PLANET ARK ENVIRONMENTAL FOUNDATION

A.B.N. 26 057 221 959

FINANCIAL REPORT

For the year ended 30th June 2010

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 2010.

DIRECTORS

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

Michael Coleman	
Lyndell Fraser	
Andrew Johnson	Appointed 9 September 2009
Paul Klymenko	Resigned 22 March 2010; Reappointed 31 August 2010
Peter Shenstone	Resigned 4 June 2010
Gillian Turner	
Philip Vernon	Appointed 24 November 2009

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 eight 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 $267,237 (2009 $181,035).

A review of the operations of the company during the financial year and the results of those operations show an increase in sponsorship revenues, but not sufficient to cover increases in payroll and marketing costs necessary to meet campaigning objectives. Sales revenue reduced following the sale of the Aware laundry powder brand.

The parent entity received dividends amounting to $207,314 from its subsidiaries.

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.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which have 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.

DIRECTORS REPORT

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 $207,314 were paid by the subsidiaries to the parent entity in the 2009/10 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 Foundation incurred losses in each of the years ended 30 June 2009 and 30 June 2010. In the period immediately following the Global Economic Downturn, retention of corporate sponsorships has been difficult. Following the result of the Australian Federal Election there has been greater media attention in relation to environmental issues and Directors are confident that additional revenue streams will arise in the near future. A number of potential revenue sources have been identified, including new licensing and endorsement opportunities. Directors believe these opportunities will materialise in the near future. Directors will carefully monitor cash flows and put in place operating structures consistent with available cash.

INFORMATION ON DIRECTORS

Michael Coleman
Non-Executive Director & Chairman

Michael Coleman is KPMG's Risk Management Partner for the Asia Pacific Region and represents the region on two Global committees. Michael is also Chair of the Liability Reform Steering Group, a loose affiliation of organisations comprising the large accounting and law firms as well as various professional bodies.

Michael is also Deputy Chairman of the Financial Reporting Council (FRC), 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.

Michael holds Bachelor and Masters Degrees in Commerce from the University of New South Wales. He is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

DIRECTORS REPORT

Lyndell Fraser
Non-Executive Director & Deputy Chairman

BEc (Hons) MEc (Hons) MBA

Lyndell joined the Navitas Group in April 2009, an Australian based global education company; and has overall responsibility for the operations of Navitas' Workforce Division.

She has held senior appointments in the financial services industry with key line and portfolio responsibilities in banking and general insurance with major Australian institutions, as well as in areas of strategy, distribution and corporate and government relations.

She has served on the board of the Insurance Council of Australia and on various taskforces of the Australian Bankers' Association.

Lyndell has a Bachelor of Economics (Hons)and a Master of Econonics (Hons) from the University of Sydney and a Master of Business Administration from Macquarie University.

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, Reef and Rainforest Research Centre Ltd and Troplinks Inc. He was 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.

DIRECTORS REPORT

Paul Klymenko – Chief Executive Officer

Certificate – Securities Institute of Aust
Diploma & Associateship – Aust & NZ Institute of Insurance & Finance

Paul has worked in the environmental field for the past 20 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 it's inception in 1992 and it's CEO since June 2010. Prior to working in the environmental field he spent 11 years in the financial services industry in research and advising roles.

In 1986 Paul co-founded Australian Ethical Investment Ltd, which is Australia's first socially responsible fund manager with now over $600 million under management. In 1990 he also co-founded Australia's first environmental retailer, The Cleanhouse Effect.

Paul was 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 children. His passions outside of the environment are music, science, sport and film.

Peter Shenstone – 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.

DIRECTORS REPORT

Gillian Turner
Non-Executive Director

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.

Phillip Vernon
Non-Executive Director

Phillip is Managing Director of Australian Ethical Investment and has 25 years experience in financial services covering funds management, capital markets and superannuation. In previous roles he has served on the Executive Committee of Perpetual Limited and has extensive experience in corporate governance and industry regulation, including acting as Chairman of the Australian Securitisation Forum. Phillip has a long held involvement and interest in sustainability and corporate social responsibility.

MEETINGS OF DIRECTORS:
Attendance at Board meetings is summarised below.

Director	Meetings eligible to attend	Meetings attended
Michael Coleman	9	9
Lyndell Fraser	9	7
Andrew Johnson	8	8
Paul Klymenko	7	7
Peter Shenstone	9	7
Gillian Turner	7	7
Phillip Vernon	6	4

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

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 2010 has been received and can be found on page 7 of the Directors' report.

Signed in accordance with a resolution of the Directors:

Chairman	CEO
Michael Coleman	Paul Klymenko

Date 29/10/2010 October 2010

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

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 2010, 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.

Date 29/10/2010

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

37 Bligh Street, Sydney. NSW. 2000

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES
A.B.N. 26 057 221 959

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 2010, and 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 2010 would be in the same terms if provided to the Directors as at the date of this Auditor's report.

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES
A.B.N. 26 057 221 959

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 2010, 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 29th day of October 2010

PLANET ARK ENVIRONMENTAL FOUNDATION AND CONTROLLED ENTITIES

A.B.N. 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

DIRECTORS DECLARATION

The Directors of the Entity declare that: -

1. The financial statements and notes as set out on pages 11 to 46, 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 2010 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	CEO
Michael Coleman	Paul Klymenko

Dated this 29th day of October 2010.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2010

	Note	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Sponsorships		1,288,306	1,091,079	1,288,306	1,091,079
Sales and Licensing Income		633,858	2,241,571	625,110	441,478
Sundry Income		107,455	1,093	107,455	1,093
Donations		189,733	16,954	189,733	116,954
Management Fees		0	0	0	79,554
Direct Cost of Sales		(864)	(1,492,822)	0	0
Gross Profit		2,218,488	1,857,875	2,210,644	1,730,158
Dividend Income		2,114	0	209,428	435,000
Refund of Imputation Credits		88,040	186,429	88,040	186,429
Refund of Payroll Tax		0	30,267	0	17,197
Profit on Sale of Assets		87,284	236,218	3,630	0
Interest and Other Income		8,002	14,313	2,060	3,047
Computer & IT Expenses		(133,202)	(132,048)	(133,202)	(131,289)
Administration Expenses		(205,012)	(131,803)	(198,951)	(135,905)
Depreciation & Amortisation		(49,745)	(54,877)	(49,745)	(54,877)
Rent and Occupancy		(90,434)	(93,474)	(90,434)	(84,167)
Accounting, Audit, Legal & Consulting		(248,956)	(358,129)	(248,956)	(350,799)
Advertising & Promotional Expenses		(222,983)	(149,251)	(222,983)	(92,422)
Employment Expenses		(1,410,156)	(1,286,103)	(1,326,225)	(1,036,802)
Other Operational Expenses		(221,323)	(223,817)	(221,323)	(212,634)
Interest & Borrowing Expenses		(71,718)	(76,737)	(71,718)	(73,699)
Profit from Ordinary Activities before Income tax Expense	3	(249,601)	(181,035)	(49,775)	199,237
Income Tax Expense relating to Ordinary Activities	4	0	0	0	0
Net Profit/(loss) from Ordinary Activities After Income tax		(249,601)	(181,035)	(49,775)	199,237
Other Comprehensive Income					
Net gain/(loss) on revaluation of listed shares		(17,636)	0	(17,636)	0
Total Comprehensive Income		(267,237)	(181,035)	(67,411)	199,237
Profit/(loss) Attributable to Members of the Entity		(249,601)	(181,035)	(49,775)	199,237
Total Comprehensive Income/(loss) attributable to Members of the Entity		(267,237)	(181,035)	(67,411)	199,237

The accompanying notes form part of these financial statements

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

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010

		Economic Entity		Parent Entity	
	Note	2010 $	2009 $	2010 $	2009 $
CURRENT ASSETS					
Cash and Cash Equivalents	6	124,227	183,988	74,962	23,712
Trade and Other Receivables	7	477,492	737,772	474,628	688,302
Other Current Assets	8	33,537	86,288	31,285	30,816
TOTAL CURRENT ASSETS		635,256	1,008,048	580,875	742,830
NON-CURRENT ASSETS					
Other	8	1,246	18,969	1,246	18,969
Property, Plant and Equipment	9	941,438	943,424	941,438	943,424
Financial Assets	10	162,989	0	162,991	4
Intangible Assets	11	24,338	24,029	23,268	22,959
TOTAL NON-CURRENT ASSETS		1,130,011	986,422	1,128,943	985,356
TOTAL ASSETS		1,765,267	1,994,470	1,709,818	1,728,186
CURRENT LIABILITIES					
Trade and Other Payables	12	529,361	406,952	531,614	416,771
Short Term Provisions	14	0	0	0	0
Short Term Borrowings	13	165,954	144,352	165,954	144,352
TOTAL CURRENT LIABILITIES		695,315	551,304	697,568	561,123
NON-CURRENT LIABILITIES					
Long-Term Borrowings	13	627,002	741,606	627,002	741,606
Non-Current Provisions	14	61,020	52,393	61,020	33,818
TOTAL NON-CURRENT LIABILITIES		688,022	793,999	688,022	775,424
TOTAL LIABILITIES		1,383,337	1,345,303	1,385,590	1,336,547
NET ASSETS (LIABILITIES)		381,930	649,167	324,228	391,639
EQUITY					
Reserves		169,021	169,021	169,021	169,021
Retained Profits (Losses)		212,909	480,146	155,207	222,618
TOTAL EQUITY		381,930	649,167	324,228	391,639

The accompanying notes form part of these financial statements

PLANET ARK ENVIRONMENTAL FOUNDATION
AND CONTROLLED ENTITIES
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(A Company without Share Capital and Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2010

Parent Entity

Movements in carrying amounts	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2008	23,381	200,212	223,593
Profit attributable to the entity	199,237	0	199,237
Revaluation increment	0	(31,191)	(31,191)
Balance at 30 June 2009	222,618	169,021	391,639
Profit attributable to the entity	(67,411)	0	0
Revaluation increment/(decrement)	0	0	0
Balance at 30 June 2010	155,207	169,021	324,228

Economic Entity

Movements in carrying amounts	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2008	661,181	200,212	861,393
Profit attributable to the entity	(181,035)	0	(181,035)
Revaluation increment	0	(31,191)	(31,191)
Balance at 30 June 2009	480,146	169,021	649,167
Profit attributable to the entity	(267,237)	0	(267,237)
Revaluation increment/(decrement)	0	0	0
Balance at 30 June 2010	212,909	169,021	381,930

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

PLANET ARK ENVIRONMENTAL FOUNDATION
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STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30TH JUNE 2010

	Note	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Cash Flow from Operating Activities					
Receipts from customers		2,623,389	3,833,738	2,512,318	1,473,642
Payments to suppliers and employees		(2,413,310)	(4,146,599)	(2,203,165)	(2,011,619)
Payroll Tax Refund		0	30,267	0	17,197
Interest received		8,001	14,264	2,060	2,998
Income Tax Paid		0	(172,108)	0	0
Interest paid		(71,718)	(75,499)	(71,718)	(72,951)
Net cash generated from (used by) operating activities	21	146,362	(515,937)	239,495	(590,733)
Cashflow from investing activities					
Purchase of Freehold Property & Improvements		0	(2,263)	0	(2,263)
Purchase of Property Plant & Equipment		(15,111)	(9,135)	(15,111)	(9,135)
Proceeds (Loss) on sale of Property Plant & Equipment		3,630	0	3,630	0
Loans to Related Parties – payments (made)/received		0	0	(108,029)	73,335
Proceeds from (Payment for) sale of intangible assets		(101,168)	523,893	(184,822)	(3,246)
Dividend Receipts		2,114	0	209,427	435,000
Net Cash generated by (used in) investing activities		(110,535)	512,495	(94,905)	493,691
Cash flow from financing activities					
Increase/(Decrease) in Credit Card Liabilities		9,392	(17,272)	9,392	(17,272)
Increase/(Decrease) in Hire Purchase Agreement Liability		(65,173)	(63,311)	(65,173)	(63,311)
Increase/(Repayment) of Bank Loan		(27,829)	(3,889)	(27,829)	(3,889)
Increase/(Decrease) of other liabilities		0	0	0	0
Increase/(Decrease) in GST Liability		(11,978)	5,475	(9,730)	35,138
Net cash generated from (used in) financing activities		(95,588)	(78,997)	(93,340)	(49,334)
Net increase (decrease) in cash held		(59,761)	(82,439)	51,250	(146,376)
Cash at beginning of year		183,988	266,427	23,712	170,088
Cash at end of year	6	124,227	183,988	74,962	23,712

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.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have 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 financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Going Concern

The Foundation incurred losses in each of the years ended 30 June 2009 and 30 June 2010. In the period immediately following the Global Economic Downturn, retention of corporate sponsorships has been difficult. Following the result of the Australian Federal Election there has been greater media attention in relation to environmental issues and Directors are confident that additional revenue streams will arise in the near future. A number of potential revenue sources have been identified, including new licensing and endorsement opportunities. Directors believe these opportunities will materialise in the near future. Directors will carefully monitor cash flows and put in place operating structures consistent with available cash.

Accounting Policies

(a) Revenue

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

Revenue from sponsorships is recognised pursuant to contractual obligations.

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).

(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

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

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.

In periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated the depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the 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.

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) 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 on a straight-line basis over the lease term.

(d) 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.

Amortised cost is calculated as;

I. the amount for which the financial asset is measured at initial recognition;
II. less principle repayments;
III. plus or minus the cumulative amortisation of the difference, if any between the amount initially recognised and the maturity amount calculated using the effective interest method; and
IV. less any reduction for impairment.

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

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

I. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Suck assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

II. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

III. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturity and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

IV. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

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

V. Financial liabilities

Non-derivative financial liabilities (except government guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices 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 the end of each reporting period, 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.

(e) Impairment of Assets

At the end of each reporting period date, the entity 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 statement of comprehensive income.

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 assets 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.

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

(f) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year together have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yield on national government bonds with maturity terms to match the expected timing of cashflows.

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.

(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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows 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.

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

(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 the end of the reporting period.

(l) Comparative Figures

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

(m) Trade and Other Payables

Trade and other payable represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements 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.

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 2010 is an amount receivable by a subsidiary from Merino Pty Ltd for product endorsement amounting to $987.50. Merino was placed in Voluntary Administration in December 2007 and an impairment provision of $987.50 has been made at 30th June 2010. Similarly the debt owing to the parent entity by Jack Green (International) Pty Ltd of $12,500 has been impaired to nil. Jack Green was placed in Administration on 18th December 2009.

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

(o) 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.

(p) 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.

(q) Adoption of New and Revised Accounting Standards

During the current year the entity adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact of the adoption of these standards and interpretations has had on the financial statements of Planet Ark Environmental Foundation and its subsidiaries.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the entity's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

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

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The entity's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(r) New Accounting Standards for Application in Future Periods.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future periods. The entity has decided against early adoption of these standards. A discussion of those future requirements and their impact on the entity follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1,3,5,7,101,102,108,112,118,121,127,128,131,136,139,1023 & 1038 and Interpretations 10 & 12] (applicable to annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The entity has not yet determined any potential impact on the financial statements.

  The changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value.
  - simplifying the requirements for embedded derivatives
  - removing the tainting rules with held-to-maturity assets
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
  - allowing an irrevocable election on initial recognition to present gains and losses on investments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the asset
  - requiring financial assets to be reclassified where there is a change in an entity's business name as they are initially classified based on (a) the objectives of the entity's business model for managing the financial assets and (b) the characteristics of the contractual cash flows

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

- AASB 124: Related Party disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the entity.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101,117,136 & 139] (applicable for annual reporting periods from 1 July 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvement project. No changes are expected to materially affect the entity.

- AASB 2009-8: Amendments to Australian Accounting Standards - Group Cash-settled Share Based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence these two Interpretations are superseded by the amendments. These amendments are not expected to impact the entity.

- AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing contracts from reassessing the classification of those contracts in accordance with Interpretation 4when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the entity.

- AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the entity.

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

- AASB 2009 -12: Amendments to Australian Accounting Standards [AASB's 5, 8 ,108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations including amendments to reflect changes made to the text of IFRS's by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosure. The amendments are not expected to impact the entity.

- AASB 2009 - 13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the entity.

- AASB 2009 – 14: Amendments to Australian Interpretation - Payments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions to a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the entity.

Note 2: Revenue

	Economic Entity		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Revenue from Corporate and Other Sponsorships				
Corporate sponsorships	1,208,306	1,091,079	1,208,306	1,091,079
Government sponsorships	80,000	0	80,000	0
	1,288,306	1,091,079	1,288,306	1,091,079
Revenue from sales and licensing				
Sale of laundry products	0	1,752,078	0	0
Other sales	5,055	4,896	0	0
Consulting Income	0	0	0	0
Royalty and licensing income	628,803	484,597	625,110	441,478
	633,858	2,241,571	625,110	441,478
Other Revenue				
Sundry Income	107,455	1,093	107,455	1,093
Dividend Income	2,114	0	209,428	435,000
Refund of Payroll Tax	0	30,267	0	17,197
Refund of Imputation Credits	88,040	186,429	88,040	186,429
Donations	189,733	16,954	189,733	116,954
Management Fees	0	0	0	79,554
Profit on Sale of Asset	87,284	236,218	3,630	0
Interest Received	8,002	14,313	2,060	3,047
Total Other Income	482,628	485,274	600,346	839,274
Total Revenue and Other Income	2,404,792	3,817,924	2,513,762	2,371,831

Note 3: Profit for the Year

	Economic Entity		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
(a) Expenses				
Depreciation of property plant & equipment	45,857	51,291	45,857	51,291
Amortisation of intangibles	3,888	3,356	3,888	3,586
Impairment of listed shares	17,636	0	17,636	0
Interest paid to other persons	71,718	76,637	71,718	73,697
Bad debts provision	17,465	0	12,500	0
Provision for staff entitlements	108,410	102,547	97,899	88,635
Loss on disposal of fixed assets	0	0	0	0
Remuneration of auditor				
- Audit or review	8,840	11,600	8,840	10,250
- Taxation and other services	4,250	5,750	4,250	4,300
(b) Significant revenue and expenses				
Dividend income	(2,114)	0	(209,428)	(435,000)
Refund of Imputation Credits	(88,040)	(186,429)	(88,040)	(186,429)
Profit on sale of Aware trademark	(83,654)	(236,218)	0	0
Insurance	47,806	51,182	47,806	51,182
Legal expenses	21,594	32,390	21,594	32,390
Computer leasing costs	37,483	59,848	37,483	59,848
Consulting fees	214,272	275,877	214,272	271,857

Note 4: Income Tax Expense

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Prima Facie Income Tax payable attributable to operating profit before tax	(80,171)	(54,311)	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	150,357	115,327	0	0
Tax effect of small business concession	(12,548)	(35,433)	0	0
Add:				
Tax effect of timing differences				
- Provision for staff entitlements	(7,381)	(1,854)	0	0
- Other	720	120	0	0
- Provision for doubtful debts	(5,329)	(2,100)	0	0
Tax effect of non-deductible expenses	0	32	0	0
Tax losses carried forward	(45,648)	(21,781)	0	0
Income Tax Expense	0	0	0	0

	Note	Economic Entity		Parent Entity	
		2010	2009	2010	2009
Note 5: Dividends		$	$	$	$
a. Distributions paid		0	0	0	0
b. Balance of franking account at year end adjusted for income tax paid or provided for		47,789	187,896	0	0

Note 6: Cash and Cash Equivalents

	Note	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
CURRENT					
Cash at bank		123,377	183,138	74,112	22,862
Cash on hand		850	850	850	850
		124,227	183,988	74,962	23,712

Note 7: Trade and Other Receivables

	Note	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
CURRENT					
Trade debtors		198,225	438,493	194,373	397,243
Provision for impairment	7 (i)	(13,488)	(18,750)	(12,500)	0
		184,737	419,743	181,873	397,243
Other Receivables		292,755	318,029	292,755	291,059
Total current trade and other receivables		477,492	737,772	474,628	688,302

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 2008		25,750	0
- Charge for year		(7,000)	0
- Written off	0	0	0
Provision for impairment as at 30 June 2009		18,750	0
- Charge for year		(5,262)	12,500
- Written off		0	0
Provision for impairment as at 30 June 2010		13,488	12,500

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. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Parent Entity

			Past due but not impaired				
2010	Gross amount	Past due and impaired	<30	31-60	61-90	>90	Within trade terms
	$	$	$	$	$	$	$
Trade and term receivables	181,874	12,500	0	0	0	0	181,874
Other receivables	292,754	0	0	0	0	0	292,754
Total	474,628	12,500	0	0	0	0	474,628
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

Economic Entity

			Past due but not impaired				
2010	Gross amount	Past due and impaired	<30	31-60	61-90	>90	Within trade terms
	$	$	$	$	$	$	$
Trade and term receivables	182,489	13,488	0	0	0	2,864	179,635
Other receivables	295,003	0	0	0	0	0	295,003
Total	477,492	13,488	0	0	0	2,864	474,638
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

The company does not hold any financial assets whose terms have been renegotiated, but which woiuld otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Note 8: Other Assets

	Economic Entity		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Security Deposits	11,348	12,092	11,348	8,870
Prepaid Expenses	19,937	21,946	19,937	21,946
Income Tax refund due	0	52,250	0	0
GST refund due	2,252	0	0	0
Total Other Assets – Current	33,537	86,288	31,285	30,816
Non-Current				
Prepaid Expenses	1,246	18,969	1,246	18,969

Note 9: Property, Plant and Equipment

	Economic Entity		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Land and Buildings				
Freehold land and buildings				
At fair cost	680,123	680,123	680,123	680,123
Freehold Improvements	221,432	221,432	221,432	221,432
Less Accumulated Depreciation	(54,791)	(51,555)	(54,791)	(51,555)
Total Land and Buildings	846,764	850,000	846,764	850,000
Plant and Equipment				
At Cost	141,428	126,317	141,428	126,317
Less Accumulated Depreciation	(91,888)	(103,889)	(91,888)	(103,889)
Total Plant and Equipment	49,540	22,428	49,540	22,428
Financed Motor Vehicles				
At cost	120,179	120,179	120,179	120,179
Less Accumulated Depreciation	(75,045)	(49,183)	(75,045)	(49,183)
Total Financed Motor Vehicles	45,134	70,996	45,134	70,996
Total Property Plant & Equipment	941,438	943,424	941,438	943,424

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 2010

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
	$	$	$	$
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

	Land and Buildings	Financed Motor Vehicles	Furniture and Equipment	Total
	$	$	$	$
2010				
Balance at the beginning of the year	850,000	70,996	22,428	943,424
Additions at cost	0	0	43,871	43,871
Additions at fair value	0	0	0	0
Disposals	0	0	0	0
Revaluation Increment	0	0	0	(0)
Depreciation expense	(3,236)	(25,862)	(16,759)	(45,857)
Carrying amount at end of year	846,764	45,134	49,540	941,438

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

Economic Entity

	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

	Land and Buildings	Financed Motor Vehicles	Furniture and Equipment	Total
	$	$	$	$
2010				
Balance at the beginning of the year	850,000	70,996	22,428	943,424
Additions at cost	0	0	43,871	43,871
Additions at fair value	0	0	0	0
Disposals	0	0	0	0
Revaluation Increment	0	0	0	0
Depreciation expense	(3,236)	(25,862)	(16,759)	(45,857)
Carrying amount at end of year	846,764	45,134	49,540	941,438

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	
	2010	2009	2010	2009
	$	$	$	$
Shares in Controlled Companies – at cost	0	0	2	4
Shares in listed companies	180,625	0	180,625	0
Less: Impairment loss	(17,636)	0	(17,636)	0
	162,989	0	162,991	4

Note 11: Intangible Assets

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Formation expenses - at cost	720	1,440	0	0
Less write off	0	(720)	0	0
Patent expenses – at cost	350	350	0	0
Trademarks - at cost	44,184	39,987	44,184	39,987
Accumulated amortisation	(20,916)	(17,028)	(20,916)	(17,028)
Accumulated impairment	0	0	0	0
Net Carrying value	24,338	24,029	23,268	22,959

Parent Entity

Movements in carrying amounts	Formation Expenses	Patent Expenses	Trademark
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
	0	0	22,959
2010			
Balance at beginning of year	0	0	22,959
Additions	0	0	4,197
Disposals	0	0	0
Amortisation charge	0	0	(3,888)
Impairment losses	0	0	0
	0	0	23,268

Economic Entity

Movements in carrying amounts	Formation Expenses	Patent Expenses	Trademark
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
	720	350	22,959
2010			
Balance at beginning of year	720	350	22,959
Additions	0	0	4,197
Disposals	0	0	0
Amortisation charge	0	0	(3,888)
Impairment losses	0	0	0
	720	350	23,268

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Note 12: Trade and Other Payables

	Note	Economic Entity		Parent Entity	
		2010 $	2009 $	2010 $	2009 $
CURRENT					
GST Payable		17,119	29,460	17,119	26,848
Trade Payables		194,616	226,973	196,689	248,193
Accrued Expenses		244,001	90,658	244,001	87,899
Employee Entitlements		73,625	59,861	73,625	53,831
	12a	529,361	406,952	531,614	416,771
NON CURRENT					
Trade Payables		0	0	0	0
		00	0	0	0

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

	Note	Economic Entity		Parent Entity	
		2010 $	2009 $	2010 $	2009 $
Trade and other payables					
- Total current		529,361	406,952	531,614	416,771
- Total non-current		0	0	0	0
		529,361	406,952	531,614	416,771
Less annual leave entitlements		(73,625)	(59,861)	(73,625)	(53,831)
	22	455,736	347,091	457,989	362,940

Note 13: Borrowings

	Note	Economic Entity		Parent Entity	
		2010 $	2009 $	2010 $	2009 $
CURRENT					
Bank Loan (secured over freehold at Wentworth Falls)		79,188	79,188	79,188	79,188
Hire Purchase Liability	22	86,766	65,164	86,766	65,164
		165,954	144,352	165,954	144,352
NON CURRENT					
Bank Loan (secured over freehold at Wentworth Falls)		549,480	577,309	549,480	577,309
Hire purchase liability	22	77,522	164,297	77,522	164,297
		627,002	741,606	627,002	741,606
		792,956	885,958	792,956	885,958

Note 14: Provisions

	Parent Entity		
	Income tax	Long-term employee benefits	Total
	$	$	$
Opening balance as at 1 July 2009	0	33,818	33,818
Additional provisions raised during year	0	37,101	37,101
Amounts used	0	(9,899)	(9,899)
Balance at 30 June 2010	0	61,020	61,020

	Economic Entity		
	Income tax	Long-term employee benefits	Total
	$	$	$
Opening balance as at 1 July 2009	0	52,393	52,393
Additional provisions raised during year	0	18,526	18,526
Amounts used	0	(9,899)	(9,899)
Balance at 30 June 2010	0	61,020	61,020

	Economic Entity		Parent Entity	
Analysis of Total Provisions	2010	2009	2010	2009
	$	$	$	$
Current	0	0	0	0
Non-current	61,020	52,393	61,020	33,818
	61,020	52,393	61,020	33,818

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.

Note 15: Capital and Other Commitments

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Property Mortgage				
Payable – minimum payments				
- within 12 months	79,188	79,188	79,188	79,188
- Later than 12 months but not later than 5 years	316,752	316,752	316,752	316,752
- Greater than 5 years	547,717	626,905	547,717	626,905
	943,657	1,022,845	943,657	1,022,845

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

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Issues Communications				
Payable – minimum payments				
- within 12 months	0	55,000	0	55,000
- Later than 12 months but not later than 5 years	0	0	0	0
- Greater than 5 years	0	0	0	0
	0	55,000	0	55,000

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.

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Operating Leases				
Payable – minimum payments				
- within 12 months	86,766	65,528	86,766	65,528
- Later than 12 months but not later than 5 years	77,521	200,717	77,521	200,717
	164,287	266,245	164,287	266,245

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.

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Office Rental Commitments				
Payable – minimum payments				
- within 12 months	64,214	29,676	64,214	23,070
- Later than 12 months but not later than 5 years	107,796	0	107,796	0
- Greater than 5 years	0	0	0	0
	172,010	29,676	172,010	23,070

Property rental agreements exist for office space occupied at 15-17 Young St Sydney. These leases expire in December 2012.

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Computer Leases				
Payable – minimum payments				
- within 12 months	36,147	24,038	36,147	24,038
- Later than 12 months but not later than 5 years	65,760	2,611	65,760	2,611
- Greater than 5 years	0	0	0	0
	101,907	26,649	101,907	26,649

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 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 2010 which would materially affect the results of the Company as reported in the financial statements.

Note 20: Key Management Personnel Compensation

	Parent Entity			
	Short-Term Benefits $	Post-Employment Benefits $	Other Long-term Benefits $	Total $
2010				
Total Compensation	568,347	0	0	568,347
2009				
Total Compensation	451,381	0	0	451,382

	Economic Entity			
	Short-Term Benefits $	Post-Employment Benefits $	Other Long-term Benefits $	Total $
2010				
Total Compensation	649,064	0	0	649,064
2009				
Total Compensation	565,063	0	0	565,063

Note 21: Cash Flow Information

a. Reconciliation of Cash

	Note	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Cash at bank		123,377	183,138	74,112	22,862
Cash at hand		850	850	850	850
	6	124,227	183,988	74,962	23,712

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

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Profit/(loss) after income tax	(249,601)	(181,035)	(49,775)	199,237
Non cash flows				
Amortisation	3,888	3,586	3,888	3,586
Depreciation	45,857	52,011	45,857	51,291
Provision for staff entitlements	108,410	100,315	97,899	88,635
Provision for income tax (reduction)	0	(83,858)	0	0
Provision for doubtful debts (reduction)	17,465	(7,500)	12,500	0
Non-operating income included in operating profit				
Dividend Income	(2,114)	0	(209,427)	(435,000)
Profit on sale of Aware trademark	(83,654)	(236,218)	0	0
Changes in assets and liabilities				
Decrease/(Increase) in receivables	309,913	115,045	213,674	(442,993)
Increase/(Decrease) in payables	(4,644)	(287,295)	124,037	(73,409)
Increase/(Decrease) in provisions and prepayments	(17,253)	8,082	(17,253)	14,259
Increase/(Decrease) in employment and other taxes	18,095	930	18,095	3,661
Cash Flows from Operations	146,362	(515,937)	239,495	(590,733)

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	
		2010	2009	2010	2009
		$	$	$	$
Financial Assets					
Cash and cash equivalents	6	124,227	183,988	74,963	23,712
Loans and receivables	7	479,741	737,772	474,628	688,302
Shares in Listed Companies		162,989	0	162,989	0
		766,957	921,760	712,580	712,014
Financial Liabilities					
Financial liabilities at amortised cost					
Trade and other payables	12	529,391	406,952	531,614	416,771
Borrowings	13	792,956	885,958	792,956	885,958
		1,323,347	1,292,910	1,324,570	1,302,729

Financial Risk Management Policies

The Board's overall risk management oversight is directed toward the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are considered by the Board on a regular basis. These consideration 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 credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

a. Credit risk

Exposure to credit rate risk on financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

Credit Risk Exposures

The maximum exposure to credit risk by class of financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

Note 22: Financial Risk Management (cont'd)

The entity has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7.

Credit risk associated with banks and other financial institutions is overseen by the Board. Surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.
Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price of securities held.

		Economic Entity		**Parent Entity**	
		2010	2009	2010	2009
		$	$	$	$
Cash and cash equivalents					
- AA rated		124,227	183,988	74,963	23,712
	6	124,227	183,988	74,963	23,712

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;
- only investing 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.

The entity's policy is to ensure no more than 30% of borrowings mature in any 12 month period.

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.

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Note 22: Financial Risk Management (cont'd)

Financial liability and financial asset maturity analysis – Parent Entity

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009	2010	2009
Financial liabilities due for payment								
Lease liabilities	187,127	177,822	251,077	203,328	0	0	438,204	381,150
Mortgage liabilities	79,188	79,188	316,752	316,752	547,717	626,905	943,657	1,022,845
Trade and other payables (excluding annual leave)	457,289	346,731	0	0	0	0	457,289	346,731
Total expected outflows	723,604	603,741	567,829	520,080	547,717	626,905	1,839,150	1,750,726
Financial assets – cashflows realisable								
Cash and cash equivalents	74,962	23,712	0	0	0	0	74,962	23,712
Trade and other receivables	474,628	688,302	0	0	0	0	474,628	688,302
Total anticipated inflows	549,590	712,014	0	0	0	0	549,590	712,014
Net (outflow)/inflow on financial instruments	(174,014)	108,273	(567,829)	(520,080)	(547,717)	(626,095)	(1,289,560)	(1,038,712)

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	
	2010	2009	2010	2009	2010	2009	2010	2009
Financial liabilities due for payment								
Lease liabilities	187,127	177,821	251,077	203,328	0	0	438,204	381,149
Mortgage liabilities	79,188	79,188	316,752	316,752	547,717	626,905	943,657	1,022,845
Trade and other payables (excluding annual leave)	455,906	347,091	0	0	0	0	455,906	347,091
Total expected outflows	722,221	604,100	567,829	520,080	547,717	626,095	1,837,767	1,751,085
Financial assets – cashflows realisable								
Cash and cash equivalents	124,227	183,988	0	0	0	0	127,227	183,988
Trade and other receivables	477,492	737,772	0	0	0	0	477,492	737,772
Total anticipated inflows	601,719	921,760	0	0	0	0	604,719	921,760
Net (outflow)/inflow on financial instruments	120,332	317,660	(567,829)	(520,080)	(547,717)	(626,095)	(1,232,878)	(829,325)

c. Market risk

I. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity is also exposed to earnings volatility on floating rate instruments.

At 30 June 2010 approximately 20% of the entity's debt is fixed rate.

Note 22: Financial Risk Management (cont'd)

II. Price risk

The company received a bequest with a market value of $180,625 at the time. The value of these shares at 30 June 2010 was $162,989.

The entity is exposed to securities risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographic locations.

The company's investments are held in the following sectors at reporting date.

	Economic Entity		**Parent Entity**	
	2010	2009	2010	2009
Financial Assets				
Banking and Finance	32%	0	32%	0
Retailing	14%	0	14%	0
Insurance	11%	0	11%	0
Other	43%	0	43%	0
	100%	0	100%	0

Sensitivity analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period 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 2009				
+/- 2% in interest rates	+/- 13,208	+/- 13,208	+/- 13,208	+/- 13,208
Year ended June 30 2010				
+/- 2% in interest rates	+/- 12,106	+/- 12,106	+/- 13,235	+/- 13,235

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.

Note 22: Financial Risk Management (cont'd)

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 statement of financial position. 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.

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

		2010		2009	
	Footnote	Net carrying value $	Net fair value $	Net carrying value $	Net fair value $
Financial Assets					
Cash and Cash equivalents	i	74,962	74,962	23,712	23,712
Trade and other receivables		474,628	474,628	688,302	688,302
Available - for- sale financial assets					
- At fair value					
- Listed investments	ii	162,989	162,989	0	0
Total financial assets		712,579	712,579	712,014	712,014
Financial liabilities					
Trade and other payables	i	455,736	455,736	362,940	362,940
Lease liability		164,288	164,288	229,461	229,461
Mortgage liability		628,668	628,668	656,597	656,597
Total financial liabilities		1,248,692	1,248,692	1,248,998	1,248,998

Note 22: Financial Risk Management (cont'd)

Economic Entity

	Footnote	2010 Net carrying value $	2010 Net fair value $	2009 Net carrying value $	2009 Net fair value $
Financial Assets					
Cash and Cash equivalents	i	127,227	124,227	183,988	183,988
Trade and other receivables	i	477,492	447,492	737,772	737,772
Available - for- sale financial assets					
- At fair value					
- Listed investments	ii	162,989	162,989	0	0
Total financial assets		767,708	767,708	921,760	921,760
Financial liabilities					
Trade and other payables	i	455,736	455,736	347,091	347,091
Lease liability		164,288	164,288	229,461	229,461
Mortgage liability		628,668	628,668	656,497	656,497
Total financial liabilities		1,248,869	1,248,869	1,233,049	1,233,049

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.
(ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used.

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 Board oversees the overall risk management strategy.

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 2010 and 30 June 2009 are as follows:

	Note	Economic Entity		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Total borrowings	13	792,956	885,958	792,956	885,958
Less cash and cash equivalents	6	(124,227)	(183,988)	(74,962)	(23,712)
Net debt		668,729	701,970	717,994	862,246
Total equity (reserves + retained earnings)		381,930	649,167	324,228	391,639
Total capital		1,050,659	1,351,137	1,042,222	1,253,885
Gearing ratio		63%	52%	68%	69%

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 2010, the number of members was 61.