Greening Australia Limited ABN: 40 002 963 788
and Controlled Entities

Financial Report

For The Year Ended 30 June 2017

Greening Australia Limited and Controlled Entities ABN: 40 002 963 788

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Directors' Report

Your directors present this report on the Company and controlled entities (the “Group”) for the financial year ended 30 June 2017.

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

			Board Meetings	
	Date of Appointment	Date of Cessation	Eligible to Attend	Attended
Gordon Davis			5	4
James Stephen Atkins			5	5
Arianne Susan Rose			5	5
Robert Patrick Smith			5	5
Julie Kaye Green			5	5
Colin Leslie Creighton		04/05/2017	4	4
Gillian Ann Sparkes		06/09/2017	5	4
Charl Pienaar	20/05/2017		1	1
John Alistair Hope	24/06/2017		0	0

Principal Activities
The principal activities of the Group during the financial year were to tackle critical issues like salinity, declining water quality, soil degradation, climate change and biodiversity loss through an innovative blend of practical experience, science and community engagement. We are dedicated to protecting our heritage, its biodiversity and natural resources.,

Company Objectives
The company’s short and long term objectives are:

- to conserve and restore landscapes at scale through collaborative, science-based and innovative conservation programs

Company Strategies
To achieve the objectives, the company has adopted the following strategies:

- providing industry leadership
- being proudly community owned and science led
- offering professional services with a real environmental impact
- embracing the cultural and traditional values and perspectives of all landholders and stakeholders
- engaging a culturally rich and diverse workforce that seeks and accepts challenge
- acting courageously and sharing our and other’s achievements

Directors' Report

Directors Information

Gordon Davis

Qualifications	BSc (Hons) Forest Science Masters Science MBA
Experience	President Greening Australia Ltd Nov 2014 to date. Gordon Davis has an honours degree in Forest Science from the University of Melbourne, and a masters degree from the University of Tasmania. He spent 10 years with the Tasmanian Forestry Commission in field and management roles. He then completed an MBA at the Melbourne Business School in 1990, before working with the then leader of the opposition, John Hewson, as a policy advisor. Gordon joined ICI Australia (now Orica Limited) in 1993, as Manager of Corporate Affairs, with responsibility for external communication and government relations. In 2003 he was appointed to run Orica Explosives global accounts, before taking over management of the $1B turnover Orica Explosives Australia/Asia business. He revitalised many aspects of this business, which enabled it to capitalise on the mining boom. In 2006 Gordon was appointed CEO of AWB Limited where he reformed the constitution and structure, initiating a major restructure and recapitalisation of the balance sheet. In the process fundamentally modernising the business culture and operating performance. Gordon explored various growth strategies, including mergers with other ASX listed companies, before the Canadian company Agrium successfully acquired it in 2010. Gordon was Chair of VicForests from October 2011 to April 2016. He was appointed to non-executive directorships with NuFarm Limited in May 2011, Primary Health Care Limited in August 2015 and Midway Limited in May 2016. He has also served on the Advisory Board of The Nature Conservancy since 2013.

James Stephen Atkins

Qualifications	BArts BCommerce Graduate of the Australian Institute of Company Directors
Experience	James Atkins is an experienced business advisor, marketing strategist and company director. He has over 30 years’ experience working at a senior level in the retail, financial services and energy sectors. In addition to being Deputy Chair of Greening Australia he is currently Chair of hockingstuart and a nonexecutive director of Connective Group, BIG4 Holdings and Circus Oz. James is also a director of Vantage Strategy & Marketing, a strategic consulting firm that provides business advisory services to commercial, government and NFP organisations. He is a member of the AICD and graduate of their Company Directors course.

Directors' Report
Directors Information (cont'd)

Arianne Susan Rose

Qualifications	Bachelor of Science/Bachelor of Laws Graduate of the Australian Institute of Company Directors
Experience	Arianne is a commercial lawyer practising in both the private and the public sectors, with a background in property, agribusiness, government (transport) and financial services sectors in complex regulated industries. She has a mix of commercial, legal & governance skills. Previous senior appointments include Company Secretary and General Counsel, VicTrack (2010-2014), a Victorian Public-Sector transport agency that is the custodian of Victoria's railway assets. She currently is a non-executive director of Melbourne Polytechnic, a TAFE and higher education institute with metropolitan campuses and country training facilities; offering students a diverse range of innovative, hands-on practical skills and modern theoretical learning. She is also a non-executive director of the Alpine Resorts Co-ordinating Council, engaged in driving responsible use and vibrancy of Victoria's Alpine Resorts and the Architects Registration Board of Victoria regulating the professional conduct of architects and accreditation of architecture courses.

Robert Patrick Smith

Qualifications	MBA PhD - Resource Economics Masters Science – Resource Economics BSc (Forestry)(Hon1)
Experience	Bob is an experienced manager and adviser in the sustainable management, conservation and profitable use of natural resources to support livelihoods and wellbeing in communities. Bob has worked at international level (including participation as nongovernment representative in UNFCCC forums), national levels (including Ministerial Councils for forestry, natural resources and agriculture and the Murray Darling Basin Commission), state levels (senior executive roles in government agencies in Victoria and NSW) in evaluating, developing and delivering natural resource programs. Bob has applied his expertise to improving the livelihood of communities in Indonesia, Papua New Guinea, Solomon Islands and indigenous communities in Northern Australia.

Julie Kaye Green

Qualifications	Fellow Chartered Accountant in Australia and England & Wales, Fellow of Australian Institute of Company Directors Fellow of Leadership Victoria
Experience	Julie is a non-executive director of RACV, Loddon Mallee Waste & Resource Recovery, Greening Australia, Maldon Hospital and The Innovation Cooperative. Also formerly a large regional aged care service provider, Shepparton Villages. Julie is also a business consultant in strategy, governance and change management. This follows a successful executive career in infrastructure, transport, utilities and healthcare, delivering major change agendas in the public and private sectors. Alongside this professional career, Julie has been an advisor to Not For Profits entities over the last 20 years and is a mentor to emerging leaders with Leadership Victoria. She is passionate about regional Victoria and currently lives in Maldon Victoria.

Directors' Report

Directors Information (cont'd)

Dr. Colin Leslie Creighton

Qualifications	BSc Metallurgical Engineering Post Graduate Natural Resources & Public Sector Management
Experience	Colin Creighton is a Principal Research Scientist in Coastal and Estuary Ecology at James Cook University, North Queensland and Adjunct at Southern Cross University. Colin has a Bachelor of Science in metallurgical engineering and postgrads in natural resources and in management. Colin practices what he preaches on a dairy – horticulture – plantation forestry – rainforest nature refuge farm on the Eungella Tablelands, undertakes volunteer assignments in the Pacific and South East Asia, and most recently has been mentoring the Vietnamese sugar industry. Colin's broad research focus is coastal restoration ecology, especially for enhanced productivity of our catchments – rivers – estuaries – wetlands – nearshore linked ecosystems. Increased productivity for both public and private benefits cannot be achieved without the participation of those that manage our natural resources – all of us. Colin is passionate about exploring smarter, more profitable and sustainable land use practices at all scales, working in partnership with farmers, foresters, fishers, conservationists, managers and policy makers to achieve more productive landscapes across Australia and its near neighbours. Colin was the inaugural Australian President of the Global Water Partnership and has contributed at an international policy level to the Millennium Assessment, Convention for Sustainable Development, WMO Floodplain Management Guidelines and Global Climate Services.

Dr Gillian Ann Sparkes

Qualifications	FAICD FIPAA(Vic)
Experience	Gillian is the Victorian Commissioner for Environmental Sustainability and also holds a portfolio of board positions. She has been Chair of the Greening Australia OHS working group since joining the board in 2015. Gillian brings to her roles deep research skills, an ability to identify stakeholder risks and generate strategies for reform, renewal and transformation. Gillian has a depth experience in the industrial and government sectors in a range of leadership positions in organisations including BHP Steel (now BlueScope), Brambles, the EPA, WorkSafe, South Gippsland Water, the Australian Government Clean Energy Innovation Centre and Monash University's Australian Sustainable Industry Research Centre. She was Deputy Secretary of the Victorian Department of Sustainability and Environment and Chair of Sustainability Victoria. Her core expertise has been honed in the environmental, industrial and public sectors; leading companies through transformation and policy reform. Gillian has participated in the Cranlana Programme Colloquium that centres on wisdom and ethics in leadership and decision-making. She is also a board member of the Royal Children's Hospital Foundation, the CFA, Industry Capability Network Victoria and is a Friend of the Peter Cullen Trust. Gillian has a PhD in Applied Science (Chemistry) and a Masters of Business Administration. Gillian lives with her family in Somers, a coastal village along Western Port in Victoria.

Directors' Report

Directors Information (cont'd)

Charl Pienaar

Qualifications	Bachelor of Commerce, Bachelor of Commerce (Honours) Master of Commerce (Economics)
Experience	Prior to joining the Board in 2017, Charl worked with Greening Australia for many years in various voluntary capacities, including serving on the Board of Greening Australia NSW. With a background in economics, he started his career as a management consultant before moving into investment management roles with the Australian Industry Development Corporation, Lend Lease Corporation and MLC Limited in the private equity, infrastructure and alternative asset sectors. He was responsible for establishing and managing MLC's significant international private equity programme and also managed its infrastructure investments in Asia. He currently serves as a non-executive Director and Member on the Board and Investment Committees of New Forests, an international investment management firm focused on sustainable forestry and associated environmental markets (carbon and mitigation banking) in Australia, New Zealand, S.E. Asia and the USA.

John Hope

Qualifications	Bachelor of Commerce and Master of Business Administration (Melbourne) Fellow of Chartered Accountants Australia and New Zealand Fellow of the Financial Services Institute of Australia Graduate Member of the Australian Institute of Company Directors
Experience	John brings professional services leadership and corporate finance experience gained working in Australia and in Asia. John is with Kidder Williams Limited, who provide corporate advisory and investment banking services to private and ASX-listed mid-market companies, with a focus on the Australian agriculture, forestry, food and beverage sectors. John retired from EY on 31 March 2017, after over 30 years with the firm. For the six years to 30 June 2016, John was based in Hong Kong as the Asia-Pacific Managing Partner of Transaction Advisory Services, responsible for all aspects of the business including servicing clients and recruiting and developing people across 20 countries, including Australia. John has over 30 years of transactions experience at Big 4 firms in Australia and Asia, helping private and public multinational and domestic companies, investment funds and governments achieve long-term competitive advantage by advising on all aspects of their capital agenda, including raising, investing and optimizing their capital.

Limitation of Members Liability

If the company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the company. At 30 June 2017 the collective liability of members was $6,640 (2016: $6,400).The number of members were 332 (2016: 320).

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-profits Commission Act 2012* is set out at page 7.

Signed in accordance with a resolution of the Board of Directors:

Gordon Davis
Director

Signed this 23rd day of October 2017.

Grant Thornton

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Auditor's Independence Declaration
To the directors of Greening Australia Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Greening Australia Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B A Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2017

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Greening Australia Limited and Controlled Entities ABN: 40 002 963 788

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	Consolidated Group 2017 $000	Consolidated Group 2016 $000
Revenue			
Operating revenue	2	27,429	25,096
Less: Direct expenses		(10,812)	(9,753)
Gross profit		16,617	15,343
Other income	2	403	672
Expenses			
Rent and rates		(578)	(680)
Depreciation expense		(747)	(709)
Employment related expenses		(13,160)	(12,877)
Operational and administrative expenses	3	(1,384)	(1,237)
Finance costs		(66)	(100)
Total operating expenses		(15,935)	(15,603)
Surplus/ (loss) for the year before income tax		1,085	412
Income tax expense		(118)	(75)
Surplus/ (loss) for the year		967	337
Other Comprehensive Income		-	-
Total comprehensive income/ (loss) for the year		967	337
Loss for the year attributable to non-controlling interest		(36)	(67)
Total comprehensive income/ (loss) for the year attributable to the owners of the parent		1,003	404

The accompanying notes form part of these financial statements

Greening Australia Limited and Controlled Entities ABN: 40 002 963 788

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	Consolidated Group 2017 $000	2016 $000
Assets			
Current assets			
Cash and cash equivalents	4	20,167	10,742
Trade and other receivables	5	2,867	3,016
Inventories	6	2,656	3,047
Biological assets	7	258	261
Financial assets	8	3,152	4,395
Total current assets		29,100	21,461
Non-current assets			
Biological assets	7	417	417
Intangible assets	9	165	166
Other assets	10	721	744
Investment property	11	850	850
Property, plant and equipment	12	4,949	5,282
Deferred tax assets		-	30
Total non-current assets		7,102	7,489
Total Assets		36,202	28,950
Liabilities			
Current liabilities			
Trade and other payables	13	4,098	3,019
Financial liabilities	14	150	453
Provisions	15	1,861	1,727
Other liabilities	16	16,690	10,860
Total current liabilities		22,799	16,059
Non-current liabilities			
Financial liabilities	14	-	324
Provisions	15	144	121
Total non-current liabilities		144	445
Total Liabilities		22,943	16,504
Net Assets		13,259	12,446
Equity			
Reserves	18	2,385	2,547
Accumulated surpluses		10,438	9,427
Parent interest		12,823	11,974
Non-controlling interest	17	436	472
Total Equity		13,259	12,446

The accompanying notes form part of these financial statements

Greening Australia Limited and Controlled Entities ABN: 40 002 963 788

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

Consolidated Group

	Non- Controlling Interest $000	Reserves $000	Accumulated Surpluses $000	Total $000
Balance as at 1 July 2015	539	2,579	8,991	12,109
Transfer of reserves	-	(32)	32	-
Surplus/(loss) for the year	(67)	-	404	337
Balance as at 30 June 2016	472	2,547	9,427	12,446
Transfer of reserves	-	(8)	8	-
Revaluation of land	-	(154)	-	(154)
Surplus/(loss) for the year	(36)	-	1,003	967
Balance as at 30 June 2017	**436**	**2,385**	**10,438**	**13,259**

The accompanying notes form part of these financial statements

Greening Australia Limited and Controlled Entities ABN: 40 002 963 788

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

		Consolidated Group	
	Note	**2017 $000**	**2016 $000**
Cash flows from operating activities			
Receipts from government funding and customers		34,086	29,078
Payments to suppliers and employees		(24,790)	(25,947)
Interest received		154	221
Interest paid		(66)	(67)
Income tax paid		(62)	(75)
Net cash provided by operating activities		9,322	3,210
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		63	83
Payment for property, plant and equipment		(577)	(299)
Net cash used in investing activities		(514)	(216)
Cash flows from financing activities			
Proceeds from/ (repayment of) bank loans, net		(264)	26
Repayment of finance lease liability, net		(362)	(419)
Proceeds from/ (repayment of) other loans		-	(40)
Net cash used in financing activities		(626)	(433)
Net increase in cash held		8,182	2,561
Cash and financial assets at the beginning of the year		15,137	12,576
Cash and financial assets at the end of the year	4, 8	23,319	15,137

The accompanying notes form part of these financial statements.

The financial report includes the consolidated financial statements and notes of Greening Australia Limited and controlled entities ('consolidated Group').

Greening Australia Limited and Controlled Entities, with the exception of Greening Australia - Sandalwood Australia Co Pty Ltd, Nindethana Seed Service Pty Ltd, Biodiverse Carbon Pty Ltd and Vegetation Management Trust Funds, is a group limited by guarantee, incorporated and domiciled in Australia. Greening Australia - Sandalwood Australia Co Pty Ltd, Nindethana Seed Service Pty Ltd and Biodiverse Carbon Pty Ltd are proprietary companies, incorporated and domiciled in Australia. Vegetation Management Trust Funds is a trust incorporated and domiciled in Australia

The financial statements were authorised for issue on 20 October 2017 by the directors of the company.

1 Summary of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with 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 thousand dollars.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Greening Australia Limited (the "Company") and its subsidiaries as at 30 June 2017, together (the "Group"). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

A list of controlled entities is contained in Note 20 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) 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 financial liabilities in current liabilities in the statement of financial position.

(c) Inventories

Inventories consist of items for future use on projects and for resale. These are measured at the lower of cost and net realisable value. Where expenditure on projects is in advance of the receipt of funds and there is a certainty that the expenditure will be recouped under a specific contract, the value of the work performed is recognised as revenue and the amount is held as work in progress.

1 Summary of Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their cost or fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Assets carried at cost are assessed for impairment where indicators exist, and assets carried at fair value are revalued based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed asset is depreciated on a straight line basis over their useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Rate
Buildings	2.5% - 6.67%
Plant and Equipment	10% - 20%
Furniture, Fixtures and Fittings	20%
Motor Vehicles	20%
Office Equipment	20%
Computer Equipment	33%
Leasehold Improvements	5% - 20% or over the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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 profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Biological Assets

Biological assets are measured on initial recognition and each reporting date at fair value less estimated point-of-sale costs. Fair value is ascertained by detailed comparison with external markets and represents the value at which plant stock is used in projects and sold to third parties.

1 Summary of Significant Accounting Policies (cont'd)

(f) 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 are measured using the best estimate of the amounts required to settle the obligations at the end of each reporting period.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

(h) Revenue and Other Income

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

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

Revenue from the rendering of services is recognised upon the delivery of the service to the clients. Where funds are received in the financial year which, by agreement with the provider, are not intended to be expended until the following financial year, those funds are not recognised as revenue. Rather they are shown in the statement of financial position as funds received in advance. These funds are recognised as revenue in the year in which expenses can be matched to them.

Where expenditure on projects is in advance of the receipt of funds and there is a certainty that the expenditure will be recouped under a specific contract, the value of the work performed is recognised as revenue and the amount is held as work in progress.

Donations and bequests are recognised as revenue when received.

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

(i) Rounding of Amounts

The amounts in the financial statements have been rounded to the nearest thousand dollars.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by referenced to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the term of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss.

1 Summary of Significant Accounting Policies (cont'd)

(k) Income Tax

The group, except for Greening Australia – Sandalwood Australia Co Pty Ltd, Nindethana Seed Service Pty Ltd and Biodiverse Carbon Pty Ltd, is a not for profit organisation for financial reporting purposes under Australian Accounting Standards and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(l) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the profit or loss.

Work in progress

Where expenditure on projects is in advance of the receipt of funds and there is a certainty that the expenditure will be recouped under a specific contract, the value of the work performed is recognised as revenue and the amount is held as work in progress.

(m) 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 (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.

(n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of 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 or loss”, in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as 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 calculated using the effective interest method.

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

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.

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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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 company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(n) Financial Instruments (cont'd)

Impairment (cont'd)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability 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.

(o) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income during the reporting period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. A master facility has been in place for the controlled entities with Greening Australia Limited, as a means of obtaining finance for vehicles and other capital items at discounted rates. The facility is guaranteed by the parent company with each of the controlled entities being responsible for making all required payments for each loan that they have drawn down under the master facility. Whilst there is no formal written agreement between the parent company and the controlled entities guaranteeing that they will honour all payments under each loan, the parent company relies on its control and management of major contract payments.

1 Summary of Significant Accounting Policies (cont'd)

(q) Investment Property

Land donated to the company is recorded at the fair value of the land at the time of receiving the donation. The company assesses the fair value of the land at each financial year and an independent valuation is carried out every five years.

(r) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Trade and Other Payables

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

(t) Other Liabilities

Where funds are received in the financial year which, by agreement with the provider, is not intended to be expended until the following financial year are not recognised as revenue. Rather they are shown in the statement of financial position as funds received in advance. These funds are recognised as revenue in the year in which expenses can be matched to them.

Lease payments received in advance are recognised as a liability and recognised as income over the life of the lease term.

(u) Intangible Assets

Goodwill acquired by the group is carried at cost less, where applicable, any impairment losses. The carrying amount of goodwill is reviewed annually by directors to ensure it is not impaired.

Carbon rights are carried at cost less any accumulated amortisation and any accumulated impairment losses. Carbon rights are amortised on a straight-line basis over the covenant period, as per agreements, ranging from 40 years to 130 years.

(v) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(w) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

1 Summary of Significant Accounting Policies (cont'd)

(w) Business Combinations (cont'd)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or the creation/increase of an acquisition reserve.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(x) Investments in Associates and Joint Arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

1 Summary of Significant Accounting Policies (cont'd)

(x) Investments in Associates and Joint Arrangements (cont'd)

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(y) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the group.

Key Estimates - Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group 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.

The investment property held by one of the group company is subject to revegetation works and covenants attached to the works carried out. The investment property was assesseed for impairment at 30 June 2017 and no impairment was recognised.

Trade and other receivables were assessed for recoverability at 30 June 2017 and a provision for impairment of $414,000 (2016: $124,000) was recognised.

Goodwill was assessed for impairment at 30 June 2017 and no impairment was recognised.

Properties in WA were the subject of a downwards revaluation during the year following a fair value estimate which included the consideration of a number of factors including increased vegetation, the current and potential covenant on the properties, the lease arrangement in place and the projected carbon revenue. Refer Note 12.

No other impairment has been recognised in respect of any other assets for the year ended 30 June 2017.

Key Estimates – Sandalwood valuation

The Group have made a number of critical judgements with regards to the carrying value of a sandalwood plantation of $417,000 as referred to in Note 7. As at balance date, the Group are of the opinion that the fair value of the biological asset cannot be reliably measured despite an independent valuation being obtained for the assets on 6 October 2016. The Group have formed this conclusion based on the following:

- Long lead time before the value of plants can be realised;
- No observable active market for the plantation
- Concern that there will be a plentiful supply of superior sandalwood in other regions including Northern Australia in the future; and
- Specific caveats within the independent valuation detailing the significant assumptions made by the valuer.

As the fair value cannot be reliably determined, management have chosen to continue to adopt the initial cost as the carrying value and will continue assessing the carrying value in future financial years.

	Consolidated Group 2017 $000	2016 $000
2 Revenue		
Operating Revenue		
Consultancy services	174	374
On-ground works and revegetation	13,352	13,103
Sale of seeds and plants	2,934	2,611
Sale of publications and merchandise	20	22
Training and education	858	1,229
Project management fees	9,044	6,933
Membership income	13	27
Fundraising income	1,034	797
Total operating revenue	27,429	25,096
Other Income		
Interest income	154	221
Gain on sale of assets	53	83
Other income	196	368
Total other income	403	672
3 Expenses		
Operational and administrative expenses		
Computer maintenance and consumables	11	26
Legal fees	6	98
Insurance	163	128
Telephone and internet	204	203
Other expenses	1,000	782
Total operational and administrative expenses	1,384	1,237

	Consolidated Group 2017 $000	2016 $000
4 Cash and Cash Equivalents		
Cash on hand	7	5
Cash at bank	20,160	10,737
Total cash and cash equivalents	20,167	10,742

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2017 $000	2016 $000
Cash and cash equivalents	20,167	10,742
Financial assets (Note 8)	3,152	4,395
Total cash and cash equivalents	23,319	15,137

5 Trade and Other Receivables

Current	2017 $000	2016 $000
Trade receivables	2,907	2,767
Less provision for impairment of receivables	(414)	(124)
Trade receivables, net	2,493	2,643
Other receivables	128	120
Prepayments and deposits	224	215
Interest receivable	22	38
Total current trade and other receivables	2,867	3,016

6 Inventories

Current	2017 $000	2016 $000
Merchandise, packaging and planting supplies	155	154
Seed stock	1,325	1,235
Work-in-progress	1,176	1,658
Total inventories	2,656	3,047

	Consolidated Group 2017 $000	Consolidated Group 2016 $000
7 Biological Assets		
Current		
Plant stock	258	261
Non-current		
Sandalwood plants	417	417

The sandalwood plants were subject to an external valuation as at 6 October 2016. Based on the plantations growth to maturity at approximately 24 years of age, currently 10 years, the present value of the expected net cash flows as at 6 October 2016 was approximately $3,467,000. There is currently no observable active market for the plantation and together with other factors used for present value calculations not being clearly reliable, management has not adopted the fair value calculations.

The directors have assessed that the valuation has not changed significantly at balance date.

	2017 $000	2016 $000
8 Financial Assets		
Current		
Short term bank deposits	3,152	4,395

	2017 $000	2016 $000
9 Intangible Assets		
Goodwill - at cost	98	98
Carbon farming initiative reforestation	7	7
Carbon sequestration rights	64	64
Less accumulated amortisation	(4)	(3)
Total carbon sequestration rights	60	61
Total intangible assets	165	166

Goodwill was acquired by Greening Australia (WA) in previous periods upon acquisition of a business operation by its subsidiary - Nindethana Seed Service Pty Ltd.

	2017 $000	2016 $000
10 Other Assets		
Non-current		
Prepaid lease	847	847
Less accumulated amortisation	(126)	(103)
Total other assets	721	744

	Consolidated Group 2017 $000	Consolidated Group 2016 $000
11 Investment Property		
Freehold land	850	850

Freehold land was donated to Greening Australia (QLD). The property located at German Church Road, Redland Bay was valued by an independent valuer on 30 June 2015 at $850,000.

	2017 $000	2016 $000
12 Property, Plant and Equipment		
Freehold land		
- at revaluation	2,644	2,798
- at cost	254	254
Total freehold land	2,898	3,052
Buildings		
- at revaluation	573	573
- at cost	1,013	1,013
Less accumulated depreciation	(1,169)	(995)
Total buildings	417	442
Furniture, fixtures and fittings - at cost	285	227
Less accumulated depreciation	(268)	(221)
Total furniture, fixtures and fittings	17	6
Motor vehicles - at cost	3,061	2,987
Less accumulated depreciation	(2,404)	(2,102)
Total motor vehicles	657	886
Plant and equipment - at cost	1,922	1,726
Less accumulated depreciation	(1,532)	(1,424)
Total plant and equipment	390	302
Office equipment - at cost	107	104
Less accumulated depreciation	(103)	(101)
Total office equipment	4	3
Computer equipment - at cost	990	966
Less accumulated depreciation	(914)	(785)
Total computer equipment	76	181
Leasehold improvements - at cost	828	699
Less accumulated depreciation	(338)	(289)
Total leasehold improvements	490	410
Total property, plant and equipment	4,949	5,282

12 Property, Plant and Equipment (cont'd)

Movements in Carrying Amounts

The movements in the carrying amounts of property, plant and equipment during the year are as follows:

	Freehold Land $000	Buildings $000	Furniture, Fixtures and Fittings $000	Motor Vehicles $000	Plant and Equipment $000	Office Equipment $000	Computer Equipment $000	Leasehold Improvements $000	Total $000
Consolidated Group									
Balance at 1 July 2015	3,618	591	4	1,072	383	5	315	277	6,265
Additions	-	-	4	147	70	-	5	158	384
Disposals	(566)	-	-	(7)	(85)	-	-	-	(658)
Depreciation expense	-	(149)	(2)	(326)	(66)	(2)	(139)	(25)	(709)
Balance at 30 June 2016	3,052	442	6	886	302	3	181	410	5,282

	Freehold Land $000	Buildings $000	Furniture, Fixtures and Fittings $000	Motor Vehicles $000	Plant and Equipment $000	Office Equipment $000	Computer Equipment $000	Leasehold Improvements $000	Total $000
Consolidated Group									
Balance at 1 July 2016	3,052	442	6	886	302	3	181	410	5,282
Additions	-	-	59	124	205	2	26	161	577
Revaluation	(154)	-	-	-	-	-	-	-	(154)
Disposals	-	-	-	-	-	-	-	(9)	(9)
Depreciation expense	-	(25)	(48)	(353)	(117)	(1)	(131)	(72)	(747)
Balance at 30 June 2017	2,898	417	17	657	390	4	76	490	4,949

	Consolidated Group	
	2017	2016
	$000	$000
13 Trade and Other Payables		
Trade payables	1,843	1,335
Accruals and other payables	2,154	1,609
Income tax payable	101	75
Total trade and other payables	4,098	3,019

14 Financial Liabilities

	2017 $000	2016 $000
Current		
Finance leases	150	362
Bank loan	-	91
Total current financial liabilities	150	453
Non-current		
Finance leases	-	150
Bank loan	-	174
Total non-current financial liabilities	-	324
Total financial liabilities	150	777

The breakup of the financial liabilities is as follows:

	2017 $000	2016 $000
Finance leases	150	512
Bank loans	-	265
Total financial liabilities	150	777

The bank loans and finance leases are secured against the assets acquired and are subject to fixed and floating interest rates respectively.

15 Provisions

	2017 $000	2016 $000
Current		
Provision for bonus	130	46
Employee benefits	1,731	1,681
Total current provisions	1,861	1,727
Non-current		
Employee benefits	144	121

	Consolidated Group 2017 $000	2016 $000
16 Other Liabilities		
Funds received in advance	16,690	10,860

17 Non-Controlling Interest		
900,000 class C ordinary shares @ $1.00 each	436	472

The non-controlling interest of is held by a third party in Greening Australia – Sandalwood Australia Co Pty Ltd. Greening Australia Limited holds these shares as trustee for a third party. The shares are non-voting and the holder is entitled to distribution by dividend only on dissolution of the company.

18 Reserves		
GADD Bequest Reserve	482	490
Asset revaluation reserve	1,903	2,057
Total reserves	2,385	2,547

Asset Revaluation Reserve
The asset revaluation reserve records revaluations of non-current assets. The reserve decreased during the year following a revaluation of a property in WA.

GADD Bequest Reserve
A bequest was made to Greening Australia (WA) in 1995. The terms state that the bequest will be applied ‘for projects in Western Australia which the majority of trustees are satisfied will benefit the environment and its conservation’. The board of directors of Greening Australia (WA) are the trustees of this bequest and allocate funds according to the terms of the bequest.

19 Commitments		
Finance Lease Commitments		
Payable – minimum lease payments:		
- not later than 12 months	154	381
- between 12 months and five years	-	154
Minimum hire purchase payments	154	535
Less future finance charges	(4)	(24)
Total present value of minimum lease payments	150	511

20 Controlled Entities

The following entities have been incorporated into the consolidated group financial report.

	Country of Incorporation	Percentage Controlled 2017 (%)	Percentage Controlled 2016 (%)
Greening Australia Limited (Parent Entity)	Australia		
Greening Australia (Capital Region)	Australia	100%	100%
Greening Australia (WA)	Australia	100%	100%
Greening Australia (NSW)	Australia	100%	100%
Greening Australia (QLD)	Australia	100%	100%
Greening Australia (VIC)	Australia	100%	100%
Greening Australia (TAS)	Australia	100%	100%
Greening Australia (SA)	Australia	100%	100%
Greening Australia (NT) Ltd	Australia	100%	100%
Greening Australia - Sandalwood Australia Co Pty Ltd	Australia	100%	100%
Nindethana Seed Service Pty Ltd	Australia	100%	100%
Vegetation Management Trust Funds	Australia	100%	100%
Biodiverse Carbon Pty Ltd	Australia	100%	100%
Australian Carbon Biosequestration Initiative Ltd	Australia	100%	100%

21 Parent Entity Information

Information relating to Greening Australia Limited (the Parent entity):

	Consolidated Group 2017 $000	Consolidated Group 2016 $000
Statement of financial position		
Current assets	4,486	5,608
Total assets	5,426	6,457
Current liabilities	4,179	4,861
Total liabilities	4,800	5,635
Net assets	626	822
Retained earnings	**626**	**822**
Statement of profit or loss and other comprehensive income		
Surplus/(loss) for the year	(196)	235
Other comprehensive income	-	-
Total comprehensive income	**(196)**	**235**

		Consolidated Group	
		2017	2016
		$000	$000
22 Contingent Liability			
Bank guarantees		36	18

A fixed and floating charge has been given by the group over its net assets for the finance lease liability and the bank loans of the group.

23 Key Management Personnel

The totals of remuneration paid to the key management personnel of the company during the year are as follows:

	2017	2016
Key management personnel compensation	1,146	1,237

There are no post-employment benefits for the key management personnel.

24 Fair Value Measurements

The group has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The group does not subsequently measure any liabilities on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements

		2017	2016
Investment property	11	850	850

For investment property the fair value is based on directors' valuation and external independent valuations performed in the current year, which had used comparable market data for similar properties.

25 Company Details

The registered office and principal place of business of the company is:
Greening Australia Limited
Level 2, 349 Collins Street
Melbourne VIC 3000

Directors' Declaration

In accordance with a resolution of the directors of Greening Australia Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 8 to 29, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

    b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Gordon Davis
Director

Signed this 23rd day of October 2017.

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Independent Auditor's Report
To the members of Greening Australia Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Auditor's Opinion

We have audited the accompanying financial report of Greening Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 Greening Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a 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 then ended; and

b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

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Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with 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 Company'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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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 the 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 this 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. A description of our responsibilities can be found on The Auditing and Assurance Standards Board website www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B A Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2017