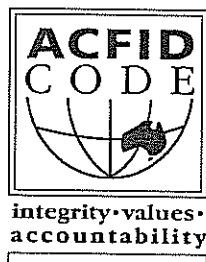




**World Wide Fund for Nature Australia
ACN 001 594 074**

Annual Report

30 June 2010



WWF-Australia is a signatory to the Australian Council for International Development (ACFID) Code of Conduct which defines minimum standards of governance, management and accountability for non-government development organisations.

World Wide Fund for Nature Australia
ACN 001 594 074
Annual Report – 30 June 2010

Contents	Page
Directors' Report	2
Auditor's Independence Declaration	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	27
Independent Auditor's Report to the Directors	28

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:

World Wide Fund for Nature Australia
Level 13, 235 Jones Street
Ultimo NSW 2007

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 20th October, 2010. 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 2010.

Directors

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

Dr D Saunders* (President)
 Dr A Burbidge*
 Ms L Funnell-Milner (appointed 21st October 2009)
 Mr J A F Hyde*
 Mr P F Kingston*
 Mr D Loxton*
 Mr B Wallace*
 Mr B Wills-Johnson*
 Dr D Woodside *
 Ms S E Young (resigned 25th November 2009)

* Directors for 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 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 2010 \$	Year to 30 June 2009 \$
Operating loss	<u>(1,153,196)</u>	<u>(343,979)</u>

Review of Operations

The entity ended the financial year with an accumulated surplus of \$3,664,345 (2009: \$2,355,763).

The operating loss for the year ended 30 June 2010 of \$1,153,196 (2009: loss \$343,979) was arrived at after taking into account decreased income and decreased expenditure on conservation. During the year, in line with the objectives of the entity, expenditure on conservation was \$12,341,412 (2009: \$16,059,073), a decrease of \$3,717,661 (2009: increase of \$2,247,990). Income was \$17,205,737 (2009: \$23,684,850) a decrease of \$6,479,113.

During the year the entity transferred \$2,461,778 from Reserves (2009: \$751,457 to Reserves). These funds represent monies for specific conservation projects received in prior financial years which were expended in the current year. Most of these projects were finalised in the current year while some will be ongoing in 2010/11.

Significant changes in the state of affairs

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

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 2010 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 picture shown by the financial statements at 30 June 2010 and the Directors consider that income 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
Dr D Saunders	Governor since 1996 Director since 2002 Chair, Sara Halvedene Foundation Member, Wentworth Group of Concerned Scientists	President since 2006; Member, Finance, Audit and Risk Management Committee; Member, Program and Conservation Committee; Member, Nominating & Governance Committee.
Dr A Burbidge	Governor since 2003 Director since 2006 Consult Conservation Biologist Chair, Threatened Species Scientific Committee (Western Australia) Chair, Gorgon Barrow Island Net Conservation Benefits Advisory Board Member, Gorgon Quarantine Expert Panel	Chair, Program and Conservation Committee.
Ms L Funnell-Milner	Governor since 2008 Director since 2009 Corporate sustainability consultant and expert, specialising in greenhouse, energy and carbon footprints Former Chair, GRI Stakeholder Council (Amsterdam) Member, Board of Uniting Care NSW ACT	Chair, Nominating & Governance Committee (from Jun 10); Member, Nominating & Governance Committee (Nov 09 – Jun 10); Member, Finance, Audit and Risk Management Committee.
Mr J A F Hyde	Governor since 2004 Director since 2005 Board Member, Abercrombie & Kent (Australia) Pty Ltd	Member, Nominating & Governance Committee; Chair, Nominating & Governance Committee (Nov 09 – Jun 10).
Mr P F Kingston	Governor and Director since 2006 Former Corporate Tax Partner, KPMG Former Member, National Board of KPMG Former Member, Board of Governors, Highfields Preparatory School	Chair, Finance, Audit and Risk Management Committee.
Mr D Loxton	Governor and Director since 2004 Partner, Allens Arthur Robinson, solicitors, since 1984 Director (formerly President), Banking and Financial Services Law Association Governor, Ascham School Limited Chairman, Australian Museum Foundation	Member, Program and Conservation Committee; Chair, Nominating & Governance Committee (Jun – Nov 09) Company Secretary

Information on Directors (continued):

Mr B Wallace	Governor since 1994 Director since 2006 CEO and founder of Galileo Kaleidoscope Former Managing Director, Ogilvy & Mather, Australia Non-Executive Board of Directors of Blackmores Ltd	Member, Finance, Audit and Risk Management Committee; Member, Program and Conservation Committee; Member, Nominating & Governance Committee.
Mr B Wills-Johnson	Governor since 1996 Director since 2003 Previously Corporate Relations Manager, Alcoa. Chairman, St Georges College Council	
Dr D Woodside	Governor and Director since 2007 Wildlife ecologist specialising in community engagement and natural resource management Member, Board of the Cooperative Research Centre for Invasive Animals Member, Board of the Australian National Wildlife Collection Foundation and newly formed Great Ape Future Fund of Australia	Member, Program and Conservation Committee; Member, Nominating & Governance Committee (Jun – Nov 09).

Meetings of Directors

The numbers of meetings of the entity's Directors and of each Committee held during the year ended 30 June 2010 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	Program and Conservation Committee	Nominating & Governance Committee
Number of meetings held:	7	6	1	8
Numbers of meetings attended by:				
Dr D Saunders	7 (7)	5 (6)	1 (1)	3 (3)**
Dr A Burbidge	6 (7)	*	1 (1)	*
Ms L Funnell-Milner	5 (5)**	3 (3)**	*	3 (3)**
Mr J A F Hyde	6 (7)	*	*	5 (8)
Mr P F Kingston	7 (7)	6 (6)	*	*
Mr D Loxton	7 (7)	*	1 (1)	5 (5)**
Mr B Wallace	5 (7)	5 (6)	1 (1)	3 (3)**
Mr B Wills-Johnson	6 (7)	*	*	*
Dr D Woodside	7 (7)	*	1 (1)	4 (5)**
Ms S E Young	2 (2)**	3 (3)**	*	*

* 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.

Key Management Personnel's (comprising the CEO, Greg Bourne, the Conservation Program Manager, Gilly Llewellyn (2009 Ray Nias) and the CFO, Paul Molloy) compensation:

	2010 \$	2009 \$
Short-term employee benefits	341,248	309,101
Post-employment benefits	115,220	220,451
Termination benefits	-	153,447
	<u>456,468</u>	<u>682,999</u>

Company Management

Day to day management of World Wide Fund for Nature 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.

A performance assessment for senior executives last took place in June 2010.

Risk Management

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. In summary, the company's policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of World Wide Fund for Nature Australia's objectives.

Considerable importance is placed on maintaining a strong control environment. 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 the company'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 the company's management of material risks.

Corporate reporting

The Managing Director and CFO have made the following certifications to the Board:

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company 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 the company's risk management and internal compliance and control is 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 \$7,102 (2009: \$3,239) 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, 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 the company'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 under section 237 of the *Corporations Act 2001* 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 under section 237 of the *Corporations Act 2001*.

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 *Corporations Act 2001*. 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 *Corporations Act 2001* 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.

Refer to Note 7 for details of fees paid or payable for audit and non-audit services. A copy of the Auditor's Independence

Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Auditor

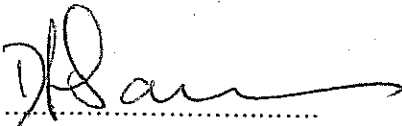
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

The company 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 listed companies at least every five years, and in line with that policy a new audit engagement partner was introduced for the year ended 30th June 2009.

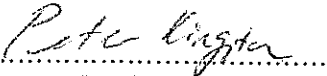
An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in Note 7 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

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.

Signed at Sydney this 20th day of October 2010 in accordance with a resolution of Directors.



.....
Director – D. Saunders



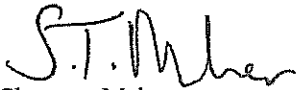
.....
Director – P. Kingston

Auditor's Independence Declaration

As lead auditor for the audit of World Wide Fund for Nature Australia for the year ended 30 June 2010 I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of World Wide Fund for Nature Australia during the year.



Shannon Maher
Partner
PricewaterhouseCoopers

Sydney
21 October 2010

Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue from continuing operations		16,890,775	23,287,243
Other Income		314,962	397,607
Total revenue	4	<u>17,205,737</u>	<u>23,684,850</u>
Expenses from continuing operations:			
Funds to overseas projects		(365,306)	(3,338,759)
Other overseas project costs		(252,297)	(487,496)
Domestic projects		(10,656,719)	(11,080,468)
Community education		(1,067,090)	(1,134,988)
Public fundraising costs		(3,990,881)	(4,632,680)
Government and multilateral fundraising costs		-	(17,362)
Unrealised gain / (loss) on investments		5,085	(850,750)
Administration		(2,031,725)	(2,486,326)
Total expenditure	5	<u>(18,358,933)</u>	<u>(24,028,829)</u>
Total loss for the year	14(b)	<u>(1,153,196)</u>	<u>(343,979)</u>
Other comprehensive income		66,070	405,898
Total comprehensive income / (expense) for the year		<u>(1,087,126)</u>	<u>61,919</u>
Total comprehensive income / (expense) for the year attributable to members of World Wide Fund for Nature Australia		<u>(1,087,126)</u>	<u>61,919</u>

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

Balance Sheet

As at 30 June 2010

	Notes	2010 \$	2009 \$
Current Assets			
Cash assets	8	2,922,611	4,744,991
Receivables	9	85,093	152,041
Other	10	117,507	59,394
Total Current Assets		3,125,211	4,956,426
Non-Current Assets			
Investments	11(b)	2,368,510	2,154,558
Property, plant and equipment	11(a)	403,056	382,033
Other	11(c)	50,000	50,000
Total Non-Current Assets		2,821,566	2,586,591
Total Assets		5,946,777	7,543,017
Current Liabilities			
Payables	12	848,715	1,412,364
Total Current Liabilities		848,715	1,412,364
Non-Current Liabilities			
Provisions	13	199,844	145,309
Total Non-Current Liabilities		199,844	145,309
Total Liabilities		1,048,559	1,557,673
Net Assets		4,898,218	5,985,344
Equity			
Reserves	14(a)	1,233,873	3,629,581
Accumulated surplus	14(b)	3,664,345	2,355,763
Total Equity		4,898,218	5,985,344

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

Statement of Changes in Equity

For the year ended 30 June 2010

	Reserves	Accumulated Surplus	Total Equity
Balance at 1 July 2008	2,472,226	3,451,199	5,923,425
Total comprehensive income / (expense) for the year	405,898	(343,979)	61,919
Transferred (from) / to accumulated surplus to / (from) earmarked funds (reserves)	751,457	(751,457)	-
Balance at 1 July 2009	3,629,581	2,355,763	5,985,344
Total comprehensive income / (expense) for the year	66,070	(1,153,196)	(1,087,126)
Transferred (from) / to accumulated surplus to / (from) earmarked funds (reserves)	(2,461,778)	2,461,778	-
Balance at 30 June 2010	1,233,873	3,664,345	4,898,218

14(a)

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 2010

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from fundraising:			
Corporate		671,466	1,974,048
Government		1,198,639	4,777,507
Legacies and bequests		451,000	336,288
Supporters / major gifts / other		11,671,881	12,927,516
WWF entities		2,515,905	2,999,128
Dividends received		89,316	90,153
Interest received		160,816	307,453
Trading receipts from customers		381,884	272,757
Payments to suppliers and non-conservation staff		(6,383,063)	(6,790,542)
Payments for conservation		(12,341,412)	(16,059,073)
Net cash (outflow) /inflow from operating activities	16	(1,583,568)	835,235
Cash Flows from Investing Activities			
Payment for plant and equipment		(160,845)	(144,072)
Net Proceeds from/(Payment for) investments		(77,967)	(479,808)
Loan to WWF Network		-	(50,000)
Net cash (outflow) from investing activities		(238,812)	(673,880)
Net (decrease) /increase in cash held		(1,822,380)	161,355
Cash at the beginning of the financial year		4,744,991	4,583,636
Cash at the end of the financial year	8	2,922,611	4,744,991

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

Notes to the Financial Statements

Note 1 Statement of Significant Accounting Policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

Financial statement presentation

The entity has applied the revised *AASB 101 Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the entity had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Historical cost convention

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

(c) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS 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 3.

(d) 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.

Donations and gifts

Donations and gifts are recognised when received.

Corporate campaign

Corporate sponsorship income is recognised upon the raising of an invoice. Corporate donations are recognised on receipt of funds.

Legacies and bequests

Legacies and bequests are recognised when the entity is notified of an impending distribution, or the legacy is received, whichever occurs earlier. Revenue from legacies comprising bequests of shares or other property are 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.

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.

Income from other WWF entities

Income is recognised when received.

Note 1 Statement of Significant Accounting Policies (continued)*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.

(e) 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.

(f) Income tax

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

(g) 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.

(h) 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.

(i) 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).

(j) Cash

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Note 1 Statement of Significant Accounting Policies (continued)**(k) Receivables**

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

(l) 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.

(m) Comparative information

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

(n) Investments

Investments have been classified as available-for-sale financial assets under AASB 139.9. As at 30 June 2010 interests in listed and unlisted securities are brought to account at market value and dividend income is recognised in the statement of comprehensive income when receivable. Investments are included in non-current assets as World Wide Fund for Nature Australia intends to hold the investments for more than 12 months from the reporting date.

(o) Leased non-current assets

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

(p) Asset acquisition

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

(q) 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.

(r) 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(h).

(s) Employee benefits*Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, annual leave and accumulated sick 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 other payables (either current or non-current, as appropriate) and is measured 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Note 1 Statement of Significant Accounting Policies (continued)*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.

(t) 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.

(u) 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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(v) Going concern

The Directors believe the entity 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.

(w) New accounting standards and interpretation

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. World Wide Fund for Nature Australia's assessment of the impact of these new standards and interpretations is that their adoption is not expected to have a material impact on future financial statements.

Note 2 Financial Risk Management

World Wide Fund for Nature Australia's activities expose it to market risk (including currency risk, interest rate risk and price risk) and credit risk. World Wide Fund for Nature Australia's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. World Wide Fund for Nature Australia does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

World Wide Fund for Nature Australia uses different methods to measure and spread the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk, beta analysis and investment across a range of Global Industry Classification Standards in respect of investment portfolios to determine and manage market risk.

Risk management is carried out by the finance department operating within policies approved by the Board of Directors. The Board, through the Finance, Audit and Risk Management Committee, provides guiding principles for overall risk management.

Note 2 Financial Risk Management (continued)

World Wide Fund for Nature Australia holds the following financial instruments:

	2010 \$000's	2009 \$000's
Financial assets		
Cash and cash equivalents	2,923	4,745
Trade and other receivables	85	152
Available-for-sale financial assets	2,369	2,155
Other financial assets	168	109
Total	<u>5,545</u>	<u>7,161</u>
Financial liabilities		
Trade and other payables	849	1,412
Total	<u>849</u>	<u>1,412</u>

(a) Market risk**(i) Foreign exchange risk**

World Wide Fund for Nature Australia operates as part of an international network and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss Franc (CHF). Foreign exchange risk arises from future commercial transactions denominated in a currency that is not the entity's functional currency of operations. The risk is measured using analysis of the materiality of the amounts involved and cash flow forecasting.

World Wide Fund for Nature Australia's risk management policy is not to hedge and to translate any funds received in foreign currency immediately. World Wide Fund for Nature Australia has no material exposure to foreign currency risk at the reporting date.

Sensitivity

A 10% increase in the value of the Australian dollar (AUD) compared with the CHF would have reduced expenditure by \$70,000 and reduced the deficit by the same amount (2009: \$155,000). A 10% reduction in the value of the AUD against the CHF would have had the opposite effect, increasing expenditure by \$70,000 (2009: \$155,000) and increasing the deficit by the same amount.

There would be no balance sheet impact.

(ii) Price risk

World Wide Fund for Nature Australia is exposed to equity securities price risk. This arises from investments held by the entity and classified on the balance sheet as available-for-sale financial assets. World Wide Fund for Nature Australia is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, World Wide Fund for Nature Australia diversifies its portfolio. Diversification of the portfolio is carried out in accordance with the limits set by the Board. The majority of the entity's equity investments are publicly traded and are listed on the Australian Stock Exchange (ASX). The table on page 18 summarizes the impact of increases/decreases of 10% on the investment portfolio as it would impact World Wide Fund for Nature Australia's reserves.

Change in underlying prices	2010		2009	
	+10% \$000's	-10% \$000's	+10% \$000's	-10% \$000's
Diversified income	132	(132)	135	(135)
International equities	12	(12)	18	(18)
Australian equities	80	(80)	54	(54)
Property	13	(13)	9	(9)
Total	<u>237</u>	<u>(237)</u>	<u>216</u>	<u>(216)</u>

Note 2 Financial Risk Management (continued)**(iii) Cash flow and fair value interest rate risk**

World Wide Fund for Nature Australia's main interest rate risk arises from investment of surplus cash. This surplus is invested in short-dated term deposits yielding a variable rate of interest. World Wide Fund for Nature Australia does not hedge this risk.

At balance date World Wide Fund for Nature Australia has the following cash investments:

	2010	2009
	\$000's	\$000's
Cash & Term Deposits	2,923	4,745

The impact on World Wide Fund for Nature Australia's earnings from a 1% interest rate movement is set out below:

	2010		2009	
	+1%	-1%	+1%	-1%
	\$000's	\$000's	\$000's	\$000's
Interest rate movement				
Investment Income	29	(29)	39	(39)

(b) Credit risk

Credit risk arises from cash and cash equivalents, investments in hybrid securities and deposits with banks and financial institutions, as well as credit exposures to supporters and corporate sponsors, including outstanding receivables and committed transactions. For deposits with banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For hybrid securities over 80% of these investments are held in securities issued by Investment Grade financial institutions, with the balance being held in securities of Top 200 ASX listed entities.

Amounts due from supporters, corporate sponsorships and government grants are only booked if a contract has been executed. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarized on page 18.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to be able to fund the ongoing operations of World Wide Fund for Nature Australia. World Wide Fund for Nature Australia manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets, generally by investing in very short-term deposits for funds required for working capital. World Wide Fund for Nature Australia does not have any borrowing or overdraft facilities as these are not required under the current operating model.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. There are no assets held that are not traded in an active market. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Note 2. Financial Risk Management (continued)**Summarised Sensitivity Analysis**

The following table summarizes the sensitivity of World Wide Fund for Nature Australia's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk:

30 June 2010**Financial Assets**

Cash & cash equivalents
Trade and other receivables
Available-for-sale investments
Other financial assets

Financial Liabilities

Trade and other payables

Total Increase/(Decrease)

Carrying Amount	Interest Rate Risk			
	-1%	-1%	+1%	+1%
\$000's	\$000's	\$000's	\$000's	\$000's
	Profit	Equity	Profit	Equity
2,923	(29)	(29)	29	29
85	0	0	0	0
2,369	0	0	0	0
168	0	0	0	0
849	0	0	0	0
	(29)	(29)	29	29

30 June 2010**Financial Assets**

Cash & cash equivalents
Trade and other receivables
Available-for-sale investments
Other financial assets

Financial Liabilities

Trade and other payables

Total Increase/(Decrease)

Carrying Amount	Foreign Exchange Risk			
	-10%	-10%	+10%	+10%
\$000's	\$000's	\$000's	\$000's	\$000's
	Profit	Equity	Profit	Equity
2,923	0	0	0	0
85	0	0	0	0
2,369	0	0	0	0
168	0	0	0	0
849	0	0	0	0
	0	0	0	0

30 June 2010**Financial Assets**

Cash & cash equivalents
Trade and other receivables
Available-for-sale investments
Other financial assets

Financial Liabilities

Trade and other payables

Total Increase/(Decrease)

Carrying Amount	Other Price Risk			
	-10%	-10%	+10%	+10%
\$000's	\$000's	\$000's	\$000's	\$000's
	Profit	Equity	Profit	Equity
2,923	0	0	0	0
85	0	0	0	0
2,369	(237)	(237)	0	237
168	0	0	0	0
849	0	0	0	0
	(237)	(237)	0	237

Note 3 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. There are no critical estimates and assumptions concerning the future.

Note 4 Revenue

	2010 \$	2009 \$
Revenue received from continuing operations		
Donations		
Supporters	11,031,448	11,640,693
Corporate campaign		
Mutual benefit	527,156	1,925,358
Philanthropic	144,310	48,690
Legacies and bequests	451,000	336,288
Grants		
Australian Agency for International Development (AusAID)	150,000	418,648
Government (GVEHO grant)	-	9,000
Government (other)	1,048,639	4,349,858
Major gifts	330,985	699,961
Trusts and Foundations	270,488	563,826
Other WWF entities	2,515,905	2,999,128
Trading	381,884	272,757
Other	38,960	23,036
	<u>16,890,775</u>	<u>23,287,243</u>
Other revenue		
Dividend income and distributions	89,316	90,154
Interest income	160,816	279,949
Realised profit on sale of investments	64,830	27,504
	<u>314,962</u>	<u>397,607</u>
Total revenue	<u>17,205,737</u>	<u>23,684,850</u>

Note 5 Expenses

	2010 \$	2009 \$
Operating (deficit) includes the following specific expenses:		
Expenses		
Depreciation - plant and equipment	139,822	129,830
Provision for employee benefits	(67,463)	84,710
Rental expense relating to operating leases		
Minimum lease payments	499,835	460,074
Conservation Expenditure:		
Community Education	1,067,090	1,134,988
National Conservation Program	10,656,719	12,293,204
International Conservation Program	617,603	2,630,881
	<u>12,341,412</u>	<u>16,059,073</u>
Unrealised (gain) / loss on investments	(5,085)	850,750
Employee benefits and defined contributions	6,239,121	7,806,008

Note 6 Directors' Emoluments

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

Note 7 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

	2010	2009
	\$	\$
PricewaterhouseCoopers Australian firm Audit and review of financial reports	39,500	33,000

b) Non-audit Services

	2010	2009
	\$	\$
PricewaterhouseCoopers Australian firm Taxation services	2,900	4,000

Note 8 Current Assets - Cash Assets

	2010	2009
	\$	\$
Cash at bank	849,695	2,169,623
Deposits at call	2,072,916	2,575,368
	<u>2,922,611</u>	<u>4,744,991</u>

Cash was earning interest of 4.57%p.a. at 30 June 2010 (2009: 2.23%).

The deposits were earning interest of 5.1%p.a. at 30 June 2010 (2009: 3.52%).

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows (page 11).

Note 9 Current Assets - Receivables

	2010	2009
	\$	\$
Trade debtors	85,093	152,041

No part of the trade debtors balance at year end was impaired (2009: Nil).

Note 10 Current Assets - Other

	2010	2009
	\$	\$
Prepayments	117,507	59,394

Note 11 Non-Current Assets

	2010	2009
	\$	\$
(a) Property, Plant and Equipment		
Plant and equipment – at cost	1,535,914	1,375,069
Less: Accumulated depreciation	(1,132,858)	(993,036)
	<u>403,056</u>	<u>382,033</u>

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:

	2010 \$	2009 \$
Carrying amount at start of year	382,033	367,791
Additions	160,845	144,072
Depreciation expense (Note 5)	(139,822)	(129,830)
Carrying amount at end of year	<u>403,056</u>	<u>382,033</u>

(b) Investments

	2010 \$	2009 \$
Investments at cost	2,951,838	3,005,308
Unrealised gain on investments	45,471	-
Impairment of investments	(628,799)	(850,750)
	<u>2,368,510</u>	<u>2,154,558</u>

(c) Other

	2010 \$	2009 \$
Loan to WWF Network	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

Further information relating to the loan to WWF Network is set out in Note 15.

The unrealised loss on investments represents the difference between cost and market value of these investments. These investments are intended to be held for the long-term.

Note 12 Current Liabilities – Payables

	2010 \$	2009 \$
Trade creditors	375,178	332,526
Other creditors	79,647	563,951
Employee benefits	393,890	515,887
	<u>848,715</u>	<u>1,412,364</u>

Average number of employees during the financial year was 76 (2009: 101).

Note 13 Non-Current Liabilities - Provisions

	2010 \$	2009 \$
Employee benefits	<u>199,844</u>	<u>145,309</u>

Note 14 Accumulated Surplus and Reserves

	2010 \$	2009 \$
(a) Reserves		
Earmarked funds	1,167,803	3,629,581
Changes in the fair value of investments	66,070	-
	<u>1,233,873</u>	<u>3,629,581</u>

Movements:

Balance at the beginning of the financial year	3,629,581	2,472,226
Transferred from/(to) accumulated surplus	(2,461,778)	751,457
Changes in the fair value of investments	66,070	405,898
Balance at the end of the financial year	<u>1,233,873</u>	<u>3,629,581</u>

Note 14 Accumulated Surplus and Reserves (continued)**(b) Accumulated surplus**

Accumulated surplus at the beginning of the financial year	2,355,763	3,451,199
Operating (deficit)	(1,153,196)	(343,979)
Transferred from/(to) earmarked funds	2,461,778	(751,457)
	<u>3,664,345</u>	<u>2,355,763</u>

(c) Nature and purpose of Reserves

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

Note 15 Related Parties

The company 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). The entity received \$2,515,905 (2009: \$2,999,128) from other WWF entities during the period. The entity paid \$2,604,660 (2009: \$2,682,862) to other WWF entities during the period.

In the financial year 2008/09 the entity provided \$50,000 to WWF Philippines by way of an interest-free loan for assistance in marketing activities. This loan was repayable in full on or before 31 October 2010 but World Wide Fund for Nature Australia has agreed to extend the repayment date until 31 October 2011.

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

Note 16 Reconciliation of Operating Deficit after Income Tax to Net Cash Inflow/(Outflow) from Operating Activities

	2010 \$	2009 \$
Operating (deficit)	(1,153,196)	(343,979)
Depreciation - plant and equipment	139,822	129,830
Net (gain)/loss on sale of investments	(64,830)	-
Decrease/(Increase) in receivables	66,948	(106,654)
(Increase) in other assets	(58,113)	(17,936)
(Decrease)/Increase in employee benefit provisions	(67,462)	84,710
(Decrease)/Increase in other operating liabilities	(441,652)	238,514
Recognition of unrealised loss on investments	-	405,898
Increase/(decrease) in investment provision	(5,085)	444,852
Net cash inflow/(outflow) from operating activities	<u>(1,583,568)</u>	<u>835,235</u>

Note 17 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 and 4.

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of World Wide Fund for Nature Australia, directly or indirectly, during the financial year:

Name	Position
Greg Bourne	Chief Executive Officer
Gilly Llewellyn	Conservation Program Manager (2009: Ray Nias, Director of Conservation)
Paul Molloy	Chief Financial Officer

Note 17 Key Management Personnel Disclosures (continued)**(c) Key Management Personnel compensation (comprising staff named above):**

	2010	2009
	\$	\$
Short-term employee benefits	341,248	309,101
Post-employment benefits	115,220	220,451
Termination benefits	-	153,447
	<u>456,468</u>	<u>682,999</u>

Note 18 Operating Leases

	2010	2009
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	416,787	416,080
Later than one year but not later than five years	735,408	1,128,939
Commitments not recognised in the financial statements	<u>1,152,195</u>	<u>1,545,019</u>

Note 19 Events Occurring after Reporting Date

In July 2010 World Wide Fund for Nature Australia was notified of its appointment as administrator of a supporter's estate. The estate is now in the process of being realised and it is anticipated that this will result in income to World Wide Fund for Nature Australia in the order of \$400,000 in the 2010-11 financial year.

Other than the above, 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 20 Information and Declarations to be furnished under the Charitable Fundraising Act 1991**Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals**

	2010	2009
	\$	\$
Gross proceeds from fundraising appeals	<u>12,033,899</u>	<u>14,314,702</u>
Supporters	11,031,448	11,640,693
Major gifts	330,985	699,961
Corporate fundraising	<u>671,466</u>	<u>1,974,048</u>
Total costs of fundraising appeals	<u>3,990,881</u>	<u>4,632,680</u>
Appeals to supporters and the public	3,521,824	3,744,905
Major gifts	253,796	134,490
Corporate fundraising	<u>215,261</u>	<u>753,285</u>

Note 20 Information and Declarations to be furnished under the Charitable Fundraising Act 1991 (continued)**Information on any Material Matter or Occurrence**

There were no material matters or occurrences requiring disclosure during the year ended 30 June 2010.

In line with the entity's strategic objective to acquire an increased number of individual donors in order to fund a larger conservation program in future years, World Wide Fund for Nature Australia invested \$1,071,978 (2009: \$1,561,554) in supporter acquisition programs. This activity will be ongoing in 2010/11. This investment will achieve a significant return over the expected 3-5 year commitment from these donors.

Statements showing how funds raised were applied to charitable purposes

	2010 \$	2009 \$
Net surplus from fundraising appeals	8,043,018	9,682,022
This was applied to charitable purposes in the following manner:		
Conservation program expenditure	11,274,322	14,924,085
Community education	1,067,090	1,134,988
Administration expenditure *	2,031,725	2,486,326
	14,373,137	18,545,399

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

The shortfall of \$6,330,119 (2009: \$8,863,377) between the amount received from charitable and fundraising donations and expenditure was provided by the following sources:

Government grants	1,198,639	4,777,506
WWF entities	2,515,905	2,999,128
Corporate campaign and other	1,462,379	742,764
Total income from other sources	5,176,923	8,519,398

The remaining shortfall of \$1,153,196 (2009: \$343,979) represents the loss for the year

Comparison of certain monetary figures and percentages

Total cost of public fundraising	3,990,881	4,632,680
Gross income from fundraising	12,033,899	14,314,702
	33%	32%
Net surplus from fundraising	8,043,018	9,682,022
Gross income from fundraising	12,033,899	14,314,702
	67%	68%
Total conservation expenditure	12,341,412	16,059,073
Total expenditure	18,358,933	23,178,079
	67%	69%
Total conservation expenditure	12,341,412	16,059,073
Total income received	17,205,737	22,825,100
	72%	70%

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

Statement of comprehensive income for the Year Ended 30 June 2010

REVENUE

	2010	2009
	\$	\$
Donations and gifts – monetary and non-monetary	12,725,231	15,174,321
Legacies and bequests	451,000	336,288
Grants		
AusAID	150,000	418,648
Other Australian	1,048,639	4,358,858
Other overseas	2,515,905	2,999,128
Investment income	314,962	397,607
Other income	-	-
Total Revenue	<u>17,205,737</u>	<u>23,684,850</u>

EXPENSES

Overseas projects		
Funds to overseas projects	365,306	3,338,759
Other project costs	252,297	487,496
Domestic projects	10,656,719	11,080,468
Community education	1,067,090	1,134,988
Fundraising costs		
Public	3,990,881	4,632,680
Government, multilateral and private	-	17,362
Unrealised (gain) / loss on investments	(5,085)	850,750
Administration	2,031,725	2,486,326
Total Expenses	<u>18,358,933</u>	<u>24,028,829</u>
Excess of (expenses over revenue) from continuing operations	<u>(1,153,196)</u>	<u>(343,979)</u>

Balance Sheet at 30 June 2010

	2010	2009
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	2,922,611	4,744,991
Trade and other receivables	85,093	152,041
Financial assets	-	-
Other	117,507	59,394
Total Current Assets	<u>3,125,211</u>	<u>4,956,426</u>
Non-current Assets		
Financial assets	2,368,510	2,154,558
Property, plant and equipment	403,056	382,033
Other	50,000	50,000
Total Non-current Assets	<u>2,821,566</u>	<u>2,586,591</u>
Total Assets	<u>5,946,777</u>	<u>7,543,017</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	454,825	896,477
Provisions	393,890	515,887
Total Current Liabilities	<u>848,715</u>	<u>1,412,364</u>
Non-current Liabilities		
Provisions	199,844	145,309
Payables	-	-
Other	-	-
Total Non-current Liabilities	<u>199,844</u>	<u>145,309</u>
Total Liabilities	<u>1,048,559</u>	<u>1,557,673</u>
NET ASSETS	<u>4,898,218</u>	<u>5,985,344</u>
EQUITY		
Reserves	<u>4,898,218</u>	<u>5,985,344</u>

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

Statement of Changes in Equity for the Year Ended 30 June 2010

	Retained Earnings	Reserves		Total
		Earmarked funds	Investments revaluation	
Balance at 1 July 2009 (commencing balance)	2,355,763	3,629,581	-	5,985,344
Excess of (expenses over revenue)	(1,153,196)	-	-	(1,153,196)
Amount transferred (to) / from reserves	2,461,778	(2,461,778)	66,070	66,070
Balance at 30 June 2010 (year end balance)	3,664,345	1,167,803	66,070	4,898,218

Directors' Declaration

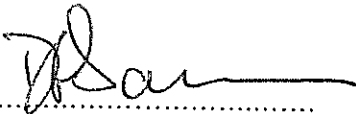
The Directors declare that the financial statements and notes set out on pages 8 to 26:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the entity's financial position as at 30 June 2010 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

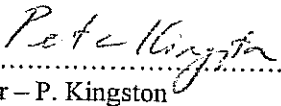
In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (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 Regulations 1993 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 20th day of October 2010
in accordance with a resolution of Directors.



.....
Director – D. Saunders



.....
Director – P. Kingston

**Independent auditor's report to the members of World Wide Fund
for Nature Australia**

Report on the financial report

We have audited the accompanying financial report of World Wide Fund for Nature Australia (the company), which comprises the balance sheet as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, the *NSW Charitable Fundraising Act 1991*, the *NSW Charitable Fundraising Regulation 2008* and the *Australian Council for International Development Code of Conduct*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of World Wide Fund for Nature Australia is in accordance with the *Corporations Act 2001*, including:

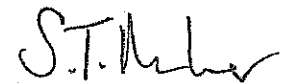
- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (c) the financial report and associated records have been properly kept in accordance with:
 - (i) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991* ("the Act");
 - (ii) sections 4(1-3), 7(1-5), 7(7), 7(9), 8, 18, 20(1-2), 21, 22 and 26 of Schedule 1 to the Authority to Fundraise Under the Charitable Fundraising Act dated 1 December 2005; and
 - (iii) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008* ("the Regulations"); and
- (d) the money received as a result of fundraising appeals conducted during the year ended 30 June 2010 has been properly accounted for and applied in accordance with the above mentioned sections in the Act and the Regulations during the period 1 July 2009 to 30 June 2010; and
- (e) the financial report and associated records have been properly kept in accordance with section 5 of the *Australian Council for International Development Code of Conduct*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of World Wide Fund for Nature Australia for the year ended 30 June 2010 included on World Wide Fund for Nature Australia's web site. The directors of the company are responsible for the integrity of the World Wide Fund for Nature Australia's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are

advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers


Shannon Maher
Partner

Sydney
21 October 2010