PLANET ARK ENVIRONMENTAL FOUNDATION

A.B.N. 26 057 221 959

FINANCIAL REPORT

For the year ended 30th June 2011

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

DIRECTORS REPORT

Your Directors present their report, together with the financial statements of the Group, comprising the consolidated accounts of Planet Ark Environmental Foundation (“the Company") and the Group’s interest in its controlled entities, for the year ended 30th June 2011.

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	
Paul Klymenko	Appointed 31 August 2010
Gillian Turner	
Philip Vernon	

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 nine years. Mr Foster was appointed Company Secretary on 7th September 2005.

PRINCIPAL ACTIVITY
The principal activity of the Group during the period was Environmental Campaigning.

Planet Ark’s short and long term objectives are to meet the objects of our constitution which are:

(a) to protect and enhance the natural environment,
(b) to motivate and assist individuals and businesses to make simple and positive changes to their attitudes and actions in ways which will contribute to protecting and enhancing the natural environment,
(c) to educate individuals and businesses to be aware of their impact on the natural world,
(d) to protect the planet's ability to sustain life,
(e) to work alongside and with businesses in order to bring about positive environmental change.

To improve its ability to support these objectives, Planet Ark is in the process of an independently conducted strategic review. In the short term, Planet Ark intends to maintain the environmental leadership and profile of Planet Ark and develop new programs with high environmental outcomes while consolidating its revenue generation activities.

OPERATING RESULTS
The consolidated net loss of the Group for the financial year after providing for income tax amounted to $63,605 (2010 $267,237).

A review of the operations of the Group 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. The loss is a significant improvement on losses incurred in the previous two years.

The parent entity received dividends amounting to $130,000 from its subsidiaries.

DIRECTORS REPORT

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 Group, the results of those operations, or the state of affairs of the Group 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 Group's operations are not regulated by any significant environmental regulation, under a law of the Commonwealth or of a state or territory.

GOING CONCERN

Going Concern

The Foundation incurred a modest loss in the year ended 30 June 2011, following losses in each of the years ended 30 June 2009 and 30 June 2010. Immediately following the Global Economic Downturn, retention of corporate sponsorships proved difficult, but revenues have improved significantly in the year ended 30 June 2011. Directors are confident that additional revenue streams will continue to arise in the near future, including new licensing and endorsement opportunities. 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 a consultant and Company Director. He is Chairman of ING Management Limited, Deputy Chairman of the Federal Government's Financial Reporting Council (FRC) and a member of the Not-for-Profit Reform Council. Michael is 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, a Director/Treasurer of Osteoporosis Australia and a Director/Treasurer of Company B Belvoir Street Theatre.

Michael retired as a partner of KPMG in July 2011 after a forty three year career that included major executive and client management roles. Michael holds Bachelor and Master's 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.

Lyndell 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 Economics (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 a Non Executive Director of Reef and Rainforest Research Centre Ltd. He was also a member of the Australian Government's Northern Australia Land and Water Taskforce.

Andrew's 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.

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.

DIRECTORS REPORT

Paul Klymenko – Chief Executive Officer

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

Paul was appointed CEO in June 2010. He has worked in the environmental field for the past 20 years as an environmental researcher, retailer, writer and ethical investment fund manager. Apart from a period of five months from March to August 2010, Paul has been a Director of Planet Ark since its inception in 1992. 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.

Gillian Turner
Non-Executive Director

Gillian Turner is an accomplished business leader, executive coach & mentor, and writer. She holds law degrees from Sydney and Harvard Universities, is a qualified psychotherapist, and a Fellow of the Australian Institute of Company Directors.

An experienced chief executive, company director and chairman, Gillian draws on an international career in finance & professional services, science & technology, consumer products, public health, education and overseas aid. Her focus is on strategy and investment, capacity building, new business launch, organisational restructure and change management. She has worked in multi-nationals and SMEs, in the private, publicly listed, and not-for-profit sectors, and is skilled at bridging different cultures – national, corporate and professional.

DIRECTORS REPORT

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

Director	Meetings eligible to attend	Meetings attended	
Michael Coleman	6	6	
Lyndell Fraser	6	6	
Andrew Johnson	6	5	
Paul Klymenko	6	5	
Gillian Turner	5	4	leave of absence granted
Phillip Vernon	6	5	

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 Group 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 Group was $1,577.

AUDITOR'S INDEPENDENCE DECLARATION:

The lead auditor's independence declaration for the year ended 30th June 2011 has been received and can be found on page 41 of the Financial Report.

Signed in accordance with a resolution of the Directors:

Chairman
Michael Coleman

CEO
Paul Klymenko

Date 31/10/2011

31/10/2011

PLANET ARK ENVIRONMENTAL FOUNDATION
A.B.N. 26 057 221 959
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DIRECTORS DECLARATION

The Directors of Planet Ark Environmental Foundation declare that: -

1. The consolidated financial statements and notes as set out on pages 7 to 40, are in accordance with the Corporations Act 2001:

   (a) Comply with Australian Accounting Standards: and

   (b) give a true and fair view of the financial position as at 30 June 2011 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 31st day of October 2011.

PLANET ARK ENVIRONMENTAL FOUNDATION

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2011

	Note	2011 $	2010 $
Sponsorships	3	1,618,576	1,288,306
Sales and Licensing Income	3	604,486	633,858
Sundry Income		29,279	107,455
Donations		17,766	189,733
Direct Cost of Sales		0	(864)
Gross Profit		2,270,107	2,218,488
Dividend Income		3,986	2,114
Refund of Imputation Credits		49,564	88,040
Profit on Sale of Assets		81,722	87,284
Interest and Other Income		4,863	8,002
Computer & IT Expenses		(113,526)	(133,202)
Administration Expenses		(182,597)	(205,012)
Depreciation & Amortisation		(59,428)	(49,745)
Rent and Occupancy		(81,364)	(90,434)
Accounting, Audit, Legal & Consulting		(102,175)	(248,956)
Advertising & Promotional Expenses		(194,062)	(222,983)
Employment Expenses		(1,503,983)	(1,410,156)
Other Operational Expenses		(158,542)	(221,323)
Interest & Borrowing Expenses		(78,170)	(71,718)
Profit from Ordinary Activities before Income tax Expense	4	(63,605)	(249,601)
Income Tax Expense relating to Ordinary Activities	5	0	0
Net (loss) from Ordinary Activities After Income tax		(63,605)	(249,601)
Other Comprehensive Income			
Net loss on revaluation of listed shares	10	(0)	(17,636)
Total Comprehensive Income (Loss)		(63,605)	(267,237)
(Loss) Attributable to Members of the Entity		(63,605)	(249,601)
Total Comprehensive (Loss) attributable to Members of the Entity		(63,605)	(267,237)

The accompanying notes form part of these financial statements

PLANET ARK ENVIRONMENTAL FOUNDATION

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2011

	Note	2011 $	2010 $
CURRENT ASSETS			
Cash and Cash Equivalents	7	84,244	124,227
Trade and Other Receivables	8	596,623	477,492
Other Current Assets	9	17,790	33,537
TOTAL CURRENT ASSETS		698,657	635,256
NON-CURRENT ASSETS			
Other	9	0	1,246
Property, Plant and Equipment	11	891,203	941,438
Financial Assets	10	0	162,989
Intangible Assets	12	22,763	24,338
TOTAL NON-CURRENT ASSETS		913,966	1,130,011
TOTAL ASSETS		1,612,623	1,765,267
CURRENT LIABILITIES			
Trade and Other Payables	13	516,161	529,361
Short Term Provisions	15	35,616	41,117
Short Term Borrowings	14	174,541	165,954
TOTAL CURRENT LIABILITIES		726,318	736,432
NON-CURRENT LIABILITIES			
Long-Term Borrowings	14	525,762	627,002
Non-Current Provisions	15	42,219	19,903
TOTAL NON-CURRENT LIABILITIES		567,981	646,905
TOTAL LIABILITIES		1,294,299	1,383,337
NET ASSETS		318,324	381,930
EQUITY			
Reserves		169,021	169,021
Retained Profits		149,303	212,909
TOTAL EQUITY		318,324	381,930

The accompanying notes form part of these financial statements

PLANET ARK ENVIRONMENTAL FOUNDATION

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(A Company without Share Capital and Limited by Guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2011

Movements in carrying amounts	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2009	480,145	169,021	649,166
Profit attributable to the Group	(267,237)	0	(267,237)
Revaluation increment	0	0	0
Balance at 30 June 2010	212,908	169,021	381,929
Profit attributable to the Group	(63,605)	0	(63,605)
Revaluation increment/(decrement)	0	0	0
Balance at 30 June 2011	149,303	169,021	318,324

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

PLANET ARK ENVIRONMENTAL FOUNDATION

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30TH JUNE 2011

	Note	2011 $	2010 $
Cash Flow from Operating Activities			
Receipts from customers		2,200,240	2,623,389
Payments to suppliers and employees		(2,332,223)	(2,413,310)
Interest received		4,777	8,001
Income Tax Paid		0	0
Interest paid		(77,829)	(71,718)
Net cash generated from (used by) operating activities	24	(205,035)	146,362
Cashflow from investing activities			
Purchase of Freehold Property & Improvements		(9,204)	0
Purchase of Property Plant & Equipment		(6,256)	(15,111)
Proceeds (Loss) on sale of Property Plant & Equipment		21,356	3,630
Loans to Related Parties – payments (made)/received		0	0
Proceeds from (Payment for) sale of intangible assets		72,519	79,457
Proceeds from (Payment for) sale of financial assets		162,989	(180,625)
Dividend Receipts		3,986	2,114
Net Cash generated by (used in) investing activities		245,390	(110,535)
Cash flow from financing activities			
Increase/(Decrease) in Credit Card Liabilities		(8,398)	9,392
Increase/(Decrease) in Hire Purchase Agreement Liability		(68,935)	(65,173)
Increase/(Repayment) of Bank Loan		(23,718)	(27,829)
Increase/(Decrease) of other liabilities		0	0
Increase/(Decrease) in GST Liability		20,713	(11,978)
Net cash generated from (used in) financing activities		(80,338)	(95,588)
Net increase (decrease) in cash held		(39,983)	(59,761)
Cash at beginning of year		124,227	183,988
Cash at end of year	7	84,244	124,227

The consolidated financial statements and notes represent those of Planet Ark Environmental Foundation and its Controlled Entity.

The Separate financial statements of Planet Ark Environmental Foundation, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2010.

Note 1: Summary 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 (AASBs) adopted by the Australian Accounting Standards Board (AASB) 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the 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.

The Financial Statements were authorised for issue on 28th October 2011 by the Directors of the Company.

Going Concern

The Foundation incurred a modest loss in the year ended 30 June 2011, following losses in each of the years ended 30 June 2009 and 30 June 2010. Immediately following the Global Economic Downturn, retention of corporate sponsorships proved difficult, but revenues have improved significantly in the year ended 30 June 2011. Directors are confident that additional revenue streams will continue to arise in the near future, including new licensing and endorsement opportunities. 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.

Where revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the sponsor, this is considered a reciprocal transaction and the revenue is recognised in the statement of financial position as a liability until the service has been delivered to the sponsor, otherwise the sponsorship is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

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 any 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.

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 recognised in profit or loss.

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.

Freehold land and buildings 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.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment).

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 lease assets, but excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is available 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.

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

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 the end of each reporting period.

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

(c) Leases

Leases of property, plant and equipment, 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 Group 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 life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and Measurement.

Financial assets and financial liabilities are recognised when the Group 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 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.

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

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount using the effective interest method.

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. Such assets are subsequently measured at fair value with changes in fair value (i.e gains or losses) being recognised 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.

III. Held-to-maturity investments

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

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.

They are subsequently measured at fair value with changes in such fair value (i.e gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

V. Financial liabilities

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

Impairment

At the end of each reporting period, the Group 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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified in profit or loss.

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

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 Group 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, the Group 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 recognised in profit or loss.

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 Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Group 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 recognised against the revaluation surplus 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 Group'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 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 Group to an employee superannuation fund and are charged as expenses when incurred.

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

(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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position

(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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

No provision for income tax has been raised in the Company as the Group 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 Group 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.

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

(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 Group 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 judgements – Provision for impairment

Included in trade and other receivables for the economic Group at 30 June 2011 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 2011. Similarly the debt owing to the parent Group by Jack Green (International) Pty Ltd of $12,500 has been impaired to nil. Jack Green was placed in Administration on 18th December 2009.

(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 Group include the accounts of the company, being the chief Group, and its controlled entities.

Where an Group 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.

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

(q) New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

- AASB 9: Financial Instruments [2010] (applicable for reporting periods commencing on or after 1 January 2013)

The standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:
- simplifying the classification of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivative;
- removing the tainting rules associated 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 in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investments can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an Group's business model as they are initially classified based on: (a) the objective of the Group's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an Group that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the Group's own credit risk in the other comprehensive income, except where that would create an accounting mismatch, If such a mismatch would be created or enlarged, the Group is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

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

  The 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 Group.

  - AASB 1053: Application of Tiers of Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1. 2, 3, 5, 7, 8, 101, ,102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141,1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 10052] (applicable for annual reporting periods commencing on or after 1 July 2013).

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

- AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

    - Tier 1: Australian Accounting Standards ; and
    - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

    Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

    Since the Group is a not-for-profit sector Group, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Group will take advantage of Tier 2 reporting at a later date.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASB 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 to be a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

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

    The Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an Group prepays future contributions into a defined benefit pension plan.

    The Standard is not expected to impact the Group.

- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

    The standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an Group's first Australian-Accounting-Standards financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of quantitative disclosures to better enable users to evaluate an Group's exposure to risks arising from financial instruments;

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

- AASB 101 is amended to clarify that disaggregation of each component of equity arising from transactions recognised in other comprehensive income is required to be presents, but is permitted to be presented in the statement of changes in equity or in the notes;
- AASB 134 is amended by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- Sundry editorial statements to various Standards and Interpretations.

  This standard is not expected to impact the Group.

- AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023, & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

  This standard makes numerous 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. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010-6: Amendments to Australian Accounting Standards- Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

  This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First time Adoption of Australian Accounting Standards and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

  The Standard is not expected to impact the Group.

- AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

  The Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly these amendments will only apply when the Group adopts AASB 9.

  The Standard is not expected to impact the Group.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

  The Standard makes amendments to AASB 112: Income Taxes.

  The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

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

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an Group expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

- AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

  This Standard makes amendments to AASB 1: First-time Adopters of Australian Accounting Standards.

  The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

  Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standard financial statements or to present Australian-Accounting-Standard financial statements for the first time.

  The Standard is not expected to impact the Group.

- AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

  This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7; Amendments to Amendments to Australian Accounting Standards Arising from AASB 9 (December 2010).

  The amendments brought in by this Standard ultimately affect AASB 1: First-time Adopters of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

  [The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

  The Standard is not expected to impact the Group.

PLANET ARK ENVIRONMENTAL FOUNDATION

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Parent Information:

The following information has been extracted from the books of the parent and has been prepared in accordance with Accounting Standards.

	2011 $	2010 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
CURRENT ASSETS	693,653	580,875
TOTAL ASSETS	1,606,551	1,709,818
LIABILITIES		
CURRENT LIABILITIES	726,307	738,685
TOTAL LIABILITIES	1,294,288	1,385,590
EQUITY		
Reserves	169,021	169,021
Retained Profits (Losses)	143,242	155,207
TOTAL EQUITY	312,263	324,228
STATEMENT OF COMPREHENSIVE INCOME		
Total Loss	(11,966)	(49,775)
Total Comprehensive Loss	(11,966)	(67,411)

Guarantees

Planet Ark Environmental Foundation has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

Contingent Liabilities

There are no contingent liabilities.

Contractual commitments

There are no contractual commitments.

Note 3: Revenue and Other Income

	2011 $	2010 $
Revenue from Corporate and Other Sponsorships		
Corporate Sponsorships	1,448,576	1,208,306
Government Sponsorships	170,000	80,000
	1,618,576	1,288,306
Revenue from Sales and Licensing		
Other Sales	4,010	5,055
Consulting Income	0	0
Royalty and Licensing Income	600,476	628,803
	604,486	633,858
Other Revenue		
Sundry Income	29,279	107,455
Dividend Income	3,986	2,114
Refund of Imputation Credits	49,564	88,040
Donations	17,766	189,733
Profit on Sale of Asset	81,722	87,284
Interest Received	4,863	8,002
Total Other Income	187,180	482,628
Total Revenue and Other Income	2,410,242	2,404,792

PLANET ARK ENVIRONMENTAL FOUNDATION

ABN 26 057 221 959

(A Company without Share Capital and Limited by Guarantee)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 4: Profit for the Year

	2011 $	2010 $
(a) Expenses		
Depreciation of property plant & equipment	55,134	45,857
Amortisation of intangibles	4,294	3,888
Impairment of listed shares	0	17,636
Interest paid to other persons	78,170	71,718
Bad debts provision	0	17,465
Provision for staff entitlements	136,036	108,410
Loss on disposal of fixed assets	0	0
Remuneration of auditor		
- Audit or review	10,000	8,840
- Taxation and other services	4,000	4,250
(b) Significant revenue and expenses		
Dividend income	(3,986)	(2,114)
Refund of Imputation Credits	(49,564)	(88,040)
Profit on sale of Aware trademark	(81,722)	(83,654)
Insurance	49,115	47,806
Legal expenses	11,732	21,594
Computer leasing costs	29,964	37,483
Consulting fees	76,442	214,272

Note 5: Income Tax Expense

Prima Facie Income Tax payable attributable to operating profit before tax	(19,082)	(80,171)
Add/(deduct):		
Non-assessability of net charitable income and expenses	63,793	150,357
Tax effect of small business concession	(11,286)	(12,548)
Add:		
Tax effect of timing differences		
- Provision for staff entitlements	0	(7,381)
- Other	0	720
- Provision for doubtful debts	0	(5,329)
Tax effect of non-deductible expenses	0	0
Tax losses carried forward	(33,425)	(45,648)
Income Tax Expense	0	0

		2011	2010
Note 6: Dividends		$	$
a. Distributions paid		0	0
b. Balance of franking account at year end adjusted for income tax paid or provided for		0	47,789
Note 7: Cash and Cash Equivalents			
CURRENT			
Cash at bank		83,394	123,377
Cash on hand		850	850
		84,244	124,227
Note 8: Trade and Other Receivables			
CURRENT			
Trade debtors		412,535	198,225
Provision for impairment	8 (i)	(13,488)	(13,488)
		399,047	184,737
Other Receivables		197,576	292,755
Total current trade and other receivables		596,623	477,492

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:

Provision for Impairment as at 30 June 2009	18,750
- Charge for year	(5,262)
- Written off	0
Provision for impairment as at 30 June 2010	13,488
- Charge for year	0
- Written off	0
Provision for impairment as at 30 June 2011	13,488

Note 8: 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 ageing 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.

			Past due but not impaired				
2011	Gross amount	Past due and impaired	<30	31-60	61-90	>90	Within trade terms
	$	$	$	$	$	$	$
Trade and term receivables	412,535	13,488	0	0	0	0	399,047
Other receivables	197,576	0	0	0	0	0	197,576
Total	610,111	13,488	0	0	0	0	596,623
2010							
Trade and term receivables	182,489	13,488	0	0	0	2,864	166,137
Other receivables	295,003	0	0	0	0	0	295,003
Total	477,492	13,488	0	0	0	2,864	461,140

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

Note 9: Other Assets

	2011	2010
	$	$
Security Deposits	11,348	11,348
Prepaid Expenses	6,442	19,937
Income Tax refund due	0	0
GST refund due	0	2,252
Total Other Assets – Current	17,790	33,537
Non-Current		
Prepaid Expenses	0	1,246

Note 10: Financial Assets

Non Current

	2011 $	2010 $
Shares in Controlled Companies – at cost	0	0
Shares in listed companies	0	180,625
Less: Impairment loss	0	(17,636)
	0	162,989

Note 11: Property, Plant and Equipment

	2011 $	2010 $
Land and Buildings		
Freehold land and buildings		
At Fair Cost	680,123	680,123
Freehold Improvements	230,637	221,432
Less Accumulated Depreciation	(66,792)	(54,791)
Total Land and Buildings	843,968	846,764
Plant Furniture and Equipment		
At Cost	147,684	141,428
Less Accumulated Depreciation	(110,949)	(91,888)
Total Plant Furniture and Equipment	36,735	49,540
Financed Motor Vehicles		
At Cost	91,543	120,179
Less Accumulated Depreciation	(81,043)	(75,045)
Total Financed Motor Vehicles	10,500	45,134
Total Property Plant & Equipment	891,203	941,438

Note 11: 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.

	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

	Land and Buildings	Financed Motor Vehicles	Furniture and Equipment	Total
	$	$	$	$
2011				
Balance at the beginning of the year	846,764	45,134	49,540	941,438
Additions at Cost	9,205	0	6,256	15,461
Additions at Fair Value	0	0	0	0
Disposals	0	(15,213)	0	(15,213)
Revaluation Increment	0	0	0	0
Depreciation Expense	(12,001)	(19,421)	(19,061)	(50,483)
Carrying amount at end of year	843,968	10,500	36,735	891,203

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 at that time to an asset revaluation reserve in members equity.

Note 12: Intangible Assets

	2011 $	2010 $
Formation expenses - at cost	720	720
Less write off	0	0
Patent expenses – at cost	350	350
Trademarks - at cost	46,903	44,184
Accumulated amortisation	(25,210)	(20,916)
Accumulated impairment	0	0
Net Carrying value	22,763	24,338

Movements in carrying amounts	Formation Expenses	Patent Expenses	Trademark
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
2011			
Balance at beginning of year	720	350	23,268
Additions	0	0	2,719
Disposals	0	0	0
Amortisation charge	0	0	(4,294)
Impairment losses	0	0	0
	720	350	21,693

Note 13: Trade and Other Payables

	Note	2011 $	2010 $
CURRENT			
GST Payable		35,582	17,119
Trade Payables		152,725	194,616
Accrued Expenses		265,636	244,001
Employee Entitlements		62,218	73,625
	13a	516,161	529,361
NON CURRENT			
Trade Payables		0	0
		0	0

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

	Note	2011 $	2010 $
Trade and other payables			
- Total current		516,161	529,361
- Total non-current		0	0
		516,161	529,361
Less annual leave entitlements		(62,218)	(73,625)
		453,943	455,736

Note 14: Borrowings

	Note	2011 $	2010 $
CURRENT			
Bank Loan (secured over freehold at Wentworth Falls)		79,188	79,188
Hire Purchase Liability	20	95,353	86,766
		174,541	165,954
NON CURRENT			
Bank Loan (secured over freehold at Wentworth Falls)		525,762	549,480
Hire purchase liability	20	0	77,522
		525,762	627,002
		700,303	792,956

Note 15: Provisions

	Income tax $	Short-term employee benefits	Long-term employee benefits $	Total $
Opening balance as at 1 July 2010	0	41,117	19,903	61,020
Additional provisions raised during year	0	1,102	22,316	23,418
Amounts used	0	(6,603)	0	(6,603)
Balance at 30 June 2011	0	35,616	42,219	77,835

Analysis of Total Provisions	2011 $	2010 $
Current	35,616	41,117
Non-current	42,219	19,903
	77,835	61,020

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 these financial statements.

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 2011 which would materially affect the results of the Company as reported in the financial statements.

Note 20: Capital and Other Commitments

	2011 $	2010 $
Property Mortgage		
Payable – minimum payments		
- within 12 months	79,188	79,188
- Later than 12 months but not later than 5 years	316,752	316,752
- Greater than 5 years	468,529	547,717
	864,469	943,657

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

	2011 $	2010 $
Hire Purchase Commitments		
Payable – minimum payments		
- within 12 months	95,353	86,766
- Later than 12 months but not later than 5 years	0	77,521
	95,353	164,287

Motor vehicle 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.

	2011 $	2010 $
Office Rental Commitments		
Payable – minimum payments		
- within 12 months	80,698	64,214
- Later than 12 months but not later than 5 years	40,947	107,796
- Greater than 5 years	0	0
	121,645	172,010

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

	2011 $	2010 $
Computer Leases		
Payable – minimum payments		
- within 12 months	30,276	36,147
- Later than 12 months but not later than 5 years	21,384	65,760
- Greater than 5 years	0	0
	51,660	101,907

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 21: Key Management Personnel Compensation

	Short-Term Benefits $	Post-Employment Benefits $	Other Long-term Benefits $	Total $
2011				
Total Compensation	614,360	0	0	614,360
2010				
Total Compensation	649,064	0	0	649,064

Note 22: 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 23: 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 2011, the number of members was 40.

Note 24: Cash Flow Information

a. Reconciliation of Cash

	Note	2011 $	2010 $
Cash at bank		83,394	123,377
Cash at hand		850	850
	7	84,244	124,227

Note 24: Cash Flow Information (cont'd)

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

	2011 $	2010 $
Profit/(loss) after income tax	(63,605)	(249,601)
Non cash flows		
Amortisation	4,294	3,888
Depreciation	55,134	45,857
Provision for staff entitlements	5,408	108,410
Provision for income tax (reduction)	0	0
Provision for doubtful debts (reduction)	0	17,465
Non-operating income included in operating profit		
Dividend Income	(3,986)	(2,114)
Profit on sale of Aware trademark	(75,238)	(83,654)
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(124,510)	309,913
Increase/(Decrease) in payables	(26,717)	(4,644)
(Increase)/Decrease in provisions and prepayments	14,740	(17,253)
Increase/(Decrease) in employment and other taxes	9,447	18,095
Cash Flows from Operations	(205,035)	146,362

Note 25: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable 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 are as follows.

		2011 $	2010 $
Financial Assets			
Cash and cash equivalents	7	84,244	124,227
Loans and receivables	8	596,623	479,741
Shares in Listed Companies		0	162,989
		680,867	766,957
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13	516,161	529,391
Borrowings	14	700,304	792,956
		1,216,465	1,323,347

Financial Risk Management Policies

The Board's overall risk management oversight is directed toward the Company 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 considerations include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group 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 8.

Note 25: Financial Risk Management (cont'd)

The Group has no significant concentrations 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 8.

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.

		2011 $	2010 $
Cash and cash equivalents			
- AA rated		84,244	124,227
	7	84,244	124,227

b. Liquidity risk

Liquidity risk arises from the possibility that the Group 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 Group'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.

Note 25: Financial Risk Management (cont'd)

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial liabilities due for payment								
Lease liabilities	206,327	187,127	62,331	251,077	0	0	268,658	438,204
Mortgage liabilities	79,188	79,188	316,752	316,752	468,529	547,717	864,469	943,657
Trade and other payables (excluding annual leave)	453,943	455,906	0	0	0	0	453,943	455,906
Total expected outflows	739,458	722,221	379,083	567,829	468,529	547,717	1,587,070	1,837,767
Financial assets – cashflows realisable								
Cash and cash equivalents	84,244	124,227	0	0	0	0	84,244	127,227
Trade and other receivables	596,623	477,492	0	0	0	0	596,623	477,492
Total anticipated inflows	680,867	601,719	0	0	0	0	680,867	604,719
Net (outflow)/inflow on financial instruments	(58,591)	120,332	(379,083)	(567,829)	(468,529)	(547,717)	(906,203)	(1,232,878)

c. Market risk

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 Group is also exposed to earnings volatility on floating rate instruments.

At 30 June 2011 approximately 20% of the Group's debt is fixed rate.

Note 25: Financial Risk Management (cont'd)

Sensitivity analysis

The following table illustrates sensitivities to the Group'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.

	Profit $	Equity $
Year Ended 30 June 2010		
+/- 2% in interest rates	+/- 12,099	+/- 12,099
Year ended June 30 2011		
+/- 2% in interest rates	+/- 12,099	+/- 12,099

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

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 Group. Most of these instruments which are carried at amortised cost (i.e trade receivables, loan liabilities) are held until maturity and therefore the net fair value figures calculated have little relevance to the Group.

Note 25: Financial Risk Management (cont'd)

		2011		2010	
	Footnote	Net carrying value $	Net fair value $	Net carrying value $	Net fair value $
Financial Assets					
Cash and Cash equivalents	i	84,244	84,244	124,227	124,227
Trade and other receivables	i	596,523	596,523	447,492	447,492
Available - for- sale financial assets					
- At fair value					
- Listed investments	ii	0	0	162,989	162,989
Total financial assets		680,767	680,767	767,708	767,708
Financial liabilities					
Trade and other payables	i	453,943	453,942	455,736	455,736
Lease liability		95,354	95,354	164,288	164,288
Mortgage liability		604,950	604,950	628,668	628,668
Total financial liabilities		1,154,247	1,154,247	1,248,869	1,248,869

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, which is outside the scope of AASB 139.

(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 26: Capital Management

Management controls the capital of the Group to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Board oversees the overall risk management strategy.

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

Management effectively manages the Group's capital by assessing the Group'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 Group since the previous year.

The gearing ratios for the years ended 30 June 2011 and 30 June 2010 are as follows:

Note 26: Capital Management (cont'd)

	Note	2011	2010
		$	$
Total borrowings	14	700,304	792,956
Less cash and cash equivalents	7	(84,244)	(124,227)
Net debt		616,060	668,729
Total equity (reserves + retained earnings)		318,325	381,930
Total capital		934,385	1,050,659
Gearing ratio		66%	63%

PLANET ARK ENVIRONMENTAL FOUNDATION
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 2011, 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 28/10/2011

37 Bligh Street, Sydney. NSW. 2000

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 statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the consolidated Group, comprising the Company and the entities it controlled as at year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 Group's preparation of the financial report that gives a true and fair view 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 Group'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, which has been given to the Directors of Planet Ark Environmental Foundation would be in the same terms if given to the Directors as at the time of this Auditor's report.

PLANET ARK ENVIRONMENTAL FOUNDATION
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 of Planet Ark Environmental Foundation and Planet Ark Environmental Foundation and Controlled Entities is in accordance with the Corporations Act 2001 including:

I. Giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
II. Complying with the Australian Accounting Standards and the Corporations Regulations 2001.

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

Dated this 31st day of October 2011