



The Directors of:

Refrigerant Reclaim Australia Limited, as trustee for
R.R.A. Environment Trust

Cc: General Manager, Refrigerant Reclaim Australia

Compilation report to the directors of the Refrigerant Reclaim Australia group

Using information you provided, we have compiled the special purpose financial statements for the Refrigerant Reclaim Australia (RRA) group, consisting of Refrigerant Reclaim Australia Limited and the R.R.A. Environment Trust for the year ended 30 June 2017. Audited consolidated financial statements are not prepared for these entities because they are not a reporting entity under Australian Accounting Standards. The financial statements for the RRA group are an aggregation of the audited financial data for each of the entities listed above, after eliminating any inter-entity transactions and balances. The report comprises a combined income statement, combined balance sheet, and related notes.

The responsibility of the directors

The directors are solely responsible for the information contained in the report and have determined that the financial reporting framework used, as set out in Note 1 to the financial statements, is appropriate to your specific purposes.

Our responsibility

On the basis of information provided by you, we have compiled the accompanying financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which you 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 financial statements were compiled exclusively for the benefit of the proprietor. We do not accept responsibility to any other person for the contents of the financial statements.

PricewaterhouseCoopers


Eugene Kalenjuk
Partner

Canberra
September 2017

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Refrigerant Reclaim Australia Group
Income Statement
for the year ended 30 June 2017

	2017	2016
	\$	\$
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Income		
Levies		
- Bulk importers	7,451,905	6,911,666
- Charged equipment importers	6,546,266	6,088,743
Total Income	13,998,171	13,000,409
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Operational Costs		
Cost of destruction		
- Destruction costs	2,393,707	2,831,707
- Rebates to contractors and wholesalers	3,659,927	3,834,924
- Other	893,250	942,987
Total Operational Costs	6,946,884	7,609,618
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Gross Surplus/(Deficit) from Trading	7,051,287	5,390,791
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Other Income		
Interest income	1,898,354	1,913,860
Other income	272,962	300,064
Total Other Income	2,171,316	2,213,924
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Total Trading Overheads	954,446	1,023,386
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Operating Surplus	8,268,157	6,581,329
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Net Surplus/(Deficit)	8,268,157	6,581,329
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Refrigerant Reclaim Australia Group

Balance Sheet

for the year ended 30 June 2017

	2017	2016
	\$	\$
ASSETS		
Current Assets		
Funds		
Petty Cash	200	200
General Cheque Account	3,529,167	1,653,213
Term Deposits	22,810,000	17,412,246
Investments	6,707,666	2,105,158
	<u>33,047,033</u>	<u>21,170,817</u>
Debtors		
Trade Debtors	3,007,457	2,766,121
Other Debtors	68,109	70,846
	<u>3,075,566</u>	<u>2,836,967</u>
Other		
Prepayments	36,053	8,850
Accrued Interest	367,622	391,740
	<u>403,675</u>	<u>400,590</u>
Total Current Assets	<u>36,526,274</u>	<u>24,408,374</u>
Non-Current Assets		
Funds		
Term Deposits	2,244,000	-
Investments	33,580,706	40,249,906
Property Plant and Equipment	84,871	90,284
Less Accumulated Depreciation	(68,848)	(62,102)
Cylinders	1,043,470	924,940
Less Accumulated Depreciation	(502,104)	(426,515)
	<u>36,382,095</u>	<u>40,776,513</u>
Total Non-Current Assets	<u>36,382,095</u>	<u>40,776,513</u>
Total Assets	<u>72,908,369</u>	<u>65,184,887</u>
LIABILITIES		
Current Liabilities		
Creditors		
Trade Creditors	725,624	1,092,056
Accrued Expenses	35,424	47,961
Other Payables	86,775	57,731
	<u>847,823</u>	<u>1,197,748</u>
Provisions		
Provision for annual leave	34,633	59,213
Provision for long service leave	118,716	109,649
Provision - Destruction Costs	222,247	461,250
	<u>375,596</u>	<u>630,112</u>
Total Current Liabilities	<u>1,223,419</u>	<u>1,827,860</u>
Total Liabilities	<u>1,223,419</u>	<u>1,827,860</u>
Net Assets	<u>71,684,950</u>	<u>63,357,027</u>
EQUITY		
Settled Sum	10	10
Retained Earnings	63,416,783	56,775,688
Current Year Earnings	8,268,157	6,581,329
Total Equity	<u>71,684,950</u>	<u>63,357,027</u>

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Trust is a not for profit entity.

(a) Basis of preparation

This is a special purpose financial report that has been prepared based on the 2017 financial reports of Refrigerant Reclaim Australia Limited and the Refrigerant Reclaim Australia Environment Trust, each of which were individually audited. As the consolidated Refrigerant Reclaim Australia entity presented in this report is not recognised as a consolidated entity under Australian Accounting Standards, management have determined the accounting policies outlined below are appropriate and sufficient to meet the needs of the intended users of this report

(i) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Levy on imported refrigerant

Revenue is recognised when certain types of refrigerant are imported and sold in Australia.

(ii) Interest revenue

Interest revenue is recognised when interest is derived on cash at bank.

(iii) Government revenue

Government revenue is recognised when it is invoiced.

(c) Income tax

Income tax is not brought to account as the trust has exempt status under Division 50 Subdivisions 5 & 10 of the *Income Tax Assessment Act 1997*.

1 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of up to three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are initially recorded at cost and are depreciated over their estimated useful lives using the diminishing value method. New assets are depreciated from the date of their commissioning.

Depreciation rates and methods are reviewed annually for appropriateness. The useful lives used for each class of assets are as follows:

- Cylinders	7.5 years
- Other property, plant and equipment	3-5 years

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1 Summary of significant accounting policies (continued)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.