

Nature Glenelg Pty Ltd
[ACN: 153 577 907]

as Trustee for



ABN: 23 917 949 584

Annual Report: 2012-13 Financial Year



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ORGANISATIONAL PURPOSE

Nature Glenelg Trust is a mission-driven, not-for-profit organisation that has been established to operate as:

1. a community environmental NGO;
2. a repository of professional ecological knowledge available for delivering project work that improves environmental management outcomes; and,
3. a recipient of charitable donations for supporting habitat restoration.

This operating model enables the organisation to (1) seek and deliver grants for community environmental benefit, but also (2) provide ecological consulting services under two registered trading names, Aquasave Consultants and NGT Consulting. In furthering our organisational purpose by working with clients on important conservation management projects, our consulting services also provide a financial contribution to support the costs of running our not-for-profit organisation. Subject to eventual Australian Government approval for admission to the Register of Environmental Organisations, this model seeks to remove the organisational reliance on precious donated funds to support day-to-day operation and administration, a situation that is otherwise common-place among charities but reduces the altruistic “impact” of donated funds. In this way, we aim to give all potential supporters the confidence that their donation to our Public Fund will be entirely invested in furthering the on-ground environmental objectives (such as wetland habitat restoration) of Nature Glenelg Trust.

Everything Nature Glenelg Trust does (including our ecological consulting services) must meet at least one of our organisational objectives, taken directly from our Deed of Trust, namely:

1. To protect and enhance the natural environment, with a particular emphasis on wetland conservation and restoration activities in the Focal Region^{*1}, supported by the Habitat Restoration Fund.
2. To generate and provide high quality scientific information that enhances management of the natural environment.
3. To support and undertake key conservation ecology research predominantly within, but not limited to, the Focal Region.
4. To promote public awareness of nature through education, and involving the community in the activities of the Trust.

^{*1}: Our focal region includes the NRM regions situated between Melbourne (Victoria) and Adelaide (South Australia).

FOREWORD AND ACKNOWLEDGEMENTS

The second year of Nature Glenelg Trust (NGT) has seen the organisation transition from its humble beginnings in January 2012, as outlined in the 2011-12 annual report, to a non-government organisation (NGO) that is becoming firmly established in our focal region and starting to make a significant impact on environmental conservation. In a few key developments over the past 12 months, Nature Glenelg Trust:

- formally integrated Aquasave Consultants into the Trust, taking full legal responsibility of the trading name and operations from the 1st July 2012,
- has established a new community nursery and small office at a central location in Mount Gambier (Vansittart Park), thanks to the City of Mount Gambier for making the site available,
- has commenced its first on-ground restoration projects on private land with grant funding provided by the Australian Government, and
- now supports several staff based across the NGT focal region, geographically spread from Goolwa in South Australia to Warrnambool in Victoria.

Again I wish to thank other members of our present Committee (Cath Dickson, Lachlan Farrington, Michael Hammer, Melissa Herpich and Nick Whiterod), outgoing Committee member Becky McCann, and all of our dedicated staff for their outstanding efforts during the past year, for what has been (for many of us) one of the most demanding times in our lives. Collectively, these efforts have helped to take the Nature Glenelg Trust concept and demonstrate that it is possible to deliver positive environmental outcomes using a different approach.

I also want to acknowledge the community groups, landholders, government and non-government organisations from across our focal region that have generously accepted and supported Nature Glenelg Trust's recent emergence, entrusting us to work with you on the environmental issues we collectively care so much about.

Mark Bachmann

Director

Nature Glenelg Pty Ltd as Trustee for Nature Glenelg Trust

DIRECTOR'S REPORT

1. Summary of the year's activities

1.1 Project work overview

The growing momentum that was developing towards the end of the first 6 months of Nature Glenelg Trust in the 2011-12 financial year continued into the 2012-13 financial year, with a large number and diverse range of some 51 projects active at any time during the year (8 grant funded projects, 43 contracted environmental consulting services projects). For an organisation in its second year this level of activity is a very significant achievement, and is due to the level of dedication and professionalism of organisational staff.

Type of Project Work	Number of Projects Active during 2012-13 Financial Year
Native flora and/or vegetation management	12
Native fish	21
Other fauna	4
Community engagement	4
Ecological monitoring	4
Wetlands	6
TOTAL	51

Project work in this year was also given a significant boost by the full integration of the Aquasave Consultants trading name (previously operated by Dr Michael Hammer) at the very beginning of the financial year. Michael had developed a reputation for high quality native fish ecology and conservation project work over the preceding ten years as the owner/operator of Aquasave, and provided an excellent platform for NGT to continue delivering these services into the future, under the same trading name but with Dr Nick Whiterod as our leading native fish ecologist, after the departure of Michael to the Northern Territory.

1.2 Grant funded project work

Nature Glenelg Trust was awarded grant funding to commence or continue the delivery of the 8 grant funded projects in the 2012-13 financial year. Four grant funded projects were acquitted during the 2012-13 financial year, with the remaining four remaining active into the 2013-14 financial year.

The two active, 5-year projects funded by the Australian Government are of particular note, given that they are now fully operating and achieving significant on-ground outcomes. The community nursery was fully operational by the end of the 2012-13 financial year, and the wetland restoration program on private land had commenced early works hydrological restoration trials at several private wetland sites.

1.3 Environmental consulting project work

Nature Glenelg Trust delivered a total of 46 contracted environmental consulting projects for a range of (mostly government) clients in the 2012-13 financial year. Twenty one (21) of these projects were completed and closed during the financial year, with the balance remaining active into the 2013-14 financial year.

It is worth re-iterating that all projects delivered by NGT, irrespective of whether they are grant funded or consulting projects, must be consistent with our organisational objectives. While it is true that this significantly limits the number and type of consulting projects that the organisation is eligible to bid for, it is excellent for keeping the organisation focussed on delivering positive environmental project work to the highest scientific standard, and for ensuring our staff remain motivated by the knowledge that their professional efforts will continue to directly improve regional environmental management. The breakdown of these projects by category is included in the summary table on the previous page.

1.4 Habitat Restoration Fund

Although donations to the Public Fund are not being actively sought or promoted until Nature Glenelg Trust is accepted onto the Register of Environmental Organisations, donations received during the 2012-13 financial year (which are not yet tax-deductible) amounted to a total of \$725.

2. Achievements: Case studies from across the NGT focal region

2.1 Mt Gambier: Development of the Community Nursery Site and NGT Office

The City of Mount Gambier kindly made the site at Vansittart Park available for the NGT Community Nursery Project site, where NGT has also been able to co-locate a small office.

After several busy months, including a very hectic last 2 months, the site was ready just days before the official opening on the 24th June 2013. On opening day, as the winter sun shone brightly, over 100 people passed through the new site. On the day, the public had the opportunity to learn about the community nursery project, listen to a range of talks on other NGT project work and the general opportunity to meet with our staff on site.

The progress of the site was recorded in pictures for the NGT website and blog, and is summarised below.



November 2012



December 2012



February 2013



March 2013



April 2013



May 2013



June 2013



24th June 2013 – Opening Day

2.2 Eastern Mt Lofty Ranges: Commitment to Fish Conservation in Rodwell Creek continues

Once occurring widely across the Eastern Mount Lofty Ranges (EMLR) in South Australia, the River Blackfish (*Gadopsis marmoratus*) now remains as four distinct sub-populations in large spring-fed pools in separate catchments. In the Bremer Catchment, the species survives in pools across a 500m section of Rodwell Creek. Historically the creek section was likely perennial (due to refilling from ground water springs), but farm dam abstraction has resulted in these pools now receiving only intermittent surface water flow. This is most apparent in dry years, and over the last 6 years there have been critical water shortages in this section of Rodwell Creek. In fact there were no surface water flows in 2007 and 2008, and subsequently receding water levels over summer and autumn seasonally threatened this River Blackfish population. During summer and autumn, lower water levels had decreased habitat area and disconnected the standing water from emergent vegetation, and dissolved oxygen concentrations had diminished considerably. These deteriorating conditions have prompted emergency intervention (since autumn 2008) that has involved environmental watering and aeration of the main River Blackfish refuge. These management actions have ensured the short-term survival of River Blackfish, as it was predicted that Rodwell Creek would have completely dried in 2008. In recent years the creek has experienced flow conditions again, which subsequently increased flow, water levels and connectivity through the section. Encouragingly, significant recruitment and expansion in population size and local distribution were realised in response these improved flow conditions.

A community field day in September 2013, organised and funded by the Goolwa to Wellington LAP (GWLAP) as part of a broader Australian Government project, engaged NGT's Nick Whiterod to re-assess the status of river blackfish in Rodwell Creek prior to the upcoming critical summer period. The creek is presently flowing and the main monitoring pool is in good condition – similar to this time last year. Encouragingly, river blackfish were sampled in low numbers across five of the six known pools indicating small-scale dispersal during improved water connectivity over winter. The majority of adults were in strong breeding condition and there were a number of juveniles suggesting a small recruitment event this time last year. The upstream refuge location had also improved and greater numbers of adults and juveniles (again highlighting recent recruitment) sampled. All in all, a positive result and a great day but again the resilience of this important river blackfish population will be tested over the upcoming critical summer period.



Main Monitoring Pool – Rodwell Creek



Spring 2013: NGT's Craig Kemp showing community members the captured fish

2.3 Millicent district: Eared Worm-lizard discoveries

The Eared Worm-lizard (*Aprasia aurita*) is a very exciting and relatively new discovery for South Australia. Previously recorded individuals believed to be the Striped Worm-lizard (*Aprasia striolata*) that were collected near Millicent, have since been reassessed, resulting in their correct identification as the Eared Worm-lizard. Prior to this discovery, the Eared Worm-lizard's range was believed to be exclusive to the Mallee region in north-west Victoria, where it is highly restricted, contributing to a threatened listing in Victoria under the Flora and Fauna Guarantee Act 1988. However, there are now three known locations where the Eared Worm-lizard has been found in South Australia and we are fortunate that one has been regularly surveyed by ForestrySA in recent times. Nature Glenelg Trust, with the help of land managers, the wider community and grant funding generously provided by Nature Foundation SA, were aiming to establish a more comprehensive understanding of this species' distribution and preferred habitat type in the South East region of SA.

This project resulted in the discovery of two new populations of *Aprasia aurita*, bringing the number of known sites/populations to six in the South East of South Australia. Malone Heath NFR remains the only site where any recapture data is available, with *Aprasia* individuals regularly caught at the height of spring. No *A. striolata* were found during the survey, maintaining the two discrete ranges of *A. aurita* and *A. striolata*, which based on limited data do not seem to overlap.

Populations of *Aprasia aurita* have been found in four different habitats, with only weak similarities, suggesting that it is not the vegetation type which drives the presence of the species in South Australia. However, it is possible that structure does influence their presence, with most sites being open with a sedge/grass understory. While six different soil types were recorded at the known *A. aurita* populations, there was a general trend of populations occurring on loose sands or on adjacent rocky outcrops. It is possible that it may be the structure of the vegetation combined with soil type and/or prey species distribution (i.e. competitive pressures) that help explain *A. aurita*'s distribution in South Australia.

This survey has provided a sound baseline data set for *Aprasia aurita* in South Australia and provides the groundwork to expand this project to develop a greater understanding of this cryptic species.



The Eared Worm-lizard (*Aprasia aurita*) – courtesy of B Haywood

2.4 South West Victoria: Early works wetland restoration on private land case studies

The Wetland Restoration Program on Private Land is a 5-year Australian Government funded project that aims to return water to at least 600 hectares of artificially drained wetlands in the South West (Vic) and South East (SA). Although the 2012-13 financial year was one largely reserved for identifying and planning several larger-scale restoration projects that will be completed in the 2013-14 year, a handful of smaller early works projects were completed in time for the 2013 winter - to get on-ground works for the project officially underway. The full suite of early works case studies can be viewed at our website: www.natureglenelg.org.au.

2.4.1 CASE STUDY: Heywood District

This wetland restoration project involved the construction of a rock-capped earthen weir and the fencing out of a wetland area within a grazing property near Heywood, to aid ecological restoration of the wetland system. The installation of an earth weir embankment has been designed to restrict artificial drainage outflows from a small wetland within this landscape.

The earthen weir, designed by Dan Anderson from Nature Glenelg Trust and constructed by local earthworks contractors (Farmers Field Service), was installed within an existing drainage channel on the property on Wednesday 19th June 2013. The weir structure has been designed to enable the re-hydration of a 2.4 ha wetland site by restricting the drainage outflow elevation by up to 80 cm within the existing drainage channel, thereby increasing the depth and duration of seasonal inundation. In the right situations, where adjustable water level regulation is not required, earthen weirs can provide a cost-effective wetland restoration solution.



Condition of the outlet drain in spring 2012



The new structure when completed (left), now holding back extra water in winter 2013 (right)

2.4.2 CASE STUDY: Cashmore District

This project involved the installation of a temporary sandbag weir in an artificial drain on a private property near Portland, in far south-western Victoria. The temporary weir was constructed using sandbags made from geo-textile material placed to form a weir wall and overflow sill within the existing drainage channel. The trial sandbag structure is designed to function as a drainage regulation weir, where water flowing out of the drainage channel is retained to promote pooling of the backwater into the natural wetland depression located directly upstream. In this instance, the landholder was interested in restoring the natural wetland area – noting that this area had become much drier since the construction of the drain – as the wetland area itself was considered to be of marginal value for agricultural purposes.

The temporary sandbag weir was installed in early June, prior to the above average July rains in that district, and was completed by the landholder, members from a local landcare group and Nature Glenelg Trust. The weir structure has been designed to recreate a 4 hectare wetland area by restricting drainage outflows by up to 60 cm within the existing drainage channel.

Temporary trial weir structures provide both Nature Glenelg Trust and the landholders we work with, with an inexpensive and low risk approach to trialling wetland restoration measures. Once the functionality of the structure and its wetland restoration impact have been assessed by both parties – under real conditions – a permanent structure can be designed and installed according to a set of agreed criteria. In this way, trial structures can provide a valuable (no-obligation) first step, along the path to providing lasting, self-sustaining and effective wetland restoration solutions in the region.

Trial structures are not necessary at every site, but are a good option for people who are tentative about making the leap to a permanent structure, without having the opportunity to see what the potential inundation effect will be first under a range of settings and conditions.



The temporary sandbag weir, operating nicely after a substantial rainfall event – notice the wetland area in the background.

2.5 Warrnambool: Middle Island penguin monitoring project

Middle Island is a small (approximately 2 ha), rocky island off the Warrnambool coastline, surrounded by the Merri Marine Sanctuary. Recently closed to the general public, the island provides important breeding habitat for a colony of the iconic Little Penguin, *Eudyptula minor*.

The Little Penguin's breeding season at the island occurs generally from mid-winter and continues through the summer, and includes clutching, brooding, and foraging activities.

Fox predation is considered to be the most significant land-based threat to the Little Penguin in mainland sites of south-eastern Australia. Because of its proximity to the mainland, during low tides Middle Island becomes accessible to predators such as foxes and stray dogs. In particular the presence of, and predation by, foxes on the island saw the breeding population drop dramatically from approximately 500-1000 breeding adults in 2001. In response, the local community and Warrnambool City Council implemented an innovative and world-first Guardian Dog Program to tackle the fox problem in 2006. Maremma dogs, historically used for livestock protection, were trained and stationed at the island to guard the colony and deter foxes. Since 2001, Warrnambool Coastcare Landcare Group (WCLG) members and volunteers have also taken on the important role of conducting penguin arrival and breeding monitoring. This is reflected in the extraordinary number of volunteer hours and in-kind support provided each year. To learn more about the WCLG, visit their website at www.wclg.com.au.

In the 2012-13 summer monitoring season, Nature Glenelg Trust's Lauren Kivisalu became involved in the project – taking on a co-ordination and communication role for WCLG volunteers undertaking arrival counts and breeding monitoring. The project also involved recording, processing and writing up the seasons data for the group, and holding an end-of-season get-together. The success of the first year of this arrangement has been followed up by the recent news that NGT is partnering up with WCLG again, to provide a similar support role over the 2013-14 summer monitoring season.



Some of the 70-plus people who attended the end of season gathering for the Middle Island Penguin Project (Photo: Kristie King)

In terms of results over the 2012-13 monitoring season, a peak number of 112 adult Little Penguins were observed arriving at the island on the 14th January 2013 during a dusk count, giving an estimated total of 187 breeding adults arriving. The numbers of Little Penguins observed to arrive at the colony site over the last seven years suggest a steady increase in the population since 2005, when only four adult birds were observed in September. Over the breeding monitoring surveys, 26 active (artificial and natural) burrows were checked for signs of Little Penguin breeding, including the presence of breeding pairs, eggs and chicks. Ten breeding pairs were observed within these burrows, producing a total of 16 eggs, of which 12 hatched. Only one chick failed to reach maturity, with 11 chicks successfully fledged.



Middle Island (left), and its feathered inhabitant - the Little Penguin (right)

3. Plans for the 2013-14 Financial Year

3.1 Achieve listing on the *Register of Environmental Organisations*

All steps have been taken to provide information required by the Australian Government for listing on the Register of Environmental Organisations, which is required before NGT is able to offer a tax-deduction for donations of money or property into our Public Fund. This long process formally began just prior to NGT's launch, in December 2011. The timeframe for a decision has not been (and we are advised will not be) provided by the Australian Government, with the decision about listing subject to the joint approval of the Minister for Environment and Treasurer. Given that all apparent requirements for achieving listing on the Register appear to have been met, it is hoped that the process may be finalised in the 2013-14 financial year.

3.2 Continue to explore opportunities for creating a strategic restoration demonstration site

Although there are some limitations on the extent to which philanthropy can (or is likely to) play a role in resourcing NGT's objective of **actively demonstrating habitat restoration in the landscape** in the short-term (for reasons explained at point 3.1 above), the organisation still intends to continue to explore opportunities and potential partnerships for helping to bring this objective to fruition. The hope is that NGT will be able to identify, secure and develop a strategically located site to become a publicly accessible, demonstration area for habitat restoration – and one that inspires and informs wider action in the community. Such a project site would also serve as an ideal complement to the range of restoration projects currently being implemented by NGT across the region on private land.

3.3 Continue to increase the reach, scope and effectiveness of the organisation

Goals for how we intend to work across the region include:

- to continue to meet, share ideas with and support membership-based community groups within our focal region;
- to build and grow working relationships with government environmental agencies, particularly regional NRM bodies (NRM Boards / CMA's);
- to aim to have staff geographically spread among locally communities across the organisation's focal region;
- to grow the in-house staff expertise base to enable a wider range of biodiversity related projects to be delivered for the benefit of the regional environment (meeting our organisational purpose); and,
- seeking and attracting additional grant-funded resources to fill gaps in environmental management, bringing further investment into the region to tackle environmental issues currently not being addressed.

4. Employee Statistics

During the 2012-13 financial year, Nature Glenelg Trust employed 8 full-time or part-time staff, and a further 9 staff on a casual basis. Full-time or part-time staff employed in the year were:

1. Daniel Anderson (Wetlands and Waterways Project Officer)
2. Mark Bachmann (Manager / Principal Ecologist)
3. Kenneth Baker (Cross-border Community Nursery Co-ordinator)
4. Catherine Dickson (Flora and Threatened Species Ecologist)
5. Lachlan Farrington (Wetland and Landscape Ecologist)
6. Lauren Kivisalu (Scientific Officer)
7. Rebecca McCann (Community Engagement Specialist)
8. Nicholas Whiterod (Aquatic Ecologist)

5. Membership

As a duly constituted trust, Nature Glenelg Trust does not have its own financial membership base. This is because, as an organisation committed to filling gaps, we are specifically interested in using our expertise to work with (not compete with) other membership-based community groups to increase their effectiveness, and ultimately help them to retain and attract members. We also hope to provide regular and meaningful volunteering opportunities for these groups' members through our environmental project work.

When the organisation's Public Fund is able to accept tax-deductible donations (reliant on Nature Glenelg trust being accepted onto the Register of Environmental Organisations), then we will actively seek regular financial contributions to the Fund from NGT supporters. Supporters of Nature Glenelg Trust are also being encouraged to register their email address on our website (www.natureglenelg.org.au) to receive our regular blog updates, to keep up to date with our projects and latest organisational information.

The Board of Nature Glenelg Pty Ltd, the Trustee for Nature Glenelg Trust, currently has six voting members:

1. Mark Bachmann
2. Catherine Dickson
3. Lachlan Farrington
4. Michael Hammer
5. Melissa Herpich
6. Nicholas Whiterod

The members of the Trustee for Nature Glenelg Trust, also comprise the organisation's Committee of Management, which meets 3-4 times a year to oversee the strategic direction of the organisation, and are legally accountable for the administration of the Public Fund (the Habitat Restoration Fund).

6. FINANCIAL STATEMENT

6.1 Statement of Comprehensive Income

Nature Glenelg Trust
Statement of Comprehensive Income
For the year ended 30 June 2013

	2013 \$	2012 \$
Income	<u>580,458</u>	<u>75,800</u>
Less		
Distribution expenses	(1,792)	
Cost of goods sold	(433,962)	(368)
Selling expenses		(1,428)
Administration expenses	(119,896)	(110,440)
Operating surplus (deficit) for the period	<u>24,808</u>	<u>(36,436)</u>

The accompanying notes form part of these financial statements.

6.2 Balance Sheet

Nature Glenelg Trust Balance Sheet As At 30 June 2013

	Note	2013 \$	2012 \$
Current Assets			
Cash assets		192,635	170,783
Receivables		106,647	90,200
Inventories		185,075	4,210
Other		860	
Total Current Assets		485,218	265,193
Non-Current Assets			
Property, plant and equipment		106,029	
Total Non-Current Assets		106,029	
Total Assets		591,247	265,193
Current Liabilities			
Payables		139,641	32,721
Financial liabilities		420	420
Provisions		92,289	61,461
Other		358,686	205,034
Total Current Liabilities		591,036	299,636
Non-Current Liabilities			
Provisions		11,829	1,983
Total Non-Current Liabilities		11,829	1,983
Total Liabilities		602,865	301,619
Net Assets (Deficiency)		(11,618)	(36,426)
Equity			
Contribution by settlor		10	10
Accumulated deficit		(11,628)	(36,436)
Total Equity		(11,618)	(36,426)

The accompanying notes form part of these financial statements.

6.2 Notes the Financial Statements

Nature Glenelg Trust Notes to the Financial Statements For the year ended 30 June 2013

Note 1: Summary of Significant Accounting Policies

The trustee has prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed, the information needs of the stakeholders.

The trustee has prepared the financial report in accordance with the following applicable Australian Accounting Standards and UIG Interpretations

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110: Events after the Balance Sheet Date

AASB 1031: Materiality

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors of the trustee company have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are carried at cost or at independent or directors' valuation. All assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the trust. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the assets charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Provisions

Provisions are recognised when the trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

Nature Glenelg Trust
Notes to the Financial Statements
For the year ended 30 June 2013

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(g) Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

(h) Trade and Other Payables

Trade and other payables, including bank borrowings and distributions payable, are recognised at the nominal transaction value without taking into account the time value of money.

6.3 Independent Audit Report

SGG & Co CONSULTING **ACCOUNTING ADVISORY AND ASSURANCE SERVICES**

INDEPENDENT AUDIT REPORT TO THE TRUSTEE OF THE NATURE GLENELG TRUST

Scope

We have audited the attached special purpose financial report of the Nature Glenelg Trust for the year ended 30th June 2013, being the Balance Sheet, Income Statement, Notes to the Accounts and the Trustees Declaration. The Trustee is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the Trustee of the Nature Glenelg Trust.

Nature Glenelg Trusts' responsibility for the financial report

Nature Glenelg Trust is responsible for the preparation and fair presentation of the financial report in accordance with its Constitution, Australian Accounting Standards as described in Note 1 to the Accounts, and for such internal controls as the Trustee determines are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report, based on the audit. We have conducted an independent audit of the financial report in order to express an opinion on it to the Trustee. We have complied with the auditor independence requirements prescribed by our professional body membership.

Our audit has been conducted in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical standards relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to 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 controls relevant to the Nature Glenelg Trust'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 Nature Glenelg Trusts' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Nature Glenelg Trust, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the attached special purpose financial report of the Nature Glenelg Trust is in accordance with its Constitution including:

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SGG & CO CONSULTING PTY LTD
ABN 62 126 363 273
Stephen Graham
Director



**Chartered
Accountants**

Liability Limited by a Scheme approved under Professional Standards Legislation


- I. giving a true and fair view of the Trusts' financial position as at 30th June 2013 and of its performance for the year ended on that date; and
- II. complying with Australian Accounting Standards to the extent described in Note 1 to the Accounts.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Nature Glenelg Trust to meet the reporting requirements of its Constitution. As a result, the financial report may not be suitable for any other purpose.



SGG & Co Consulting
Chartered Accountants



Stephen Graham
Partner

Dated at Adelaide this 1st day of November 2013