

PLANET ARK ENVIRONMENTAL FOUNDATION

A.B.N. 26 057 221 959

FINANCIAL REPORT **For the year ended 30th June 2009**

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES
A.B.N. 26 057 221 959
(A Company without Share Capital and Limited by Guarantee)

DIRECTORS REPORT

Your Directors present their report on the Company together with the financial statements of Planet Ark Environmental Foundation ("the Company") and the consolidated accounts of the Economic Entity, being the Company and its controlled entities, for the year ended 30th June 2009.

DIRECTORS

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

Gillian Turner	
Michael Coleman	
Peter Shenstone	
Paul Klymenko	
Lyndell Fraser	
Andrew Johnson	Appointed 9/9/2009
Jonathan Dee	Resigned 3/11/2008
Michael Archer	Resigned 10/11/2008

All Directors have been in office since the start of the year, to the date of this report unless stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Wayne P Foster. Mr Foster has been the Finance and Administration Manager for the Company for the past seven years. Mr Foster was appointed Company Secretary on 7th September 2005.

PRINCIPAL ACTIVITY

The principal activity of the entity during the period was Environmental Campaigning.

OPERATING RESULTS

The consolidated net loss of the company and its subsidiaries for the financial year after providing for income tax amounted to \$181,035 (2008 profit \$92,895).

A review of the operations of the company during the financial year and the results of those operations show a decrease in sales and sponsorship revenue of 47% to \$3,333,742.

Whilst the parent entity received dividends amounting to \$435,000 from its subsidiaries, it is noted that the consolidated result disregards these dividends.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Whilst no significant changes in the nature of the Company's or the Economic Entity's activities occurred during the year, the economic entity has ceased the sales and marketing of laundry powder.

In an effort to return to its core-business, a decision was taken to sell the Aware brand which was owned by Planet Ark Environmental Solutions Pty Ltd. The sale process was concluded in December 2008 and the proceeds from the sale will be utilised to stimulate campaigning activities by the parent entity.

The entity is reviewing its business structure with a number of contracts for product endorsement, previously held by the subsidiaries being transferred to the parent entity.

Planet Ark Environmental Solutions Pty Ltd will no longer trade, however as provided in the sale of its "Aware" brand, ongoing proceeds from the purchaser will be received.

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DIRECTORS REPORT

AFTER BALANCE DATE EVENTS

It is expected that Planet Ark Power Pty Ltd will be deregistered in the 2009/10 financial year.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

FUTURE DEVELOPMENTS

The Company expects to maintain its present status and level of operations and hence there are no likely developments in the Company's operations.

ENVIRONMENTAL ISSUES

The entity's operations are not regulated by any significant environmental regulation, under a law of the Commonwealth or of a state or territory.

DIVIDENDS PAID OR RECOMMENDED

The company's constitution does not allow for the payment of dividends by the Company.
Dividends totalling \$435,000 were paid by the subsidiaries to the parent entity in the 2008/09 year.

OPTIONS

No options over issued shares or interests in the any of the company's controlled entities were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

PROCEEDINGS ON BEHALF OF THE ENTITY

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

The company was not a party to any such proceedings during the year.

GOING CONCERN

The financial report has been prepared on a going concern basis; the Directors note that the loss in the current year was due to the non-renewal of a number of major sponsorships, totalling in excess of \$600,000. Concerted efforts are being made in the current year to replace the lost income.

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DIRECTORS REPORT

INFORMATION ON DIRECTORS

Gillian Turner
Non-Executive Director & Chairman

Gillian Turner is an experienced Chief Executive and Company Director, with a strong international background.

Over a twenty-year period her executive career has centred on the finance and banking sector – including capital markets and funds management, early-stage equity investments, life and general insurance, private and institutional trustee services and corporate finance – in which she has held a variety of roles at CEO and senior management level. She has lived and worked in Australia, Asia and Latin America, and been responsible for business interests in Europe and the United States. Organisations she has worked for include Coca-Cola Amatil Limited, the Standard Chartered Bank Group, Zurich Australia and Lloyds Bank NZA. Her early career included a Lectureship in Law at the University of Sydney.

Since the early 1990's Gillian has also held a number of non-executive directorships – in listed and unlisted vehicles – in Australia and Hong Kong. Through these she has developed expertise in the provision of health and medical-related services, biotechnology and the commercialisation of research, as well as key issues relating to secondary and tertiary level education, and the interface between the private and public sectors.

In 2005 Gillian stepped down as Managing Director of Unisearch Limited (commercialisation of technology) after over six years in the role, to pursue a lifelong interest in creative writing. She maintains a select portfolio of Board, advisory and mentoring roles.

Gillian holds a Bachelor in Laws (with Honours) from the University of Sydney, a Master of Laws from Harvard University, and is a Fellow of the Australian Institute of Company Directors.

Michael Coleman
Non-Executive Director & Deputy Chairman

Michael Coleman is KPMG's National Managing Partner for Risk & Regulation in Australia and a member of the firm's National Executive Committee. He is the Risk Management Partner for the Asia Pacific Region and represents the region on two Global committees. Michael is Chairman of KPMG's Audit Committee Institute in Australia, which he helped establish in 2002, and has led many of its Discussion Forums.

Michael is a member of the Financial Reporting Council (FRC) and a member of the Business Regulation Advisory Group (BRAG).

Michael is also Chair of the Reporting Committee of the Australian Institute of Company Directors (AICD), Chair of the Advisory Board of the Centre for Accounting and Assurance Services Research at the University of New South Wales, Director/Treasurer of Osteoporosis Australia, and Director/Treasurer of Company B Belvoir Street Theatre.

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DIRECTORS REPORT

Error! Reference source not found. – **Strategic Director**
Executive Director

Peter worked in marketing and advertising in Australia and Canada from 1960 to 1969, specialising in research-based communication strategies for a wide range of consumer products.

From 1969 to 1976 he was a founding Director of Spectrum Research, introducing innovative, qualitative (focus group) research techniques to Australia. Spectrum operated throughout the South East Asian region, servicing major clients including P & O, QANTAS, TAA/Australian Airlines, R. J. Reynolds, Heineken, Guinness, BHP, CRA, Colgate and the ALP, conducting the nationwide research and strategic planning group that devised the seminal “It’s Time” political campaign of 1972.

Peter’s attitudinal research led him to an interest in brain/ mind studies, which in turn led him into the emerging area of dolphin research. He spent the years 1976 to the early 1990’s travelling, researching, lecturing and conducting workshops in that field internationally.

That experience inevitably resulted in growing appreciation of the environmental crisis now upon us. In 1992 Peter joined as a founding Director of Planet Ark in the belief that it offered an ideal vehicle to synthesise and utilise skills from his previous range of experiences, and to put powerful communication techniques to a higher purpose of environmental and social advocacy.

Paul Klymenko – Research & Finance Director
Non-Executive Director
Certificate – Securities Institute of Aust
Diploma & Associateship Courses – Aust & NZ Inst of Insurance & Finance

Paul has worked in the environmental field for the past 15 years. This has been as is an environmental researcher, retailer, writer and ethical investment fund manager.

He has been a Director of Planet Ark since 1992 and it’s Research & Finance Director since 1996.

In 1986 Paul co-founded Australian Ethical Investment Ltd, which is Australia’s first socially responsible fund manager with now over \$200 million under management. In 1990 he also co-founded Australia’s first environmental retailer, The Cleanhouse Effect.

Paul is the consulting editor on ecological issues for WellBeing magazine and has presented at a wide range of conferences and seminars on environmental and health issues. He has made many TV, radio and print media appearances on these subjects.

Paul is married with 3 young children. His passions outside of the environment are music, sport, film and learning.

Lyndell Fraser
Non-Executive Director

BEC (Hons) MEd (Hons) MBA

Ms Fraser is a senior finance industry executive. Her experience has involved a broad range of banking and general insurance activities with a particular focus on managing key business functions in the retail arena. A breadth of roles have been successfully undertaken including in areas of government and industry relations, corporate communications, strategic planning and industry analysis, business planning, distribution planning and banking activities such as lending, treasury, international and branch banking.

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Dr Andrew Johnson
Non-Executive Director

Andrew Johnson has a PhD from the University of Queensland and a Masters Degree from Harvard University. A former Rotary Foundation Scholar to Harvard University, he has spent much of his career working and living in northern Australia, South-East Asia and North America.

In July 2007 he was appointed as CSIRO's Group Executive – Environment, with responsibilities for leading the organisation's water, land, climate, marine, biodiversity, urban sustainability, regional development and natural resource management research.

From June 2006 to June 2007 he was Executive Director of CSIRO's Strategic Change Programs. He served as Chief of CSIRO Sustainable Ecosystems Division for three years prior to this appointment.

Dr Johnson is also a Non Executive Director of a number of entities responsible for rural and regional development and natural resource management, including the Rural Industries Research and Development Corporation and Reef and Rainforest Research Centre Ltd. He is also a member of the Australian Government's Northern Australia Land and Water Taskforce.

His professional interests are in natural resource planning and policy, public participation in private and public sector decision-making and novel approaches to support rural and regional development.

Jon Dee – Co-Founder
Non-Executive Director

Jon Dee is best known as the Founder and Chairman of Planet Ark – a not-for-profit organisation he started with Pat Cash in 1991. Jon also founded '*World Environment News*' – the leading news service of its kind and National Tree Day in Australia with Olivia Newton John.

Jon has spearheaded countless groundbreaking environmental campaigns. Most notably, Jon's campaigning resulted in the Australian phasing out of incandescent light globes.

Jon currently writes a column for Sunday Magazine called "Eco Agogo" and acted as the Australian spokesperson for Al Gore's documentary *An Inconvenient Truth*. Jon has directed and produced over 300 TV and radio adverts. He has recruited well known celebrities to donate their time, including Tom Cruise, Dustin Hoffman, Nicole Kidman, John McEnroe, Kylie Minogue, Rolf Harris, Steve Irwin, and Sir Paul McCartney amongst many others.

In 1989, Jon also initiated and ran '*Rock Aid Armenia*' where he organised '*The Earthquake Album*' – the UK's first ever gold selling charity album. The album and video were supported by such bands as Led Zeppelin, Pink Floyd, Genesis, Yes, Deep Purple and Bon Jovi.

Jon's latest project was the annual '*World Environment Review*' poll. Which was initiated by Jon and powered by GMI. Based in Seattle, USA, the poll questioned 14,000 people in 14 countries about their environmental actions and attitudes. Jon launched the poll with a speech at the House of Lords in London on June 5th, 2007.

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DIRECTORS REPORT

Professor Michael Archer AO
Non-Executive Director

AM, BA(MCL) *Princeton*, PhD(Zool.) *University of Western Australia*, FRZNSW, FAS
Dean, Faculty of Science, University of New South Wales

Mike Archer was born in Sydney in 1945, a dual citizen of Australia and the USA. He did his undergraduate training in geology and biology at Princeton University (BA MCL, Geol./Biol. 1967), consecutive Fulbright Scholarships at the Western Australian Museum, Perth (1967-69) and a PhD in Zoology at the University of Western Australia (1976). From 1972-78, as Curator of Mammals at the Queensland Museum, he spent equal amounts of time on vertebrate palaeontology and modern mammalogy. In 1978, research at Riversleigh (NW Qld) and other areas escalated, he shifted to the University of New South Wales where, since 1989, he has been Professor of Biological Science. From 1999 to 2004 he was Director of the Australian Museum in Sydney. In 2004 he was appointed Dean of Science at UNSW. He has had significant ARC and other competitive funding continuously since 1978 and supervised about 12 postgraduate students at any one time.

Awards received by Mike for his researches include: Fellowship of the Australian Academy of Science (from 2002); Inaugural Eureka Prize for the Promotion of Science 1990, Clarke Medal of the Royal Society of New South Wales 1984 for Researches in Natural Science, Inaugural Queensland Museum Medal 1987 for research, Australian Heritage Award for Nature Conservation 1989 for research, Inaugural IBM Conservation Award (with S. Hand & H. Godthelp) 1990 for research, Von Mueller Medal of ANZAAS 1994 for research, Verco Medal of the Royal Society of South Australia 1996 for researches in natural science, Skeptic of the Year 1998; Dr Alice Whitley Award for Science Education 2002, Australian College of Educators; Research Associate of the Australian Museum; Research Associate of the Queensland Museum; Fellowship of the RZSNSW (for sustained research), T.H. Huxley Award for research, 2004; and seven Whitley awards for books written or edited. He has produced/coordinated hundreds of scientific publications, books, conferences and keynote addresses at international conferences. He is fully or jointly responsible for the establishment of 5 regional and urban museums. Research at Riversleigh by Mike and more than 100 colleagues resulted in inscription in 1995 of Riversleigh & Naracoorte on the World Heritage List.

Mike's primary contributions have occurred in nine areas: 1, documenting biodiversity of Australia's living marsupials; 2, the evolutionary history of Australia's marsupial carnivores; 3, ontogenetic development of the oral epithelium of marsupials and marsupial dental homology; 4, basicranial morphology and circulatory systems of tribosphenid marsupials; 5, Australia's first Mesozoic mammals and the monotreme fossil record; 6, Australia's only early Tertiary mammals at Murgon, Queensland; 7, the biodiversity of early Eocene to Holocene vertebrates at Murgon and Riversleigh; 8, the conservation status of living animals based on an understanding of their deep-time history; and 9 (most recently and increasingly consuming), communication to the public as well as colleagues about the vital importance of implementing compatible, innovative approaches to maximise long-term, effective conservation of Australia's threatened biotas as well as rural and regional communities.

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DIRECTORS REPORT

MEETINGS OF DIRECTORS:

Attendance at Board meetings is summarised below.

Director	Meetings eligible to attend	Meetings attended
Jon Dee	3	nil
Peter Shenstone	7	7
Paul Klymenko	7	7
Gillian Turner	7	7
Michael Coleman	7	6
Andrew Johnson	nil	nil
Mike Archer	3	nil
Lyndell Fraser	7	7

INDEMNIFYING OFFICERS OR AUDITOR:

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

The company has paid premiums to insure each of its Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium paid by the company and its subsidiaries was \$1,507.

AUDITOR'S INDEPENDENCE DECLARATION:

The lead auditor's independence declaration for the year ended 30th June 2009 has been received and can be found on page 8 of the Directors' report.

Signed in accordance with a resolution of the Directors:



Chairman _____
Gillian Turner



Deputy Chairman _____
Michael Coleman

Date 26th October 2009

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
PLANET ARK ENVIRONMENTAL FOUNDATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



J.A. Evennett & Co.
Chartered Accountants
David J. Evennett - Partner

Date 26/10/2009

37 Bligh Street Sydney NSW 2000

PLANET ARK ENVIRONMENTAL FOUNDATION
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLANET ARK
ENVIRONMENTAL FOUNDATION**

Report on the Financial Report

We have audited the accompanying financial report of Planet Ark Environmental Foundation (the Company) and Planet ark Environmental Foundation and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the consolidated entity, comprising the Company and the entities it controlled as at year's end or from time to time during the financial year.

The Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control 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 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 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Planet Ark Environmental Foundation on 31st July 2009 would be in the same terms if provided to the Directors as at the date of this Auditor's report.

PLANET ARK ENVIRONMENTAL FOUNDATION
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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PLANET ARK
ENVIRONMENTAL FOUNDATION**

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Planet Ark Environmental Foundation and Planet Ark Environmental Foundation and Controlled Entities as of 30 June 2009, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations).



J.A. Evennett & Co.
Chartered Accountants
David J. Evennett (Partner)
37 Bligh Street Sydney NSW 2000

Dated this 26th day of October 2009

PLANET ARK ENVIRONMENTAL FOUNDATION
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DIRECTORS DECLARATION

The Directors of the Company declare that: -

1. The financial statements and notes as set out on pages 11 to 44, are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standards: and
 - (b) give a true and fair view of the financial position as at 30th June 2009 and of the performance for the year ended on that date of the company and consolidated group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company and the consolidated group, will be able to pay its debts as and when they become due and payable.

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



Chairman _____
Gillian Turner



Deputy Chairman _____
Michael Coleman

Dated this 26th day of October 2009.

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INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Sales, Sponsorship, Donations & Royalties		3,333,743	6,301,109	1,613,204	1,894,336
Donations		16,954	2,977	116,954	2,977
Direct Cost of Sales		(1,492,822)	(3,243,065)	0	0
Gross Profit		1,857,875	3,061,021	1,730,158	1,897,313
Dividend Income		0	0	435,000	220,000
Refund of Imputation Credits		186,429	94,286	186,429	94,286
Refund of Payroll Tax		30,267	0	17,197	0
Profit on Sale of Assets		236,218	0	0	0
Interest and Other Income		14,315	13,236	3,047	10,978
Computer & IT Expenses		(132,048)	(128,471)	(131,289)	(126,222)
Administration Expenses		(131,803)	(227,600)	(135,905)	(165,330)
Depreciation & Amortisation		(54,877)	(45,463)	(54,877)	(45,463)
Rent and Occupancy		(93,474)	(119,639)	(84,167)	(108,098)
Accounting, Audit, Legal & Consulting		(358,129)	(370,352)	(350,799)	(339,149)
Advertising & Promotional Expenses		(149,251)	(287,893)	(92,422)	(195,505)
Employment Expenses		(1,279,453)	(1,252,403)	(1,030,152)	(994,435)
Other Operational Expenses		(223,817)	(354,319)	(212,634)	(287,438)
Interest & Borrowing Expenses		(83,287)	(88,003)	(80,349)	(87,217)
Profit from Ordinary Activities before Income tax Expense	3	(181,035)	294,400	199,237	(126,280)
Income Tax Expense relating to Ordinary Activities	4	0	(201,505)	0	0
Net Profit from Ordinary Activities After income tax		<u>(181,035)</u>	<u>92,895</u>	<u>199,237</u>	<u>(126,280)</u>

The accompanying notes form part of these financial statements

PLANET ARK ENVIRONMENTAL FOUNDATION
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BALANCE SHEET
AS AT 30TH JUNE 2009

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
CURRENT ASSETS					
Cash and Cash Equivalents	6	183,988	266,427	23,712	170,088
Trade and Other Receivables	7	737,772	890,129	688,302	245,309
Other Current Assets	8	86,288	44,094	30,816	3,925
TOTAL CURRENT ASSETS		1,008,048	1,200,650	742,830	419,322
NON-CURRENT ASSETS					
Other	8	18,969	38,048	18,969	38,048
Property, Plant and Equipment	9	943,424	1,014,509	943,424	1,014,509
Financial Assets	10	0	0	4	4
Intangible Assets	11	24,029	276,857	22,959	23,299
TOTAL NON-CURRENT ASSETS		986,422	1,329,414	985,356	1,075,860
TOTAL ASSETS		1,994,470	2,530,064	1,728,186	1,495,182
CURRENT LIABILITIES					
Trade and Other Payables	12	406,952	592,524	416,771	296,259
Short Term Provisions	14	0	83,858	0	0
Short Term Borrowings	13	144,352	131,203	144,352	131,203
TOTAL CURRENT LIABILITIES		551,304	807,585	561,123	427,462
NON-CURRENT LIABILITIES					
Long-Term Borrowings	13	741,606	821,954	741,606	821,954
Non-Current Provisions	14	52,393	39,132	33,818	22,173
TOTAL NON-CURRENT LIABILITIES		793,999	861,086	775,424	844,127
TOTAL LIABILITIES		1,345,303	1,668,671	1,336,547	1,271,589
NET ASSETS (LIABILITIES)		649,167	861,393	391,639	223,593
EQUITY					
Reserves		169,021	200,212	169,021	200,212
Retained Profits (Losses)		480,146	661,181	222,618	23,381
TOTAL EQUITY		649,167	861,393	391,639	223,593

The accompanying notes form part of these financial statements

PLANET ARK ENVIRONMENTAL FOUNDATION
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STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30TH JUNE 2009

Parent Entity

Movements in carrying amounts	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2007	149,661	200,212	349,873
Profit attributable to the entity	(126,280)	0	(126,280)
Revaluation increment	0	0	0
	0	0	0
Balance at 30 June 2008	<u>23,381</u>	<u>200,212</u>	<u>223,593</u>
Profit attributable to the entity	199,237	0	199,237
Revaluation increment/(decrement)	0	(31,191)	(31,191)
	0	0	0
Balance at 30 June 2009	<u>222,618</u>	<u>169,021</u>	<u>391,639</u>

Economic Entity

Movements in carrying amounts	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2007	568,286	200,212	768,498
Profit attributable to the entity	92,895	0	92,895
Revaluation increment	0	0	0
	0	0	0
Balance at 30 June 2008	<u>661,181</u>	<u>200,212</u>	<u>861,393</u>
Profit attributable to the entity	(181,035)	0	(181,035)
Revaluation increment/(decrement)	0	(31,191)	(31,191)
	0	0	0
Balance at 30 June 2009	<u>480,146</u>	<u>169,021</u>	<u>649,167</u>

For a description of each reserve, refer to Note 16.

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FOR THE YEAR ENDED 30TH JUNE 2009

		Economic Entity		Parent Entity	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Cash Flow from Operating Activities					
Receipts from customers		3,833,738	6,626,973	1,473,642	2,175,969
Payments to suppliers and employees		(4,146,599)	(6,098,380)	(2,011,619)	(2,227,786)
Payroll Tax Refund		30,267	0	17,197	0
Interest received		14,264	6,582	2,998	4,324
Income Tax Paid		(172,108)	(200,953)	0	0
Interest paid		(75,499)	(88,004)	(72,951)	(87,218)
Net cash generated from (used by) operating activities	23	(515,937)	246,218	(590,733)	(134,711)
Cashflow from investing activities					
Purchase of Freehold Property & Improvements		(2,263)	(6,752)	(2,263)	(6,752)
Purchase of Property Plant & Equipment		(9,135)	(10,301)	(9,135)	(10,301)
Proceeds (Loss) on sale of Property Plant & Equipment		0	1,756	0	1,756
Loans to Related Parties – payments (made)/received		0	0	73,335	64,682
Payment for (Proceeds from) sale of intangible assets		523,893	(76,012)	(3,246)	(1,012)
Dividend Receipts		0	0	435,000	220,000
Net Cash generated by (used in) investing activities		512,495	(91,309)	493,691	268,373
Cash flow from financing activities					
Increase/(Decrease) in Credit Card Liabilities		(17,272)	(26,030)	(17,272)	(26,030)
Increase/(Decrease) in Hire Purchase Agreement Liability		(63,311)	15,662	(63,311)	15,662
Increase/(Repayment) of Bank Loan		(3,889)	830	(3,889)	830
Increase/(Decrease) of other liabilities		0	14,401	0	0
Increase/(Decrease) in GST Liability		5,475	23,212	35,138	(7450)
Net cash generated from (used in) financing activities		(78,997)	28,075	(49,334)	(16,988)
Net increase (decrease) in cash held		(82,439)	182,984	(146,376)	116,674
Cash at beginning of year		266,427	83,443	170,088	53,414
Cash at end of year	6	183,988	266,427	23,712	170,088

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies

The financial report is for Planet Ark Environmental Foundation as an individual entity, incorporated and domiciled in Australia, and its controlled entities (economic entity). Planet Ark Environmental Foundation is a company limited by guarantee.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations) and the Corporations Act 2001.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Donations and bequests are recognised as revenue when received.

Interest income 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 from the rendering of a service is recognised upon delivery of the service to the customers.

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment:

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets 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 asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

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 assets employment and subsequent disposal. The expected net cashflows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, but excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	22.5%
Freehold Improvements	6.5-20%
Furniture & Fittings	10-40%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. Where revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Financial Instruments

Initial Recognition and Measurement.

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at 'fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement.

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Fair Value

Fair value is determined based on current bid process for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will retain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for the same class of asset.

(f) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable after one year have been measured at the net present value.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(g) 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

(h) Goods and Services Tax (GST)

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

Cash flows are presented in the cashflow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Income Tax

No provision for income tax has been raised in the Company as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

The Company's subsidiaries' income tax expense for the year comprises current income tax expense. The subsidiary companies do not apply deferred tax.

Current income tax expense charged to the profit or loss account is the tax payable on taxable income using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

(j) Intangibles

Patents and Trademarks

Patents and trademarks are recognised at the cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life of 10 years.

(k) Provisions

Provisions are recognised when the entity 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 reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

(m) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

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FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are determined using value-in-use calculations which incorporate various key assumptions.

Key judgements – Provision for impairment

Included in trade and other receivables for the economic entity at 30 June 2009 is an amount receivable by a subsidiary from Merino Pty Ltd for product endorsement amounting to \$41,250. Merino was placed in Voluntary Administration in December 2007 and an impairment provision of \$17,250 has been made at 30th June 2009.

(n) Economic Dependence

Planet Ark Environmental Foundation and its controlled entities are not dependent on any one major customer or Government Department for the majority of the revenue to operate the business.

(o) Principles of Consolidation:

The consolidated accounts of the economic entity include the accounts of the company, being the chief entity, and its controlled entities.

Where an entity either began or ceased to be controlled during the period, the results are included only from the date control commenced or up to the date control ceased.

All controlled entities are wholly owned and therefore there are no outside interests in the equity and results of the controlled entities, and as such there is no disclosure of outside equity interests.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The entity has decided against early adoption of these standards. A discussion of these future requirements is as follows:

- AASB 2008-11: Amendments to Australian Accounting Standard – Business Combinations among Not-for Profit entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements of AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement of recognition impact on the entity. If an entity has made a prior period adjustment or reclassification, a third balance sheet at the beginning of the comparative period will be required.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1: Statement of Significant Accounting Policies (cont'd)

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and interpretations 1 and 12] (applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined there will be no effect on the entity as a policy of capitalising qualifying borrowing costs has been maintained by the entity.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 and AASB 139 and interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the entity.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cashflows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the entity.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and where the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract' revenue is to be accounted for in accordance with AASB 118. Management does not believe this will represent a change of policy for the entity.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the entity.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies (cont'd)

- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value is recognised in profit or loss.
- AASB Interpretation 18: Transfers of Assets from Customers (applicable for reporting periods commencing from 1 July 2009). This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment, from their customers in order to connect customers to a network and provide them with access to a supply of goods or services. The interpretation outlines the appropriate accounting treatment in respect of such transfers.

The entity does not anticipate early adoption of any of the reporting requirements and does not expect them to have any material effect on the entity's financial statements.

PLANET ARK ENVIRONMENTAL FOUNDATION
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 2: Revenue

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Revenue from Corporate and Other Sponsorships				
Corporate sponsorships	1,091,079	1,659,284	1,091,079	1,659,284
Government sponsorships	0	100,000	0	100,000
	<u>1,091,079</u>	<u>1,759,284</u>	<u>1,091,079</u>	<u>1,759,284</u>
Revenue from sales and licensing				
Sale of laundry products	1,752,078	3,932,153	0	0
Other sales	4,896	56,015	0	0
Consulting Income	0	82,000	0	6,000
Royalty and licensing income	484,597	470,951	441,478	38,646
	<u>2,241,571</u>	<u>4,541,119</u>	<u>441,478</u>	<u>44,646</u>
Other Revenue				
Sundry Income	1,140	7,361	1,140	6,655
Dividend Income	0	0	435,000	220,000
Refund of Payroll Tax	30,267	0	17,197	0
Refund of Imputation Credits	186,429	94,286	186,429	94,286
Donations	116,954	2,977	116,954	2,977
Management Fees	0	0	79,554	90,406
Profit on Sale of Asset	236,218	0	0	0
Interest Received	14,266	6,582	3,000	4,324
	<u>585,274</u>	<u>111,206</u>	<u>839,274</u>	<u>418,648</u>
Total Revenue and Other Income	<u>3,917,924</u>	<u>6,411,609</u>	<u>2,371,831</u>	<u>2,222,578</u>

PLANET ARK ENVIRONMENTAL FOUNDATION
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 3: Profit

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
(a) Expenses				
Depreciation of property plant & equipment	51,291	42,080	51,291	42,080
Amortisation of intangibles	3,356	3,383	3,586	3,383
Interest paid to other persons	76,636	88,003	73,698	87,217
Bad debts provision	0	18,750	0	0
Provision for staff entitlements	102,547	90,025	88,635	63,215
Loss on disposal of fixed assets	0	656	0	656
Remuneration of auditor				
- Audit or review	11,600	12,250	10,250	10,050
- Taxation and other services	5,750	7,480	4,300	5,980
(b) Significant revenue and expenses				
Dividend income	0	0	(435,000)	(220,000)
Refund of Imputation Credits	(186,429)	(94,286)	(186,429)	(94,286)
Profit on sale of Aware trademark	(236,218)	0	0	0
Insurance	51,182	53,421	51,182	53,421
Legal expenses	32,390	29,657	32,390	29,168
Computer leasing costs	59,848	73,280	59,848	73,280
Consulting fees	275,877	320,965	271,857	293,951

Note 4: Income Tax Expense

Prima Facie Income Tax payable attributable to operating profit before tax	(54,311)	88,320	0	0
Reconciliation between income tax expense and prima facie income tax payable on accounting profit is as follows:				
Add/(deduct):				
Non-assessability of net charitable income and expenses	115,327	103,883	0	0
Tax effect of small business concession	(35,433)	0	0	0
Add:				
Tax effect of timing differences				
- Provision for staff entitlements	(1,854)	3,504	0	0
- Other	120	75	0	0
- Provision for doubtful debts	(2,100)	5,625	0	0
Tax effect of non-deductible expenses	32	98	0	0
Tax losses carried forward	(21,781)	0	0	0
Income Tax Expense	0	201,505	0	0

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FOR THE YEAR ENDED 30 JUNE 2009

Note	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Note 5: Dividends				
a. Distributions paid	435,000	220,000	0	0
b. Balance of franking account at year end adjusted for income tax paid or provided for	187,896	202,769	0	0

Note 6: Cash and Cash Equivalents

CURRENT

Cash at bank	183,138	265,577	22,862	169,238
Cash on hand	850	850	850	850
	<u>183,988</u>	<u>266,427</u>	<u>23,712</u>	<u>170,088</u>

Note 7: Trade and Other Receivables

CURRENT

Trade debtors		438,493	635,577	397,243	14,870
Provision for impairment	7 (i)	(18,750)	(25,750)	0	0
		<u>419,743</u>	<u>609,827</u>	<u>397,243</u>	<u>14,870</u>
Sundry Debtors		318,029	280,302	291,059	230,439
Total current trade and other receivables		<u>737,772</u>	<u>890,129</u>	<u>688,302</u>	<u>245,309</u>

i. Provision for impairment of receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included as expense items.

Movement in the provision for impairment of receivables is as follows:

	Economic Entity	Parent Entity
Provision for Impairment as at 30 June 2007	7,000	0
- Charge for year	18,750	0
- Written off	0	0
Provision for impairment as at 30 June 2008	<u>25,750</u>	<u>0</u>
- Charge for year	(7,000)	0
- Written off	0	0
Provision for impairment as at 30 June 2009	<u>18,750</u>	<u>0</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 7: Trade and Other Receivables (cont'd)

ii Credit risk – Trade and Other Receivables

The Company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed upon between the Company and customer or counter party to the transaction.

Parent Entity

	Gross amount	Past due and impaired	Past due but not impaired				Within trade terms
			<30	31-60	61-90	>90	
2009							
	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	397,243	0	55,000	0	0	0	342,243
Other receivables	291,059	0	0	0	0	0	291,059
Total	688,302	0	55,000	0	0	0	633,302
2008							
Trade and term receivables	14,870	0	0	0	0	0	14,870
Other receivables	230,439	0	0	0	0	0	230,439
Total	245,309	0	0	0	0	0	245,309

Economic Entity

	Gross amount	Past due and impaired	Past due but not impaired				Within trade terms
			<30	31-60	61-90	>90	
2009							
	\$	\$	\$	\$	\$	\$	\$
Trade and term receivables	419,743	22,500	55,000	0	0	0	342,243
Other receivables	318,029	0	0	0	0	0	318,029
Total	737,772	22,500	55,000	0	0	0	660,272
2008							
Trade and term receivables	329,525	22,500	41,335	26,274	0	0	239,416
Other receivables	280,302	0	0	0	0	0	280,302
Total	609,827	22,500	41,335	26,274	0	0	519,718

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 8: Other Assets

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Other Assets				
Loans - Current (Unsecured)				
Planet Ark Environmental Solutions Pty Ltd	0	0	0	7,654
Planet Ark Power Pty Ltd	0	0	0	(44,601)
The Cleanhouse Effect Pty Ltd	7,249	7,249	7,249	7,249
Less: Provision for Diminution	(7,249)	(7,249)	(7,249)	(7,249)
	0	0	0	(36,947)
Other Current Assets				
Security Deposits	12,092	12,092	8,870	8,870
Prepaid Expenses	21,946	23,711	21,946	23,711
Income Tax refund due	52,250	0	0	0
GST refund due	0	8,921	0	8,291
	86,288	44,724	30,816	40,872
Total Other Assets – Current	86,288	44,724	30,816	3,925
Non-Current				
Prepaid Expenses	18,969	38,048	18,969	38,048

Note 9: Property, Plant and Equipment

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Land and Buildings				
Freehold land and buildings				
At fair cost	680,123	711,314	680,123	711,314
Freehold Improvements	221,432	219,169	221,432	219,169
Less Accumulated Depreciation	(51,555)	(37,561)	(51,555)	(37,561)
Total Land and Buildings	850,000	892,922	850,000	892,922
Plant and Equipment				
At Cost	126,317	117,182	126,317	117,182
Less Accumulated Depreciation	(103,889)	(92,455)	(103,889)	(92,455)
Total Plant and Equipment	22,428	24,727	22,428	24,727
Financed Motor Vehicles				
At cost	120,179	120,179	120,179	120,179
Less Accumulated Depreciation	(49,183)	(23,319)	(49,183)	(23,319)
Total Financed Motor Vehicles	70,996	96,860	70,996	96,860
Total Property Plant & Equipment	943,424	1,014,509	943,424	1,014,509

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Note 9: Property, Plant and Equipment (cont'd)

Movements in Carrying Amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

Parent Entity

	Land and Buildings \$	Financed Motor Vehicles \$	Furniture and Equipment \$	Total \$
2008				
Balance at the beginning of the year	900,848	68,761	28,230	997,839
Additions at cost	6,752	73,115	10,301	90,168
Additions at fair value	0	0	0	0
Disposals	0	(31,112)	0	(31,112)
Revaluation Increment	0	0	0	0
Depreciation expense	(14,678)	(13,904)	(13,804)	(42,386)
Carrying amount at end of year	892,922	96,860	24,727	1,014,509

	Land and Buildings \$	Financed Motor Vehicles \$	Furniture and Equipment \$	Total \$
2009				
Balance at the beginning of the year	892,922	96,860	24,727	1,014,509
Additions at cost	2,263	0	9,135	11,398
Additions at fair value	0	0	0	0
Disposals	0	0	0	0
Revaluation Increment	(31,191)	0	0	(31,191)
Depreciation expense	(13,994)	(25,864)	(11,434)	(51,292)
Carrying amount at end of year	850,000	70,996	22,428	943,424

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Note 9: Property, Plant and Equipment (cont'd)

Economic Entity

	Land and Buildings \$	Financed Motor Vehicles \$	Furniture and Equipment \$	Total \$
2008				
Balance at the beginning of the year	900,848	68,761	28,230	997,839
Additions at cost	6,752	73,115	10,301	90,168
Additions at fair value	0	0	0	0
Disposals	0	(31,112)	0	(31,112)
Revaluation Increment	0	0	0	0
Depreciation expense	(14,678)	(13,904)	(13,804)	(42,386)
Carrying amount at end of year	<u>892,922</u>	<u>96,860</u>	<u>24,727</u>	<u>1,014,509</u>

	Land and Buildings \$	Financed Motor Vehicles \$	Furniture and Equipment \$	Total \$
2009				
Balance at the beginning of the year	892,922	96,860	24,727	1,014,509
Additions at cost	2,263	0	9,135	11,398
Additions at fair value	0	0	0	0
Disposals	0	0	0	0
Revaluation Increment	(31,191)	0	0	(31,191)
Depreciation expense	(13,994)	(25,864)	(11,434)	(51,292)
Carrying amount at end of year	<u>850,000</u>	<u>70,996</u>	<u>22,428</u>	<u>943,424</u>

The Company's land and buildings were revalued on June 30 2009 by sworn independent valuers. Valuations were made on the basis of open market value. The revaluation deficit was debited to an asset revaluation reserve in members equity.

Note 10: Financial Assets

Non Current

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Shares in Controlled Companies – at cost	0	0	4	4
Shares in unlisted Company – at cost	13,546	13,546	13,546	13,546
Less: Provision for Impairment	(13,546)	(13,546)	(13,546)	(13,546)
	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>

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Note 11: Intangible Assets

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Formation expenses - at cost	1,440	1,440	0	0
Less write off	(720)	0	0	0
Patent expenses – at cost	350	350	0	0
Trademarks - at cost	39,987	288,509	39,987	36,741
Accumulated amortisation	(17,028)	(13,442)	(17,028)	(13,442)
Accumulated impairment	0	0	0	0
Net Carrying value	<u>24,029</u>	<u>276,857</u>	<u>22,959</u>	<u>23,299</u>

Parent Entity

Movements in carrying amounts	Formation Expenses	Patent Expenses	Trademark
2008			
Balance at beginning of year	0	0	25,668
Additions	0	0	1,014
Disposals	0	0	0
Amortisation charge	0	0	(3,384)
Impairment losses	0	0	0
	<u>0</u>	<u>0</u>	<u>23,298</u>
2009			
Balance at beginning of year	0	0	23,298
Additions	0	0	3,247
Disposals	0	0	0
Amortisation charge	0	0	(3,586)
Impairment losses	0	0	0
	<u>0</u>	<u>0</u>	<u>22,959</u>

Economic Entity

Movements in carrying amounts	Formation Expenses	Patent Expenses	Trademark
2008			
Balance at beginning of year	1,440	350	277,436
Additions	0	0	1,014
Disposals	0	0	0
Amortisation charge	0	0	(3,383)
Impairment losses	0	0	0
	<u>1,440</u>	<u>350</u>	<u>275,067</u>
2009			
Balance at beginning of year	1,440	350	275,067
Additions	0	0	3,247
Disposals	(720)	0	(251,769)
Amortisation charge	0	0	(3,586)
Impairment losses	0	0	0
	<u>720</u>	<u>350</u>	<u>22,959</u>

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Note 12: Trade and Other Payables

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
CURRENT					
GST Payable		29,460	22,900	26,848	0
Trade Payables		226,973	299,726	248,193	130,493
Accrued Expenses		90,658	225,702	87,899	135,394
Employee Entitlements		59,861	44,196	53,831	30,372
	12a	<u>406,952</u>	<u>592,524</u>	<u>416,771</u>	<u>296,259</u>
NON CURRENT					
Trade Payables		0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

a. Financial liabilities at amortised cost classified as trade and other payables

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Trade and other payables					
- Total current		406,952	592,524	416,771	296,259
- Total non-current		0	0	0	0
		<u>406,952</u>	<u>592,524</u>	<u>416,771</u>	<u>296,259</u>
Less annual leave entitlements		(59,861)	(44,196)	(53,831)	(30,372)
	22	<u>347,091</u>	<u>548,328</u>	<u>362,940</u>	<u>265,887</u>

Note 13: Borrowings

	Note	Economic Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
CURRENT					
Bank Loan (secured over freehold at Wentworth Falls)		79,188	66,039	79,188	66,039
Hire Purchase Liability	22	65,164	65,164	65,164	65,164
		<u>144,352</u>	<u>131,203</u>	<u>144,352</u>	<u>131,203</u>
NON CURRENT					
Bank Loan (secured over freehold at Wentworth Falls)		577,309	594,346	577,309	594,346
Hire purchase liability	22	164,297	227,608	164,297	227,608
		<u>741,606</u>	<u>821,954</u>	<u>741,606</u>	<u>821,954</u>
		<u>885,958</u>	<u>953,157</u>	<u>885,958</u>	<u>953,157</u>

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Note 14: Provisions

	Parent Entity		
	Income tax	Long-term employee benefits	Total
	\$	\$	\$
Opening balance as at 1 July 2008	0	22,173	22,173
Additional provisions raised during year	0	11,645	11,645
Amounts used	0	0	0
Balance at 30 June 2009	0	33,818	33,818

	Economic Entity		
	Income tax	Long-term employee benefits	Total
	\$	\$	\$
Opening balance as at 1 July 2008	83,858	39,132	122,990
Additional provisions raised during year	52,250	13,261	65,511
Amounts used	(136,108)	0	(136,108)
Balance at 30 June 2009	0	52,393	52,393

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
Analysis of Total Provisions	\$	\$	\$	\$
Current	0	83,858	0	0
Non-current	52,393	39,132	33,818	22,173
	52,393	122,990	33,818	22,173

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

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Note 15: Capital and Other Commitments

	Economic Entity		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Property Mortgage				
Payable – minimum payments				
- within 12 months	79,188	66,480	79,188	66,480
- Later than 12 months but not later than 5 years	316,752	358,128	316,752	358,128
- Greater than 5 years	626,905	805,762	626,905	805,762
	<u>1,022,845</u>	<u>1,230,370</u>	<u>1,022,845</u>	<u>1,230,370</u>

The mortgage is for the purchase of the property at Wentworth Falls and is for a period of 15 years commencing June 2007.

Issues Communications

Payable – minimum payments				
- within 12 months	55,000	110,000	55,000	110,000
- Later than 12 months but not later than 5 years	0	55,000	0	55,000
- Greater than 5 years	0	0	0	0
	<u>55,000</u>	<u>165,000</u>	<u>55,000</u>	<u>165,000</u>

A non-cancellable contract exists with Issues Communications for the provision of Public Relations services for a period of 3 years from December 2006. These costs are expensed in the period in which the services are received.

Office Rental Commitments

Payable – minimum payments				
- within 12 months	29,676	55,096	23,070	43,560
- Later than 12 months but not later than 5 years	0	29,676	0	23,070
- Greater than 5 years	0	0	0	0
	<u>29,676</u>	<u>84,772</u>	<u>23,070</u>	<u>66,630</u>

Property rental agreements exist for office space occupied at 15-17 Young St Sydney. These leases expire in December 2009.

Computer Leases

Payable – minimum payments				
- within 12 months	24,038	46,485	24,038	46,485
- Later than 12 months but not later than 5 years	2,611	28,392	2,611	28,392
- Greater than 5 years	0	0	0	0
	<u>26,649</u>	<u>74,877</u>	<u>26,649</u>	<u>74,877</u>

Computer leases are non-cancellable rental agreements for periods of 3 years contracted but not capitalised in the financial statements.

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Note 15: Capital and Other Commitments (cont'd)

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating Leases				
Payable – minimum payments				
- within 12 months	65,528	65,528	65,528	65,528
- Later than 12 months but not later than 5 years	200,717	266,245	200,717	266,245
- Greater than 5 years	0	0	0	0
	<u>266,245</u>	<u>331,773</u>	<u>266,245</u>	<u>331,773</u>

Motor vehicle operating lease commitments are non-cancellable hire-purchase agreements capitalised in the financial statements with 3 year terms. Additionally 5 year agreements exist for the purchase of Dingo mini-digger and solar power equipment at Wentworth Falls. These leases are secured over the underlying equipment.

Note 16: Reserves

- a. Asset Revaluation Reserve
The asset revaluation reserve records the revaluations of non-current assets.

Note 17: Contingent Liabilities

The Directors are not aware of any contingent or other liabilities not provided for in the accounts.

Note 18: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 19: Events After the Balance Date

No event has occurred since 30 June 2009 which would materially affect the results of the Company as reported in the financial statements.

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Note 20: Key Management Personnel Compensation

	Parent Entity		
	Short-Term Benefits	Post- Employment Benefits	Total
	\$	\$	\$
2009			
Total Compensation	451,382	0	451,382
2008			
Total Compensation	311,611	0	311,611
	Economic Entity		
	Short-Term Benefits	Post- Employment Benefits	Total
	\$	\$	\$
2009			
Total Compensation	565,063	0	565,063
2008			
Total Compensation	548,221	0	548,221

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Note 21: Cash Flow Information

a. Reconciliation of Cash

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash at bank		183,138	265,577	22,862	169,238
Cash at hand		850	850	850	850
	6	<u>183,988</u>	<u>266,427</u>	<u>23,712</u>	<u>170,088</u>

b. Reconciliation of Cashflow from Operations with Profit after Income Tax

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Profit/(loss) after income tax	(181,035)	92,895	199,237	(126,280)
Non cash flows				
Amortisation	3,586	3,383	3,586	3,383
Depreciation	52,011	42,079	51,291	42,079
Provision for staff entitlements	100,315	9,298	88,635	(2,382)
Provision for income tax (reduction)	(83,858)	552	0	0
Provision for doubtful debts (reduction)	(7,500)	18,750	0	0
Non-operating income included in operating profit				
Dividend Income	0	0	(435,000)	(220,000)
Profit on sale of Aware trademark	(236,218)	0	0	0
Changes in assets and liabilities				
Decrease/(Increase) in receivables	115,045	175,314	(442,993)	221,491
Increase/(Decrease) in payables	(287,295)	(92,929)	(73,409)	(47,578)
Increase/(Decrease) in provisions and prepayments	8,082	(3,950)	14,259	(3,950)
Increase/(Decrease) in employment and other taxes	930	826	3,661	(1,474)
Cash Flows from Operations	<u>(515,937)</u>	<u>246,218</u>	<u>(590,733)</u>	<u>(134,711)</u>

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Note 22: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements.

		Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	6	183,988	266,427	23,712	170,088
Loans and receivables	7	737,772	890,129	688,302	245,309
		921,760	1,156,556	712,014	415,397
Financial Liabilities					
Financial liabilities at amortised cost					
Trade and other payables	12	406,952	592,524	416,771	296,259
Borrowings	13	885,958	953,157	885,958	953,157
		1,292,910	1,545,681	1,302,729	1,249,416

Financial Risk Management Policies

Consisting of senior committee members, the finance committee's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks the company is exposed to through its financial instruments are interest rate risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cashflows or the fair value of fixed rate financial instruments.

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Note 22: Financial Risk Management (cont'd)

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward looking cashflow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cashflows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore be different from that disclosed. The timing of cashflows presented in the table to settle financial liabilities reflects the contractual settlement dates.

Financial liability and financial asset maturity analysis – Parent Entity

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial liabilities due for payment								
Lease liabilities	177,822	265,571	203,328	372,707	0	0	381,150	638,278
Mortgage liabilities	79,188	66,480	316,752	358,128	626,905	805,762	1,022,845	1,230,370
Trade and other payables (excluding annual leave)	346,731	268,587	0	0	0	0	346,731	268,587
Total expected outflows	603,741	600,638	520,080	730,835	626,905	805,762	1,750,726	2,137,235
Financial assets – cashflows realisable								
Cash and cash equivalents	23,712	170,088	0	0	0	0	23,712	170,088
Trade and other receivables	688,302	245,309	0	0	0	0	688,302	245,309
Total anticipated inflows	712,014	415,397	0	0	0	0	712,014	415,397
Net (outflow)/inflow on financial instruments	108,273	(185,241)	(520,080)	(730,835)	(626,095)	(805,762)	(1,038,712)	(1,712,838)

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Note 22: Financial Risk Management (cont'd)

Financial liability and financial asset maturity analysis – Economic Entity

Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
2009	2008	2009	2008	2009	2008	2009	2008
Financial liabilities due for payment							
Lease liabilities							
177,821	265,571	203,328	372,707	0	0	381,149	638,278
Mortgage liabilities							
79,188	66,480	316,752	358,128	626,905	805,762	1,022,845	1,230,370
Trade and other payables (excluding annual leave)							
347,091	548,328	0	0	0	0	347,091	548,328
Total expected outflows							
604,100	880,379	520,080	730,835	626,905	805,762	1,751,085	2,416,976
Financial assets – cashflows realisable							
Cash and cash equivalents							
183,988	266,427	0	0	0	0	183,988	266,427
Trade and other receivables							
737,772	890,129	0	0	0	0	737,772	890,129
Total anticipated inflows							
921,760	1,156,556	0	0	0	0	921,760	1,156,556
Net (outflow)/inflow on financial instruments							
317,660	276,177	(520,080)	(730,835)	(626,095)	(805,762)	(829,325)	(1,260,420)

c. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counter parties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties) ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the end of month in which the invoice was issued. Customers who do not meet the Company's strict credit policies may only purchase in cash or only use recognised credit cards.

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Note 22: Financial Risk Management (cont'd)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the finance committee has otherwise cleared as financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counter party, then the risk may be further managed by retention of title clauses over goods or by obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 7.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company. The trade receivables balance at 30 June 2009 and 30 June 2008 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with Board policy. Such policy requires that surplus funds are only invested with counter parties with a Standard & Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counter party credit ratings.

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
Cash and cash equivalents		\$	\$	\$	\$
- AA rated		183,988	266,427	23,712	170,088
	6	183,988	266,427	23,712	170,088

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 22: Financial Risk Management (cont'd)

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid process. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost are held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

Parent Entity

	Footnote	2009		2008	
		Net carrying value	Net fair value	Net carrying value	Net fair value
		\$	\$	\$	\$
Financial Assets					
Cash and Cash equivalents	i	23,712	23,712	170,088	170,088
Trade and other receivables		688,302	688,302	245,309	245,309
Total financial assets		712,014	712,014	415,397	415,397
Financial liabilities					
Trade and other payables	i	362,940	362,940	265,887	265,887
Lease liability		229,461	229,461	292,772	292,772
Mortgage liability		656,497	656,597	660,385	660,385
Total financial liabilities		1,248,998	1,248,998	1,219,044	1,219,044

Economic Entity

	Footnote	2009		2008	
		Net carrying value	Net fair value	Net carrying value	Net fair value
		\$	\$	\$	\$
Financial Assets					
Cash and Cash equivalents	i	183,988	183,988	266,427	266,427
Trade and other receivables	i	737,772	737,772	890,129	890,129
Total financial assets		921,760	921,760	1,156,556	1,156,556
Financial liabilities					
Trade and other payables	i	347,091	347,091	548,328	548,328
Lease liability		229,461	229,461	292,772	292,772
Mortgage liability		656,497	656,497	660,385	660,385
Total financial liabilities		1,233,049	1,233,049	1,501,485	1,501,485

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Note 22: Financial Risk Management (cont'd)

The fair values disclosed in the above table have been determined based on the following methodologies.

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave and deferred income which is not considered a financial instrument.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement of a particular variable is independent of other variables.

	Economic Entity		Parent Entity	
	Profit \$	Equity \$	Profit \$	Equity \$
Year Ended 30 June 2008				
+/- 2% in interest rates	+/- 13,208	+/- 13,208	+/- 13,208	+/- 13,208
Year ended June 30 2009				
+/- 2% in interest rates	+/- 13,208	+/- 13,208	+/- 13,208	+/- 13,208

The above interest rate sensitivity analysis has been performed on the basis that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

PLANET ARK ENVIRONMENTAL FOUNDATION
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 23: Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

The gearing ratios for the years ended 30 June 2009 and 30 June 2008 are as follows:

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Total borrowings	13	885,958	953,157	885,958	953,157
Less cash and cash equivalents	6	(183,988)	(266,427)	(23,712)	(170,088)
Net debt		701,970	686,730	862,246	783,069
Total equity (reserves + retained earnings)		649,167	861,393	391,639	223,593
Total capital		1,351,137	1,548,123	1,253,885	1,006,662
Gearing ratio		52%	44%	69%	78%

Note 24: Company Details

The Company's registered office is located at Level 2, 15-17 Young St Sydney, which is also the principal place of business.

Note 25: Members Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At June 30 2009, the number of members was 60.