</u>
Total Assets	<u>64,822,474</u>	<u>74,873,104</u>
LIABILITIES		
Current Liabilities		
Lease Liabilities	125,837	689,747
Trade and other payables	4,838,349	5,565,547
Provisions	645,986	522,279
Other liabilities	5,870,491	8,155,473
Total Current Liabilities	<u>11,480,663</u>	<u>14,933,046</u>
Non-Current Liabilities		
Lease Liabilities	301,852	288,236
Provisions	2,849,426	2,361,014
Total Non-Current Liabilities	<u>3,151,278</u>	<u>2,649,250</u>
Total Liabilities	<u>14,631,941</u>	<u>17,582,296</u>
Net Assets	<u>50,190,533</u>	<u>57,290,808</u>
EQUITY		
Reserves	26,898,908	34,486,015
Retained Earnings	23,291,625	22,804,793
Total Equity	<u>50,190,533</u>	<u>57,290,808</u>

As at 30 June 2023 WWF-Australia had no category of Assets or Liability required to be disclosed in accordance with the ACFID code of conduct other than as shown above.

Note 22 ACFID Compliance (continued)**Statement of Changes in Equity for the Year Ended 30 June 2023**

	Retained Earnings	Reserves			Total
		Earmarked Funds	Australian Wildlife and Nature Recovery Fund	Investments Revaluation	
Balance at 1 July 2022 (commencing balance)	22,804,793	9,535,981	24,901,631	48,403	57,290,808
Excess of revenue over expenses	(7,344,177)				(7,344,177)
Amount transferred to / (from) reserves	7,831,009	1,074,436	(8,905,445)		
Investment revaluation				243,902	243,902
Balance at 30 June 2023 (year-end balance)	23,291,625	10,610,417	15,996,186	292,305	50,190,533

Note 23 Australian Wildlife and Nature Recovery Fund (AW&NRF)

During the FY20 WWF-Australia established AW&NRF as a restricted fund to respond to the bushfire crisis.

The initial fundraising target was \$30m, however at the end of FY23 the Fund accumulated to \$50.7m. Based on known commitments, WWF-Australia is projecting the Fund to grow to approximately \$51m and has, in principle, allocated these funds to future projects across 8 bushfire themes as detailed below and over multiple years.

Bushfire response theme	Description of the theme	\$m
Wildlife responders	Partner with reputable wildlife response organisations to enhance Australia's capacity to allow a swift and effective wildlife response	6
Species recovery and adaptation	Identify key species across high-risk landscapes and habitats that provide refugia to trial innovative solutions that will better enable recovery and resilience to warming	8
Landscape restoration & protection	Protect critical unburnt habitat, accelerating WWF-Australia's Towards 2B Trees Plan and working urgently to restore what we have lost	7
Strengthen nature laws	Harness the EPBC Act review opportunity to ensure a strong case is made to enhance the effectiveness of Australian law in protecting our natural assets	1
Global climate emergency	Global collaboration and best practice in fires and climate disasters, working with WWF-International	1
Stabilise climate change	Draw on leading climate science to assist in mobilising critical and urgent interventions to help stabilise our climate and support WWF-International climate initiatives	6
Social development including indigenous engagement	Enhance the number of Indigenous rangers, bolster the capacity of Indigenous ranger groups and draw on Traditional Owner knowledge	8
Innovation and engagement	Support innovative solutions globally. Position Australia as the best testbed for impactful and regenerative solutions that prioritise community-led actions and are capable of replication globally.	6
Legacy Projects		8
Total		51

Income and expenses AW&NRF

	2023	2022
	\$	\$
Balance brought Forward	24,901,631	32,909,885
Donations to AW&NRF		
Donation in Australia	-	2,817
Funds from overseas through other WWF offices	-	899,389
Total income	-	902,206
Expenses from the Fund	8,905,446	8,910,460
Balance carried forward	15,996,185	24,901,631

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 10 to 32:

- (a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the entity's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *ACNC Act 2012*;
- (b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due;
- (c) the provisions of the *Charitable Fundraising Act 1991* and the regulations under this Act and the conditions attached to the authority to fundraise have been complied with;
- (d) the provisions of the *NSW Charitable Fundraising Regulation 2021* have been complied with;
- (e) the internal controls exercised by World Wide Fund for Nature Australia are appropriate and effective in accounting for all income received; and
- (f) the entity has complied with the requirements of the Australian Council for International Development Code of Conduct.

Signed at Sydney this 31st day of October 2023
in accordance with a resolution of Directors.

Martijn Wilder

.....
Director – M Wilder AM

Joanne Lupton

.....
Director – J. Lupton



Independent auditor's report

To the members of World Wide Fund for Nature Australia

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of World Wide Fund for Nature Australia (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2023
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Report on the requirements of the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2021*

We have audited the financial report of World Wide Fund for Nature Australia (the Company) as required by Section 24 of the *Charitable Fundraising Act 1991* (the Act). The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the Act and the *Charitable Fundraising Regulation 2021* (the Regulation). Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion, in all material respects:

- (a) the financial report of the Company represents a true and fair view of the financial result of the fundraising appeals for the year ended 30 June 2023 and has been prepared in accordance with section 24(1) of the Act.
- (b) the accounts and associated records have been properly kept in accordance with sections 20(1) and 22(1-2) of the Act during the year ended 30 June 2023.
- (c) money received as a result of fundraising appeals conducted by the Company during the year ended 30 June 2023 has been properly accounted for and applied in accordance with the Act and the Regulation.

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A handwritten signature in black ink, appearing to read 'EPenny'.

Eliza Penny
Partner

Sydney
31 October 2023