

SOUTHERN NEW ENGLAND LANDCARE LIMITED
ABN 42 099 357 454

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

ROBERTS & MORROW

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Southern New England Landcare Limited

(A company limited by guarantee)

ABN: 42 099 357 454

Annual financial report

For the year ended 30 June 2010

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Southern New England Landcare Limited

(A company limited by guarantee)

Directors' report for the year ended 30 June 2010

Your directors present their report on the Southern New England Landcare Limited for the financial year ended 30 June 2010.

Directors

The names of directors in office at any time during, or since the end of, the year are:

John Winter-Irving
Peter Lytton-Hitchins
Caroline Street
Richard Maclean
Steve Harvey
Shane Andrews
Sally Wright
Karen Zirkler
Michael Taylor

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

Principal Activities

The principal activity of the Company for the financial year remained unchanged and was that of Landcare Funding Activities on the New England Tablelands.

Results of Operations

The net surplus of the Company for the year ended 30 June 2010 was \$18,409 (2009 \$27,617 surplus).

Issue of Shares of Debentures

No Shares or Debentures were issued by the Company during the year.

Dividends

No dividends have been paid or are recommended for payment as the Company is a company limited by guarantee without Share Capital.

After Balance Date Activities

There has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance which has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future Developments

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

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Directors' report for the year ended 30 June 2010

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meeting of Directors

During the financial year, 7 meetings of directors were held. Attendees by each director were as follows:

	Directors Meetings	
	Number eligible to attend	Number attended
Peter Lytton-Hitchins	7	4
John Winter-Irving	7	7
Steve Harvey	7	7
Richard Maclean	7	7
Sally Wright	7	5
Shane Andrews	7	5
Caroline Street	7	6
Karen Zirkler	7	7
Michael Taylor	7	-

Directors Benefits

Since the end of the previous financial year no Director has received, or become entitled to receive, a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which they have a substantial financial interest.

Proceedings on Behalf of the Company

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

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

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

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Auditor's independence

The auditor's declaration of independence appears on page 6 and forms part of the Directors' report for the year ended 30 June 2010.

Signed in accordance with a resolution of the directors made pursuant to §298(2) of the *Corporations Act 2001*.

On behalf of the directors:

Director 

Director 

Armidale, NSW, 10 December 2010



Auditor's declaration of independence

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the Corporations Act 2001 in relation to the audit
- (ii) Any applicable code of professional conduct in relation to the audit.

Roberts & Morrow
Chartered Accountants

Michelle A Paull
Partner

Armidale, 10 December 2010

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Financial report for the year ended 30 June 2010

Statement of comprehensive income

	Note	2010 \$	2009 \$
Funding Received		514,948	716,697
Unspent Grant Funding		(234,127)	(399,094)
Unspent Funding From Prior Year		399,094	510,636
Interest Received		5,693	19,171
Australian Government Grants to Voluntary Environment and Heritage Organisations (GVEHO) Program		-	3,600
Other Revenue		163,088	31,796
Total Income		<u>848,696</u>	<u>882,806</u>
Depreciation Expense		7,465	4,181
Employee Entitlement Expenses		364,727	294,361
Expenses from ordinary activities On Ground Work (Direct Project Expenses)		286,239	109,105
Total Expenses		<u>830,287</u>	<u>855,190</u>
Surplus/(Deficit) from Ordinary Activities		<u>18,409</u>	<u>27,616</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>18,409</u>	<u>27,616</u>

The statement of comprehensive income is to be read in conjunction with the attached notes.

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Financial report for the year ended 30 June 2010

Statement of Changes in Equity

	Retained Earnings \$	General Reserves \$	Total \$
Balance at 30 June 2006	188,058	-	188,058
Surplus attributable to Members	2,562	-	2,562
Balance at 30 June 2007	190,620	-	190,620
Deficit attributable to Members	(164,198)	-	(164,198)
Balance at 30 June 2008	26,422	-	26,422
Surplus attributable to Members	27,617	-	27,617
Balance at 30 June 2009	54,039	-	54,039
Surplus attributable to Members	18,409	-	18,409
Balance at 30 June 2010	72,448	-	72,448

The statement of changes in equity is to be read in conjunction with the attached notes.

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Financial report for the year ended 30 June 2010

Statement of Financial Position

	Note	2010 \$	2009 \$
Current Assets			
Cash & Cash Equivalents	4	271,774	250,150
Trade & Other Receivables	5	85,182	201,271
Total Current Assets		<u>356,956</u>	<u>451,421</u>
Non-Current Assets			
Property, Plant & Equipment	6	32,498	14,353
Total Non-Current Assets		<u>32,498</u>	<u>14,353</u>
Total Assets		<u>389,454</u>	<u>465,774</u>
Current Liabilities			
Loans & Borrowings	7	8,183	-
Creditors and Accruals	8	40,671	147
Employee Provisions	9	22,884	8,994
Unspent Grant Funds		234,127	399,094
Total Current Liabilities		<u>305,865</u>	<u>408,235</u>
Non-Current Liabilities			
Employee Provisions	9	11,141	3,500
Total Non-Current Liabilities		<u>11,141</u>	<u>3,500</u>
Total Liabilities		<u>317,006</u>	<u>411,735</u>
Net Assets		<u>72,448</u>	<u>54,039</u>
Members Funds			
Accumulated Funds		72,448	54,039
Total Members Funds		<u>72,448</u>	<u>54,039</u>

The statement of financial position is to be read in conjunction with the attached notes.

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Financial report for the year ended 30 June 2010

Statement of Cash Flows

	Note	2010 \$	2009 \$
Operating Activities			
Receipts from Grants & Operations		872,919	720,928
Interest received		5,693	19,171
Payments to suppliers and employees		(839,246)	(926,083)
Interest Paid		(315)	-
Total Operating Activities		<u>39,051</u>	<u>(185,984)</u>
Investing Activities			
Property, Plant & Equipment		(25,610)	(2,640)
Total Investing Activities		<u>(25,610)</u>	<u>(2,640)</u>
Financing Activities			
Funds Borrowed		8,183	-
Total Financing Activities		<u>8,183</u>	<u>-</u>
Increase/(Decrease) in Cash Held		<u>21,624</u>	<u>(188,624)</u>
Cash at the Beginning of Financial Year		250,150	438,774
Cash at the End of Financial Year		<u>271,774</u>	<u>250,150</u>

The statement of cash flows is to be read in conjunction with the attached notes.

Southern New England Landcare Limited

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Financial report for the year ended 30 June 2010

Notes to and forming part of the financial statements

1. Corporate information

The financial report of Southern New England Landcare Limited (the company) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 10 December 2010.

(a) Southern New England Landcare Limited is a company limited by guarantee, incorporated and domiciled in Australia.

(b) The nature of the operations and principal activities of the company are described in the Directors' Report.

2. Summary of accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on the basis of historical cost except for the following:

- Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses
- Available-for-sale financial assets are measured at fair value.

The methods used to measure the fair values of these assets are discussed in Note 2(h). Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

(b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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Financial report for the year ended 30 June 2010

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of Assets

The company assess the impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. In assessing recoverable amount the directors have applied the specific sections of the standards applicable to not-for-Profit entities in Australia.

(c) Revenue recognition

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Government funding

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Investment income

Investment income comprises interest. Interest income is recognised as it accrues, using the effective interest method.

(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

(e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

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Financial report for the year ended 30 June 2010

(f) Property, Plant & Equipment

Plant and Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Class of fixed asset	Depreciation Rate
Property, Plant and Equipment	11.25% - 37.5%
Motor Vehicles	20%

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

(g) Trade and other receivables

Trade receivables, which comprise amounts due from services provided to customers, are recognised and carried at original invoice amount less any allowance for any uncollectable amounts.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(h) Trade creditors and other payables

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the creditors and payables is deemed to reflect fair value.

(i) Income tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office.

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Financial report for the year ended 30 June 2010

(j) 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 Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

(k) Adoption of New and Revised Accounting Standards

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

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements;

AASB 101 Presentation of Financial Statements

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

Disclosure impact

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

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

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Financial report for the year ended 30 June 2010

(k) Adoption of New and Revised Accounting Standards (Continued)

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

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

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

(l) New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. The impact of these new and amended accounting standards will not be material to the Company and accordingly no further discussion is included in this regard.

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Financial report for the year ended 30 June 2010

3. Revenue, other income and expenses

	Note	2010 \$	2009 \$
(a) Revenue			
Grant Funding		514,948	720,297
Project Contributions		77,368	9,388
Other Grant Funding		48,313	-
Interest Received		5,693	19,171
Unspent Grant Funding		(234,127)	(399,094)
Unspent Grant Funding Brought Forward		399,094	510,636
		<u>811,289</u>	<u>860,398</u>
(b) Other income			
		37,407	22,408
Total Revenue		<u>848,696</u>	<u>882,806</u>

4. Cash and cash equivalents

	2010 \$	2009 \$
Cash at Bank	251,374	249,850
Term Deposit	20,000	-
Petty Cash	400	300
	<u>271,774</u>	<u>250,150</u>

All accounts carry normal terms and conditions and are reviewed by the directors on a regular basis to maximise interest.

The company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 9.

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5. Trade and other receivables

	2010	2009
	\$	\$
Trade Debtors	<u>85,182</u>	<u>201,271</u>

(a) Aging and impairment losses

At 30 June 2010 no portion of the trade receivables at balance date was past due, or considered impaired. No specific collection issues have been identified.

The company's exposure to credit risk and impairment losses related to trade debtors and other receivables is disclosed in Note 9.

6. Property plant and equipment

	2010	2009
	\$	\$
Office Equipment at Cost	21,493	11,383
Accumulated Depreciation	<u>(8,962)</u>	<u>(6,531)</u>
	<u>12,531</u>	<u>4,852</u>
Motor Vehicles at Cost	27,591	12,091
Accumulated Depreciation	<u>(7,624)</u>	<u>(2,590)</u>
	<u>19,967</u>	<u>9,501</u>
	<u>32,498</u>	<u>14,353</u>

Movements in Carrying Amounts

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

	Motor vehicles	Plant and equipment	Total
Carrying amount at 1 July 2009	9,501	4,852	14,353
Additions	15,500	10,110	25,610
Disposals	-	-	-
Depreciation/Amortisation	(5,034)	(2,431)	(7,465)
Carrying amount at 30 June 2010	<u>19,967</u>	<u>12,531</u>	<u>32,498</u>

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Financial report for the year ended 30 June 2010

7. Loans & Borrowing

	2010 \$	2009 \$
Current		
New England Community Mutual - Loan	<u>8,183</u>	<u>-</u>

8. Creditors and Accruals

	2010 \$	2009 \$
Creditors	40,671	-
GST Payable	<u>-</u>	<u>147</u>
	<u>40,671</u>	<u>147</u>

9. Employee Provisions

	2010 \$	2009 \$
Current		
Long Service Leave	11,308	7,363
Annual Leave	<u>11,576</u>	<u>1,631</u>
	<u>22,884</u>	<u>8,994</u>
Non Current		
Long Service Leave	<u>11,141</u>	<u>3,500</u>
	<u>11,141</u>	<u>3,500</u>

10. Operating Lease Commitments

Subsequent to balance date the Company had two existing operating leases for a motor vehicle and an office. The lease of the motor vehicle ended in August 09 and the office lease expires on 17th August 2012. The non cancellable operating lease commitments not capitalised are as follows:

	2010 \$	2009 \$
Payable – Minimum Lease Commitments		
Current	15,600	16,500
Non-Current	<u>16,900</u>	<u>33,800</u>
	<u>32,500</u>	<u>50,300</u>

11. Members guarantee

The company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the company.

Southern New England Landcare Limited

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Financial report for the year ended 30 June 2010

12. Financial instruments

(a) Financial risk management – objectives and policies

The company's financial instruments comprise cash and cash equivalents. In addition the company has various financial assets and liabilities including amounts receivable from customers and amounts payable to trade and other creditors. Certain trade creditors arising from the purchase of raw materials are denominated in foreign currencies, principally USD.

The main risks arising from the company's financial instruments are liquidity risk, credit risk and market price risk. The company does not use derivative instruments to manage risks associated with its financial instruments. The directors have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the company's financial instruments, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits. The directors are responsible for monitoring the effectiveness of the company's risk management policies and processes and regularly reviewing risk management policies and systems, taking into account changes in market conditions and the company's activities. This note presents information about the company's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

Liquidity risk

Liquidity risk is the risk that the company will not be able to fund its obligations as they fall due. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses for 120 days.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to two sources of credit risk – amounts receivable in respect of customers and counterparty risk in respect of funds deposited with banks and other financial institutions. Refer Note 5(a) for a review of the aging of receivables.

Funds are deposited only with those banks and financial institutions approved by the directors. Such approval is only given in respect of banks that hold a AA rating from Standard & Poor's or an equivalent rating from another reputable ratings agency. At the reporting date, the company did not have any material credit risk exposures to any single receivable or group of receivables or any bank or financial institution.

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

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12. Financial Instruments (Continued)

The company is exposed to interest rate fluctuations on its cash at bank and cash on deposit. The company actively monitors interest rates for cash at bank and on deposit to maximise interest income.

Fair values

Carrying amounts of financial assets and liabilities recorded in the financial statements represent their net fair values, as determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

13. Cash flow information

Reconciliation of net profit for the year to net cash flows from operations

a) Reconciliation of Operating Activities	2010	2009
	\$	\$
Operating Surplus (Deficit) after Income Tax	18,409	27,616
Depreciation	7,464	4,181
Net cash before changes in assets and liabilities	<u>25,873</u>	<u>31,797</u>
(Increase) / Decrease in Trade & Other Receivables	116,090	(96,227)
Increase / (Decrease) in Employee Provisions	21,531	(10,114)
Increase / (Decrease) in Creditors & Accruals	40,524	101
Increase / (Decrease) in Unspent Grant Funding	(164,967)	(111,541)
Net Cash provided by Operating Activities	<u>39,051</u>	<u>(185,984)</u>

14. Contingent liabilities and capital commitments

(a) Contingent liabilities

To the best of the directors' knowledge and belief there are no contingent liabilities at balance date.

(b) Capital commitments

To the best of the directors' knowledge and belief there are no capital commitments at balance date.

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Financial report for the year ended 30 June 2010

15. Related parties and related party transactions

(a) Directors

Directors of the company in office during the year are disclosed in the directors' report that accompanies these financial statements.

(b) Directors' compensation

The following was paid to directors during the year:-

- Shane Andrews as an employee of the organisation earned a gross wage of \$12,078 and superannuation guarantee charge of \$1,087

(c) Transactions with director-related entities

Some transactions occurred during the year with director related entities. The transactions were payments for landcare projects. All projects for directors related entities were made on an arms length basis, and were as follows:-

- Karen Zirkler also worked for the organisation as a contractor in a partnership trading as Success In-situ which received \$7,978 inclusive of GST during the financial year.

16. Additional company information

The registered office of the company and its principal place of business is:

Southern New England Landcare Limited
3/119 Beardy Street
ARMIDALE NSW 2350

Southern New England Landcare Limited

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Directors' declaration

The directors declare that in their opinion:

- a) The attached financial statements and notes thereto comply with Accounting standards
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company
- c) The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 and the Corporations Regulations 2001
- d) There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s. 295(5) of the Corporations Act 2001.

On behalf of the directors:

Director  _____

Director  _____

Armidale, NSW, 10 December 2010



Independent auditor's report

To the members of Southern New England Landcare Limited

Report on the Financial Report

We have audited the accompanying financial report of Southern New England Landcare Limited, which comprises the Statement of Financial Position as at 30 June 2010, the Statement of Comprehensive Income, Statement of Cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and the directors' declaration.

Directors' responsibility 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*.

This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Southern New England Landcare Limited on 10 November 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Unqualified auditor's opinion

In our opinion the financial report of Southern New England Landcare Limited is in accordance with the Corporations Act 2001, including:

(a) Giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date

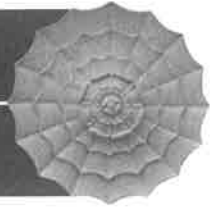
(b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Roberts & Morrow
Chartered Accountants



Michelle A Paull
Partner

Armidale, NSW, 10 December 2010



Compilation Report

We have compiled the accompanying Income and Expenditure statements of Southern New England Landcare Limited, which comprises of the following Income and Expenditure statements for the year ended 30 June 2010 of Southern New England Landcare Limited.

The specific purpose for which the Income and Expenditure statements have been prepared is to provide information relating to the performance of the association that satisfied the information needs of the committee members.

The Responsibility of the Committee

The committee of the association are solely responsible for the information contained in the Income and Expenditure statement and have determined that the basis of accounting adopted meet their needs.

Our Responsibility

On the basis of information provided by the Association, we have compiled the accompanying Income and Expenditure statements in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the committee of the Association provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The income and expenditure statements were compiled exclusively for the benefit of the Association and its members. We do not accept responsibility to any other person for the contents of the income and expenditure statements.

ROBERTS & MORROW
Chartered Accountants
137 Beardy Street
Armidale NSW

Michelle A Paull
Partner

Armidale, NSW, 10 December 2010

Southern New England Landcare Limited

(A company limited by guarantee)

Detailed Income & Expenditure Statement

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
INCOME		
Grants		
- Received 30 June	514,948	716,697
- Unspent funds from current year	(234,127)	(399,094)
- Unspent funds brought forward from prior year	399,094	510,636
Other Grant Funding	48,313	-
Australian Government Grants to Voluntary Environment and Heritage Organisations (GVEHO) Program	-	3,600
Sponsorship	16,554	10,088
Fees Charged	19,354	8,537
Project Contributions	77,368	9,388
Sundry Income	1,499	3,784
Interest	5,693	19,171
	<u>848,696</u>	<u>882,807</u>
EXPENSES		
Advertising	5,414	440
Audit	7,140	6,350
Bank Charges	435	357
Booking Fees	-	-
Contract Work	52,868	15,907
CRC - Expenses	20,891	100
Depreciation	7,465	4,181
Disbursements	3,000	-
Field Days	7,898	21,203
Fees, Permits & Insurance	5,636	3,856
Interest Paid	315	24
Maps, Laminating & Printing	-	(108)
Meeting Costs	6,677	4,270
Motor Vehicle Expenses	8,609	12,480
Newsletter	6,319	5,576
On Ground Landcare Projects	171,856	447,543
Printing, Postage & Stationary	10,499	20,493
Promotions & Displays	5,164	-

Southern New England Landcare Limited
(A company limited by guarantee)

Detailed Income & Expenditure Statement

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
EXPENSES (CONT')		
Purchases of trading stock	1,115	-
Provisions for Employee Entitlements	22,296	(831)
Repairs & Maintenance	1,502	568
Resources	230	1,313
Software	2,559	260
Recruitment	3,322	-
Superannuation	29,549	25,113
Subscriptions	532	220
Sundry Expenses	4,372	1,782
Telephone	5,201	2,542
Training	20,362	1,395
Travelling Expenses	20,979	6,014
Other Staff Expenses	-	1,159
USP On Ground Works	51,334	-
Wages	342,431	270,079
Web Costs	932	35
Workers Compensation Insurance	3,385	2,869
	<u>830,287</u>	<u>855,190</u>
	<u>18,409</u>	<u>27,617</u>
Surplus / (Deficit) From Ordinary Activities		