

ARID RECOVERY TRUST
ABN: 57 587 995 265

SPECIAL PURPOSE
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

ARID RECOVERY TRUST
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ARID RECOVERY TRUST

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BOARD REPORT

The Board of Arid Recovery Limited as Trustee for Arid Recovery Trust, hereby states that during the period 1 July 2012 to 30 June 2013:

- (a) (i) no officer;
- (ii) no firm of which the officer is a member;
- (iii) no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate.

- (b) no officer has received directly or indirectly any payment or any benefit of a pecuniary value.

This report is made in accordance with a resolution of the Board and signed by two members of the Board.

On behalf of the Board



Darryl Cuzzubbo

Director



Mark Priadko

Director

ARID RECOVERY TRUST
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
INCOME			
OTHER INCOME			
Interest Received		14,184	26,432
Sponsorship Contributions		400,000	400,000
Grants		51,315	99,650
Fundraising Income		17,986	56,888
Education + Consulting		73,271	43,397
Other Income		27,522	46,946
		584,278	673,313
EXPENDITURE			
Administration Fees		83,323	79,897
Depreciation		18,484	17,155
Program Expenses		109,620	69,525
Vehicle Expenses		31,333	29,228
Wages & Salaries		468,527	435,631
		711,287	631,436
Net Profit/(Loss)		(127,009)	41,877
Other Comprehensive Income		-	-
Total comprehensive income/(loss) for the period attributable to the Trust		(127,009)	41,877

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Rowe Partners.

ARID RECOVERY TRUST
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		270,776	385,097
Accounts receivable and other debtors	2	3,596	20,791
Inventories	3	22,150	1,781
Prepayments		-	1,673
TOTAL CURRENT ASSETS		<u>296,522</u>	<u>409,342</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	51,542	65,615
TOTAL NON-CURRENT ASSETS		<u>51,542</u>	<u>65,615</u>
TOTAL ASSETS		<u>348,064</u>	<u>474,957</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		15,641	23,302
NAB - Credit Card		2,989	3,678
Employee benefits	5	23,773	15,307
TOTAL CURRENT LIABILITIES		<u>42,403</u>	<u>42,287</u>
TOTAL LIABILITIES		<u>42,403</u>	<u>42,287</u>
NET ASSETS		<u>305,661</u>	<u>432,670</u>
MEMBERS' FUNDS			
Retained earnings	6	305,661	432,670
TOTAL MEMBERS' FUNDS		<u>305,661</u>	<u>432,670</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Retained earnings \$	Total \$
Balance at 1 July 2011		390,793	390,793
Profit attributable to the Board		<u>41,877</u>	<u>41,877</u>
Total Comprehensive Income for the year		<u>41,877</u>	<u>41,877</u>
Balance at 30 June 2012		<u>432,670</u>	<u>432,670</u>
Profit/(Loss) attributable to the Board		<u>(127,009)</u>	<u>(127,009)</u>
Total Comprehensive Income for the year		<u>(127,009)</u>	<u>(127,009)</u>
Balance at 30 June 2013		<u>305,661</u>	<u>305,661</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1 Statement of Significant Accounting Policies

Basis of preparation

This special purpose financial report has been prepared for distribution to the members of Arid Recovery Limited to fulfil the Trustee's financial reporting requirements under its Constitution. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the Constitution and with previous years, and are, in the opinion of the directors' of the Trustee, appropriate to meet the needs of members of Arid Recovery Limited:

- a. The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- b. The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Arid Recovery Trust because it is not a "reporting entity". The directors' of the Trustee have, however, prepared the financial report in accordance with all Accounting Standards and other mandatory financial reporting requirements in Australia with the following exceptions:
 - i. *AASB 1 First time adoption of Australian Accounting Standards*
 - ii. *AASB 7 Financial Instruments: Disclosures*
 - iii. *AASB 107 Statement of Cash Flows*
 - iv. *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*
 - v. *AASB 106 Property, Plant and Equipment*
 - vi. *AASB 124 Related Party Disclosures*

The financial report is presented in Australian dollars.

New Accounting standards and interpretations

Certain new accounting standards have been issued during the 30 June 2012 reporting period that are not yet effective for the reporting period. The Trustee is of the opinion that these standards will not impact on the preparation of the special purpose financial report.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in first-out basis.

Property, Plant and Equipment

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

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 value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period.

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Fair value

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

Impairment

At the end of each reporting period, the association 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 immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Impairment of Assets

At the end of each reporting period, the association reviews the carrying values of its 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 immediately in the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Provisions

Provisions are recognised when the association 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.

Cash and Cash Equivalents

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

Revenue and Other Income

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

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

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

Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 balance sheet.

Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
2		
Accounts Receivable and Other Debtors		
Current		
Trade Debtors	200	9,119
Net GST Payable/(Refundable)	3,396	11,672
	<u>3,596</u>	<u>20,791</u>
<p>The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
3		
Inventories		
Current		
Stock on Hand - Merchandise	1,410	1,781
Stock on Hand - Fencing	20,740	-
	<u>22,150</u>	<u>1,781</u>
4		
Property, Plant and Equipment		
Plant & Equipment	93,306	88,895
Less: Accumulated Depreciation	(41,764)	(23,280)
	<u>51,542</u>	<u>65,615</u>
Total Plant and Equipment	<u>51,542</u>	<u>65,615</u>
Total Property, Plant and Equipment	<u>51,542</u>	<u>65,615</u>
5		
Employee Benefits		
Current		
Provision for Annual Leave	<u>23,773</u>	<u>15,307</u>

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STATEMENT BY THE BOARD

The Board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 10:

1. Presents fairly the financial position of Arid Recovery Trust as at 30 June 2013 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Arid Recovery Trust will be able to pay its debts as and when they fall due.

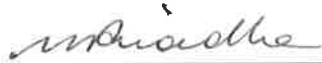
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Director:



Darryl Cuzzubbo

Director:



Mark Priadko

Dated this 9 day of DECEMBER 2013.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARID RECOVERY TRUST
ABN: 57 587 995 265**

Scope

We have audited the financial report, being a special purpose financial report, of Arid Recovery Trust for the year ended 30 June 2013, as set out on pages 1 to 12. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act SA 1985 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of Arid Recovery Trust. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements under the Associations Incorporation Act SA 1985. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Arid Recovery Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with accounting policies described in Note 1; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.

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CERTIFICATE BY MEMBERS OF THE COMMITTEE

In our opinion, the financial report presents a true and fair view of the financial position of Arid Recovery Trust as at 30 June 2013 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Name of Firm:

Chartered Accountants

Name of Partner:

Address:

Dated this day of