

Planet Ark Environmental Foundation and Controlled Entity

ABN 26 057 221 959

Financial Report

For the Year Ended 30 June 2017

Planet Ark Environmental Foundation and Controlled Entity

ABN 26 057 221 959

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For the Year Ended 30 June 2017

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Planet Ark Environmental Foundation and Controlled Entity

ABN 26 057 221 959

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Revenue		
Sponsorship income	1,564,477	1,462,735
Sales and licencing income	852,077	800,521
Sundry income	14,489	38,073
	<hr/>	<hr/>
	2,431,043	2,301,329
Expenses		
Employee benefits expense	(1,530,360)	(1,499,722)
Advertising and promotional expenses	(240,775)	(227,209)
Rent and occupancy	(128,611)	(123,584)
Computer and IT expenses	(124,105)	(172,707)
Consultants and professional fees	(92,959)	(75,217)
Travel expenses	(62,008)	(54,040)
Insurance	(45,988)	(31,228)
Depreciation and amortisation	(27,781)	(8,000)
Other expenses	(74,728)	(52,679)
	<hr/>	<hr/>
Surplus before income tax	103,728	56,943
Income tax expense	-	-
	<hr/>	<hr/>
Surplus for the year	103,728	56,943
	<hr/>	<hr/>
Total comprehensive income for the year	103,728	56,943

The accompanying notes form part of these financial statements.

Planet Ark Environmental Foundation and Controlled Entity

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Consolidated Statement of Financial Position As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	565,367	465,475
Trade and other receivables	4	608,331	438,065
Other assets	7	36,385	35,089
TOTAL CURRENT ASSETS		<u>1,210,083</u>	<u>938,629</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,141	8,392
Intangible assets	6	720	18,186
TOTAL NON-CURRENT ASSETS		<u>10,861</u>	<u>26,578</u>
TOTAL ASSETS		<u>1,220,944</u>	<u>965,207</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	186,864	204,385
Short-term provisions	9	163,091	219,601
Other liabilities	10	633,196	439,459
TOTAL CURRENT LIABILITIES		<u>983,151</u>	<u>863,445</u>
NON-CURRENT LIABILITIES			
Long-term provisions	9	57,102	24,799
TOTAL NON-CURRENT LIABILITIES		<u>57,102</u>	<u>24,799</u>
TOTAL LIABILITIES		<u>1,040,253</u>	<u>888,244</u>
NET ASSETS		<u>180,691</u>	<u>76,963</u>
EQUITY			
Retained earnings		180,691	76,963
TOTAL EQUITY		<u>180,691</u>	<u>76,963</u>

The accompanying notes form part of these financial statements.

Planet Ark Environmental Foundation and Controlled Entity

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2016	76,963	76,963
Surplus/(deficit) for the year	103,728	103,728
Balance at 30 June 2017	<u>180,691</u>	<u>180,691</u>

2016

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2015	350,818	350,818
Retrospective adjustment upon change in accounting policy	(330,798)	(330,798)
Surplus/(deficit) for the year	56,943	56,943
Balance at 30 June 2016	<u>76,963</u>	<u>76,963</u>

The accompanying notes form part of these financial statements.

Planet Ark Environmental Foundation and Controlled Entity

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from sponsors and donors	2,700,059	2,626,258
Payments to suppliers and employees	(2,599,071)	(2,552,877)
Interest received	10,968	6,262
Interest paid	-	(1,846)
Net cash provided by/(used in) operating activities	17 <u>111,956</u>	<u>77,797</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of intangible assets	-	37,012
Purchase of property, plant and equipment	(4,632)	(10,892)
Purchase of intangible assets	(7,432)	(3,361)
Net cash provided by/(used in) investing activities	<u>(12,064)</u>	<u>22,759</u>
Net increase/(decrease) in cash and cash equivalents held	99,892	100,556
Cash and cash equivalents at beginning of year	465,475	364,919
Cash and cash equivalents at end of financial year	3 <u>565,367</u>	<u>465,475</u>

The accompanying notes form part of these financial statements.

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

The financial report covers Planet Ark Environmental Foundation ('the Company') and its controlled entity, collectively referred in the financial statements as 'the Group'. Planet Ark Environmental Foundation is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards

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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements have been rounded to the nearest dollar

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue is recognised in the consolidated statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the consolidated statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(b) Income Tax

The Company is registered as a charity with the Australian Charities and Not-for-profits Commission and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The subsidiary of the company is subject to income tax. The tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income comprises of the current tax expense plus deferred tax expense.

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(d) Financial instruments

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Office Equipment	6.5% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(f) Intangibles

Patents and trademarks

Patents and trademarks are recognised at 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 ranging of 10 years.

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

(h) 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 that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(k) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 16 to the financial statements.

2 Change in Accounting Policy

The group has changed its accounting policy in relation to the recognition of revenue from sponsorships. Historically, revenue has been recognised at the point at which the group is contractually entitled to invoice for payment. However, these sponsorships typically run over a fixed time period and therefore confer benefits to the sponsor over specific periods of the time. The group has changed its accounting policy to recognise revenue on a straight-line basis over the time period to which the sponsorship benefits are conferred.

This change in accounting policy has been applied retrospectively and comparative figures have been restated accordingly. The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2017 is as follows:

	Previously stated \$	30 June 2016 Adjustments \$	Restated \$	Previously stated \$	1 July 2015 Adjustments \$	Restated \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income						
Sponsorship income	1,432,885	29,850	1,462,735			
Consolidated Statement of Financial Position						
Trade and other payables	262,299	(57,914)	204,385	-	-	-
Other financial liabilities	80,597	358,862	439,459	23,670	330,798	354,468
Retained earnings	377,911	(300,948)	76,963	350,818	(330,798)	20,020

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

3 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank	565,367	465,475
	<u>565,367</u>	<u>465,475</u>

4 Trade and Other Receivables

CURRENT

Trade receivables	619,331	473,649
Provision for impairment	(a) (11,000)	(35,584)
	<u>608,331</u>	<u>438,065</u>

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	35,584	-
Additional impairment loss recognised	-	35,584
Provision used	(24,584)	-
Balance at end of the year	<u>11,000</u>	<u>35,584</u>

5 Property, plant and equipment

PLANT AND EQUIPMENT

Office equipment

At cost	15,523	186,691
Accumulated depreciation	(5,382)	(178,299)
Total office equipment	<u>10,141</u>	<u>8,392</u>
Total property, plant and equipment	<u>10,141</u>	<u>8,392</u>

(a) Movements in Carrying Amounts

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

	Office Equipment	Total
	\$	\$
Balance at the beginning of year	8,392	8,392
Additions	4,632	4,632
Depreciation expense	(2,883)	(2,883)
Balance at the end of the year	<u>10,141</u>	<u>10,141</u>

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Notes to the Financial Statements For the Year Ended 30 June 2017

6 Intangible Assets

	2017	2016
	\$	\$
Patents and trademarks		
Cost	54,937	66,903
Accumulated amortisation and impairment	<u>(54,937)</u>	<u>(49,437)</u>
Net carrying value	<u>-</u>	<u>17,466</u>
Formation costs		
Cost	<u>720</u>	<u>720</u>
Net carrying value	<u>720</u>	<u>720</u>
Total Intangibles	<u>720</u>	<u>18,186</u>

(a) Movements in carrying amounts of intangible assets

	Patents and trademarks	Formation costs	Total
	\$	\$	\$
Balance at the beginning of the year	17,466	720	18,186
Additions	7,432	-	7,432
Amortisation	<u>(24,898)</u>	<u>-</u>	<u>(24,898)</u>
Balance at the end of the year	<u>-</u>	<u>720</u>	<u>720</u>

7 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	7,786	9,835
Security deposit	<u>28,599</u>	<u>25,254</u>
	<u>36,385</u>	<u>35,089</u>

8 Trade and Other Payables

Current		
Trade payables	55,977	19,649
GST payable	28,419	69,934
Sundry creditors and accrued expenses	<u>102,468</u>	<u>114,802</u>
	<u>186,864</u>	<u>204,385</u>

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

9 Provisions

	2017	2016
	\$	\$
CURRENT		
Employee benefits	<u>163,091</u>	219,601
	<u>163,091</u>	<u>219,601</u>
NON-CURRENT		
Employee benefits	<u>57,102</u>	24,799
	<u>57,102</u>	<u>24,799</u>

10 Other Liabilities

CURRENT		
Unearned income	<u>633,196</u>	439,459
	<u>633,196</u>	<u>439,459</u>

11 Leasing Commitments

Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	7,176	40,278
- between one year and five years	-	7,176
	<u>7,176</u>	<u>47,454</u>

Operating lease commitments consisted of a property lease for the office space at Level 3, 15-17 Young Street, Sydney NSW. This lease expired in December 2014. The lease has rolled over a month-to-month basis with three months' notice to terminate required.

12 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. 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:

Financial assets

Cash and cash equivalents	565,367	465,475
Trade and other receivables	<u>608,331</u>	438,065
	<u>1,173,698</u>	<u>903,540</u>

Financial liabilities

Financial liabilities at amortised cost		
- Trade and other payables	<u>186,863</u>	204,385
	<u>186,863</u>	<u>204,385</u>

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

13 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* 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 30 June 2017 the number of members was 52 (2016: 52).

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company and the Group is \$ 498,908 (2016: \$ 584,790).

15 Related Parties

(a) Transactions with related parties

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

The following transactions occurred with related parties:

Consulting fees of \$10,000 were paid to Cutthru Pty Ltd (trading as Pollinate) for research and reporting during the year (2016: \$10,000). This is a director related party.

Licencing income of \$125,000 was received from Bingo Waste Services Pty Ltd during the year ended 30 June 2017. The entity became a director related party on 22 March 2017. The income was related to a pre-existing contractual arrangement that pre-dated the entity becoming a related party.

16 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Parent:			
Planet Ark Environmental Foundation Limited	Australia		
Subsidiaries:			
Planet Ark Environmental Solutions Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Planet Ark Environmental Foundation and Controlled Entity

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Notes to the Financial Statements For the Year Ended 30 June 2017

17 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2017	2016
	\$	\$
Surplus/(deficit) for the year	103,728	56,943
Non-cash flows in result:		
- amortisation	24,898	5,500
- depreciation	2,883	2,500
- net (gain)/loss on disposal of intangible assets	-	(37,012)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(170,266)	4,870
- (increase)/decrease in other assets	(1,296)	56,928
- increase/(decrease) in income in advance	193,737	14,065
- increase/(decrease) in trade and other payables	(17,521)	(64,196)
- increase/(decrease) in provisions	(24,207)	38,199
Cashflows from operations	<u>111,956</u>	<u>77,797</u>

18 Events after the end of the Reporting Period

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

19 Statutory Information

The registered office and principal place of business of the company is:
Planet Ark Environmental Foundation and Controlled Entity
1802, 323 Castlereagh Street
Sydney NSW 2000

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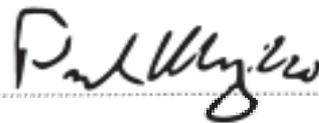
Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the group is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.


Director

Director 

Date: 13 July 2018

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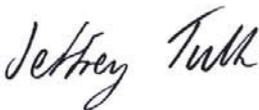
Auditor's Independence Declaration to the Directors of Planet Ark Environmental Foundation and Controlled Entity

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Seward Dawson



Jeffrey Tulk
Partner

Blackburn

Date: 13 July 2018

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Independent Audit Report to the members of Planet Ark Environmental Foundation and Controlled Entity

Opinion

We have audited the financial report of Planet Ark Environmental Foundation, the (Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Planet Ark Environmental Foundation and Controlled Entity has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of 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 Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, 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.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Independent Audit Report to the members of Planet Ark Environmental Foundation and Controlled Entity

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Planet Ark Environmental Foundation and Controlled Entity

ABN 26 057 221 959

Independent Audit Report to the members of Planet Ark Environmental Foundation and Controlled Entity

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Date: 13 July 2018