



AER
Foundation Ltd

Changing the way we drink

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

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CORPORATE INFORMATION

CORPORATE INFORMATION

This annual report covers the Alcohol Education and Rehabilitation Foundation Ltd (AER) as an individual entity. The AER's function and presentation currency is AUD (\$).

A description of AER's operations and of its principal activities is included in the review of operations and activities in the directors' report on pages 3 to 10. The directors' report is not part of the financial report.

Directors

I Webster (Chair)
S Wilson (Deputy Chair)
C Bart
T Costello
D Crosbie
P d'Abbs
A Mosey
B Tobin

Company Secretary

D Smeaton

Registered office

Suite 8 Level 1
8 Phipps Close
Deakin ACT 2600

Principal place of business

Suite 8 Level 1
8 Phipps Close
Deakin ACT 2600

Solicitors

Chamberlains Law Firm Pty Ltd
GPO Box 746
Canberra ACT 2601

Bankers

Macquarie Bank
20 Bond Street
Sydney NSW 2000

Auditors

Australian National Audit Office
GPO Box 707
Canberra ACT 2601

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DIRECTOR'S REPORT

DIRECTORS' REPORT

The directors present their report together with the financial report on the Alcohol Education and Rehabilitation Foundation Ltd (AER) for the financial year ended 30 June 2007 and the auditors report thereon.

DIRECTORS

Names, qualifications, experience and special responsibilities of AER directors in office at any time during or since the end of the financial year are as follows:

Professor Ian William Webster AO (Chair)

Professor Webster was appointed a director of AER on 17 October 2001. Professor Webster is a physician and Emeritus Professor of Public Health and Community Medicine of the University of New South Wales. He is Patron of the Alcohol and other Drugs Council of Australia, Chair of the National Advisory Council on Suicide Prevention, Chair of the NSW Expert Advisory Committee on Alcohol and Drugs and President, Governing Council of The Ted Noffs Foundation.

He has chaired a number of Commonwealth and State Government inquiries and reviews in disability, health, mental health and alcohol and other drug problems. He is in clinical practice in the Drug and Alcohol Services in the South Western Sydney Area Health Service and the Shoalhaven and Illawarra Health Services, NSW and is honorary visiting physician to the Matthew Talbot Hostel for the homeless in Sydney. He has conducted research and published in medicine, community and public health, alcohol and other drug problems, mental health and social issues.

Presently, he is the AER Chair and also serves on the Executive and Remuneration committees.

During the past year Professor Webster has also served as a director of the following other companies:

- The Ted Noffs Foundation
- AW Tyree Foundation
- Webster Associates Pty Ltd

Scott Wilson (Deputy Chair)

Scott Wilson was appointed a director of AER on 17 October 2001. Mr Wilson is the State Director of the Aboriginal Drug and Alcohol Council (SA) Inc, which is the only Indigenous organisation of its kind in Australia. Mr Wilson has presented a number of papers on behalf of ADAC at both national and international conferences on indigenous drug and alcohol issues and was awarded the Alcohol and other Drugs Council of Australia (ADCA) Australia Day Achievement Medallion in 1997. In 2003, Mr Wilson was awarded the Centenary Medal for service to Indigenous substance misuse issues.

Presently, he is the AER Deputy Chair and also serves on the Audit, Executive and Remuneration committees.

During the past year Mr Wilson has also served as a director of the following other companies:

- Wine Foundation

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DIRECTOR'S REPORT

Cheryl Sarah Bart (Chair Audit Committee) BCom/LLB

Cheryl Bart was appointed a director of AER on 17 October 2001. Cheryl Bart is a lawyer and company director. She is the Chairman of the South Australian Film Corporation and also Chairs the Adelaide Film Festival.

Presently, she is the AER Audit Chair.

During the past year Ms Bart has also served as a director of the following other companies:

- Spark Infrastructure Ltd
- ANZ Executors & Trustees Company Limited
- ETSA Utilities
- Defence Industry Advisory Board
- Economic Development Board
- South Australia Film Corporation
- Adelaide Film Festival
- Adelaide Film Festival Investment Fund
- Shaw of Australia
- Electro Optics Systems Holding Ltd
- Growth Properties Ltd

Timothy Ewen Costello AO

Timothy Costello was appointed a director of AER on 17 October 2001. Tim Costello has a life long commitment to social justice. He is Chief Executive Officer of World Vision Australia.

David William Crosbie

David Crosbie was appointed a director of AER on 17 October 2001. David Crosbie is currently CEO of the Mental Health Council of Australia, the national peak body for the mental health field. He was previously CEO of Odyssey House Victoria, one of Australia's leading alcohol and drug treatment agencies and is the former CEO of the Alcohol and other Drugs Council of Australia. David has extensive experience in developing and implementing policies and programs to reduce the level of alcohol related harm in Australia.

Presently, he also serves on the Executive and Remuneration committees.

During the past year Mr Crosbie has also served as a director of the following other companies:

- Crosbie and Associates Pty Ltd
- National Drugs Partnership
- Non Profit Australia

Associate Professor Peter Harald Nilsen d'Abbs

Associate Professor d'Abbs was appointed a director of AER on 17 October 2001. Associate Professor d'Abbs holds a position in the School of Public Health and Tropical Medicine, James Cook University, Cairns and is currently also working with Queensland Health, Cairns. He has conducted extensive policy - related research and evaluation in the areas of alcohol problems and community-based interventions, particularly in Indigenous and rural/remote settings.

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DIRECTOR'S REPORT

Elizabeth Anne Mosey

Elizabeth Mosey was appointed a director of AER on 17 October 2001. Elizabeth Mosey has worked with remote Aboriginal communities for over 10 years in the Northern Territory, Queensland and Western Australia to assist them in the development of strategies concerning alcohol abuse and petrol sniffing. She is currently working as a consultant providing training and community development support to government and non-government agencies in the areas of alcohol and inhalant substance misuse.

Presently, she serves on the Executive and Remuneration committees.

Dr Bernadette Tobin MA(Melb) MEd(Melb) PhD(Cantab)

Dr Tobin was appointed a director of AER on 17 October 2001. Dr Tobin is Director of the Plunkett Centre for Ethics at St Vincent's Hospital in Sydney and Reader in Philosophy at Australian Catholic University.

Presently, she also serves on the Audit committee.

During the past year Dr Tobin has also served as a director of the following other companies:

- Kincoppal-Rose Bay School Pty Ltd
- Garvan Institute for Medical Research



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DIRECTOR'S REPORT

COMPANY SECRETARY

Daryl Peter Smeaton

Daryl Smeaton was appointed the secretary of AER on 17 October 2001.

Presently, he is the AER Chief Executive Officer. He is also Chair of the Catholic Education Commission of the ACT (a part-time position). Previously he was Chief Executive Officer of the Real Estate Institute of Australia and prior to that was employed for 30 years by the Commonwealth Government. He holds a Bachelor of Arts and a Graduate Diploma in Law from the University of Canberra.

DIRECTORS MEETINGS

The number of directors meetings and number of meetings attended by each director during the financial year are:

Director Name	General		Executive		Audit	
	Held	Attended	Held	Attended	Held	Attended
Ian William Webster	6	6	7	7		
Scott Wilson	6	5	7	6	8	4
Cheryl Sarah Bart	6	4			8	8
Timothy Ewen Costello	6	6				
David William Crosbie	6	6	7	5		
Peter Harald Nilsen d'Abbs	6	5				
Elizabeth Anne Mosey	6	6	7	6		
Bernadette Tobin	6	6			8	7

Directors have been in office since their initial date of appointment upon the formation of AER to the date of this report unless otherwise stated.

AER OVERVIEW

AER was established by its members on 17 October 2001 and *The Alcohol Education and Rehabilitation Account Act 2001* (the Act), a funding agreement dated 15 November 2001 with the Australian Government (the Agreement), and the AER Constitution outline its purpose and objectives.

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

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DIRECTOR'S REPORT

PRINCIPAL ACTIVITIES

The principal activities of AER during the financial year were:

- to prevent alcohol and other licit substance misuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous Australians and youth;
- to support evidence-based alcohol and other licit substance misuse treatment, rehabilitation, research and prevention programs;
- to promote community education encouraging low risk consumption of alcohol and highlighting the dangers of licit substance misuse;
- to promote public awareness of the work of AER and raise funds from the private sector for the ongoing work of AER; and
- to provide funding grants to organisations with appropriate community linkages to deliver services which reduce the harms caused by alcohol and other licit substance misuse.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Since 1 July 2007, AER has implemented a business plan for the period 1 July 2007 to 30 June 2010.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of AER, the results of those operations, or the state of affairs of AER in future financial years.

OPERATING AND FINANCIAL REVIEW

The operating loss of AER for the current financial year amounted to \$7,781,019 (The operating loss amounted to \$18,371,857 in 2006).

The balance of retained surpluses amounts to \$13,870,949 (\$8,064,107 in 2006).

AER's constitution precludes it from distributing any surpluses to its members. Accordingly, there were no dividends provided for or to be paid by AER since the end of the previous financial year and the directors do not recommend the declaration of a dividend.

The balance of unspent trust funds amounts to \$45,010,440 (\$58,598,301 in 2006).

Of the unspent trust funds, AER is committed to providing to grantees a further \$17,963,245. These payments are subject to the grantees meeting the terms of their respective funding agreements. Details of these are shown at Note 17. In accordance with Australian National Audit Office advice and Department of Finance directives, the committed trust funds have not been expensed in the Income Statement. If the committed funds were included then the balance of unspent trust funds would amount to \$27,047,195.

AER's strategic investment planning has enabled the establishment of a perpetual trust of \$25,000,000. The income that is generated from this investment will ensure that AER can operate beyond 30 June 2010.

AER Director's have allocated \$11,000,000 towards the objectives of the 2007-2010 business plan.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Since the end of the financial year AER has approved funding in the amount of \$66,673 consistent with the objectives of the 2007-2010 business plan.

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DIRECTOR'S REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year AER has paid premiums in respect of directors' and officers' liability and legal expenses and also professional indemnity insurance contracts. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of AER.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses and also professional indemnity insurance contracts, as such disclosure is prohibited under the terms of the contract.

LEGAL PROCEEDINGS

No person has applied for leave of 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.

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

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of AER.

Remuneration philosophy

The performance of AER depends upon the quality of its directors and executives. To prosper, AER must attract, motivate and retain highly skilled directors and executives.

Remuneration committee

The Remuneration Committee of the Board of Directors of AER is responsible for determining and reviewing compensation arrangements for directors and the Chief Executive Officer (CEO).

The Remuneration Committee assesses the appropriateness of the nature of remuneration of directors and the CEO on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum benefit from retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The constitution specifies that the remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the General Meeting held on 27 February 2004.

The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable organisations when undertaking a review process.

Each director receives a fee for being a director of AER. An additional fee is also paid for some Board committees on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

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DIRECTOR'S REPORT

Senior management remuneration

Objective

AER aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within AER so as to:

- reward executives for AER and individual performance against targets set by reference to appropriate benchmarks;
- link rewards with the strategic goals and performance of AER; and
- ensure total remuneration is competitive by market standards.

Structure

Senior managers are given the opportunity to receive their remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for AER.

Note 4 (b) to the financial statements discloses figures in relation to the remuneration of key management personnel.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

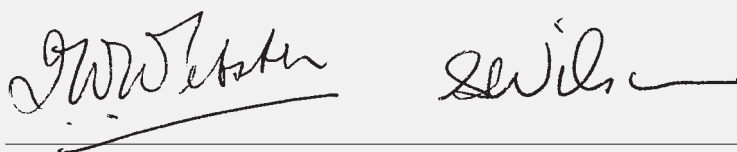
The directors received the following declaration from the auditor of the Alcohol Education and Rehabilitation Foundation Ltd as required under section 307C of the Corporations Act 2001.

NON-AUDIT SERVICES

There were no non-audit services provided to AER by its auditor during the financial year.

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

Director



Dated this 11th day of September 2007

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AUDITOR'S INDEPENDENCE DECLARATION



Mr Daryl Smeaton
Company Secretary
Alcohol Education and Rehabilitation Foundation Limited
Suite 8, Level 1
8 Phipps Close
DEAKIN ACT 2600

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Alcohol Education and Rehabilitation Foundation Limited

In relation to our audit of the financial report of the Alcohol Education and Rehabilitation Foundation Limited for the year ended 30 June 2007, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

John McCullough
Acting Executive Director

Delegate of the Auditor-General

Canberra
// September 2007

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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the members of Alcohol Education and Rehabilitation Foundation Limited

Matters relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published on the website of Alcohol Education and Rehabilitation Foundation Limited for the year ended 30 June 2007. The directors are responsible for the integrity of the website.

This auditor's report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report in Alcohol Education and Rehabilitation Foundation Limited's annual report

Scope

I have audited the accompanying financial report of Alcohol Education and Rehabilitation Foundation Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Directors' Responsibility for the Financial Report

The directors of Alcohol Education and Rehabilitation Foundation Limited 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 control relevant to the preparation and fair presentation of the financial report that are 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT

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 judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

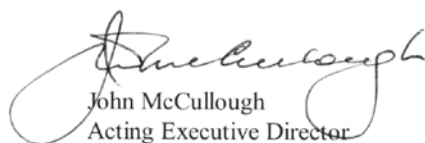
In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In my opinion:

- (a) the financial report of Alcohol Education and Rehabilitation Foundation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of Alcohol Education and Rehabilitation Foundation Limited's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Australian National Audit Office



John McCullough
Acting Executive Director

Delegate of the Auditor-General

Canberra
12 September 2007

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CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Alcohol Education and Rehabilitation Foundation Ltd (AER) are responsible for the corporate governance of AER. The Board monitors the business and affairs of AER.

AER's Corporate Governance is structured with reference to the AER Values, which are as follows:

Value 1. Collaborative Approach

Value 2. Capacity Building and Community Engagement

Value 3. Transparent and Accountable

Value 4. Cultural Responsiveness

Value 5. Acknowledging the Importance of Social Justice

AER's corporate governance practices were in place throughout the year ended 30 June 2007.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of AER are considered to be independent when they are independent from management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

Executive Committee

The Board has established an Executive Committee, which meets quarterly, to ensure that the Board continues to operate within established guidelines, including when necessary, selecting candidates for the position of director.

The members of the Executive Committee during the year were:

I Webster (Committee Chair)

D. Crosbie

E. Mosey

S. Wilson

Audit Committee

The Board has established an Audit Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within AER. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safe guarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial consideration such as benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Audit Committee are non-executive directors.

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CORPORATE GOVERNANCE STATEMENT

The members of the Audit Committee during the year were:

C. Bart (Committee Chair)

B Tobin

S. Wilson

Remuneration

It is AER's objective to provide maximum benefit from the retention of a highly qualified Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of directors' and executives' emoluments to AER's financial and operational performance.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to AER; and
- performance incentives that allow executives to share the success of AER.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the Chief Executive Officer.

The Board has established a Remuneration Committee, and members of the Remuneration Committee throughout the year were:

I Webster (Committee Chair)

D. Crosbie

E. Mosey

S. Wilson

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INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Income			
Asset sales	2a	-	44,276
Public Fund	2b	15,244	5,461
Grant Funds	2c	112,131	36,047
Priority Area Funds	2d	60,316	-
Finance revenue	2e	7,541,403	5,133,255
Total Income		7,729,094	5,219,039
Expenses			
Grant payments	17b	8,181,421	20,218,142
Priority Area payments	17d	5,578,888	1,638,606
Occupancy expenses		136,098	166,146
Administrative expenses		296,014	396,008
Depreciation and amortisation expenses	3a	64,241	99,304
Provisions	3b	4,391	-
Employee benefits expenses	3c	929,990	775,018
Directors expenses	3d	303,433	262,698
Finance costs	3e	14,163	23,376
Net loss on disposal of assets	3f	1,474	11,598
Total Expenses		(15,510,113)	(23,590,896)
Operating (Deficit) for the year		(7,781,019)	(18,371,857)
Income tax expense	1b	-	-
Net (Deficit) for the year attributable to members of the Company		(7,781,019)	(18,371,857)

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BALANCE SHEET

AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	33,574,787	41,567,199
Trade and other receivables	6	377,636	580,162
Accrued revenue	7	392	77,564
Other assets	8	483,730	354,948
TOTAL CURRENT ASSETS		34,436,545	42,579,873
NON-CURRENT ASSETS			
Financial investments held for trading	9	24,769,908	24,396,729
Property, plant and equipment	10a	76,060	131,928
Intangible assets	10b	2,482	4,965
TOTAL NON-CURRENT ASSETS		24,848,450	24,533,622
TOTAL ASSETS		59,284,995	67,113,495
CURRENT LIABILITIES			
Trade and other payables	11	150,630	220,922
Interest-bearing liabilities	12	65,394	59,355
Provisions	13	36,366	28,167
TOTAL CURRENT LIABILITIES		252,390	308,444

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BALANCE SHEET

AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	41,053	65,009
Provisions	13	110,163	77,634
TOTAL NON-CURRENT LIABILITIES		151,216	142,643
TOTAL LIABILITIES		403,606	451,087
NET ASSETS		58,881,389	66,662,408
EQUITY			
Reserves- Unspent Trust Funds	14	45,010,440	58,598,301
Retained Surpluses	15	13,870,949	8,064,107
TOTAL EQUITY		58,881,389	66,662,408

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
RESERVES			
Unspent Trust Funds			
Balance at start of year		58,598,301	80,419,002
Transferred to retained surpluses for the year		(13,587,861)	(21,820,701)
Balance at end of year	14	45,010,440	58,598,301
RETAINED SURPLUSES			
Balance at start of year		8,064,107	4,615,263
Operating (Deficit) for the year		(7,781,019)	(18,371,857)
Transfer from Unspent Trust Funds		13,587,861	21,820,701
Balance at end of year	15	13,870,949	8,064,107
TOTAL EQUITY		58,881,389	66,662,408

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant Funds		179,006	35,415
Interest received		218,704	255,321
Donations		15,244	5,461
Net GST Receipts/(Payments)		195,966	(1,027,019)
Payments to Suppliers		(506,522)	(2,244,141)
Interest paid		(5,480)	(17,376)
Directors		(303,433)	(262,698)
Employees		(884,075)	(795,334)
Grant Payments		(13,760,309)	(20,218,142)
Net cash flows from (used in) operating activities	21(b)	(14,850,899)	(24,268,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		6,010,832	4,479,530
Sale of property, plant and equipment		-	88,512
Payment for property, plant and equipment		(7,363)	(163,153)
Proceeds of / (Payment for) investments		877,340	(23,938,730)
Net cash flows from (used in) investing activities		6,880,809	(19,533,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	103,676
Repayments under finance leases		(22,322)	(49,205)
Net cash from (used in) financing activities		(22,322)	54,471
Net (decrease) in cash held		(7,992,412)	(43,747,883)
Cash at beginning of year		41,567,199	85,315,082
Cash and cash equivalents at end of year	21(a)	33,574,787	41,567,199

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial report of the Alcohol Education and Rehabilitation Foundation Ltd (AER) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 11 September 2007.

AER is a company limited by guarantee, incorporated and domiciled in Australia.

The nature of the operations and principal activities of AER is in accordance with its constitution and the AER Business Plan 2006-2007.

The following is a summary of the material accounting policies adopted by AER in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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* and the Australian Accounting Standards.

The financial report covers AER as an individual economic entity.

The financial report is presented in Australian dollars and amounts have been rounded to the nearest dollar.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial non-current assets held for trading for which the fair value basis of accounting has been applied.

Statement of Compliance

Except for the amendments to AASB 101 *Presentation of Financial Statements* and AASB 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments*, which AER has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by AER for the annual reporting period ended 30 June 2007. These are outlined below.

Reference	Title	Summary	Application date of standard	Impact on AER financial report	Application date for AER
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 7 <i>Financial Instruments: Disclosures</i> .	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in AER's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in AER's financial report.	1 July 2007
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 8 <i>Operating Segments</i> .	1 January 2009	AASB 8 will have no direct impact on the amounts included in AER's financial statements as the company operates predominately in one business and geographical segment.	1 July 2009

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

Reference	Title	Summary	Application date of standard	Impact on AER financial report	Application date for AER
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of revisions to AASB 123 <i>Borrowing Costs</i> .	1 January 2009	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. AER has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on AER's financial report.	1 July 2009
AASB 2007-7	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	Amending standards for wording errors, discrepancies and inconsistencies.	1 January 2007	The amendments are minor and do not effect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on AER's financial report.	1 July 2007
AASB 7	<i>Financial Instruments: Disclosures</i>	New standard replacing disclosure requirements of AASB 130 <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> .	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	<i>Operating Segments</i>	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB 123 (amended)	<i>Borrowing Costs</i>	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset must be capitalised.	1 January 2009	Refer to AASB 2007-6 above.	1 July 2009

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRS) to be made where the financial report complies with these standards. Some Australian equivalents to IFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. AER is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRS) it cannot make this statement.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies

a. Economic Dependency

AER was established by its members on 17 October 2001 and *The Alcohol Education and Rehabilitation Account Act 2001* (the Act), a funding agreement dated 15 November 2001 with the Australian Government (the Agreement), and AER Constitution outline its purpose and objectives.

AER has an accumulated pool of funds which it is permitted to use for its continued existence.

AER has established a public fund to assist in ensuring the long term sustainability of AER.

b. Income Tax

AER is a not for profit organisation originally established for the purpose of providing grants to the community. AER applied for and obtained an exemption from the Commissioner for Taxation and accordingly does not account for Income Tax.

AER applied for and obtained Deductible Gift Recipient Status through the specific listing of AER as a deductible gift recipient in the *Income Tax Assessment Act 1997*.

c. Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets, on the basis of the higher of its fair value, less costs to sell, and value in use.

AER continues to exercise its right to elect the cost model, rather than the valuation model, under AASB 116 (29) in respect of property, plant and equipment.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised leased assets, but excluding motor vehicles and freehold land and properties held for investment purposes, is depreciated on a diminishing value basis over their estimated useful lives to AER commencing from the time the asset is held ready for use. Motor vehicles are depreciated on a straight line basis over their estimated useful lives to AER commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Asset	Depreciation Rate	Depreciation Rate
	2007	2006
Property, plant and equipment	25%-40%	25%-40%
Motor Vehicles	22.5%	22.5%
Intangible Assets	Amortisation Rate	Amortisation Rate
	2007	2006
Computer software	25%-40%	25%-40%

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of Assets

At each reporting date, AER reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is compared to the asset's carrying value. The recoverable amount is the higher of the asset's fair value less cost to sell. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if AER were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

The asset is then written down to its recoverable amount through the income statement. Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, AER estimates the recoverable amount of the cash generating unit to which the asset belongs.

d. 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 AER are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the lower of fair value and the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that AER will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

e. Employee Benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of AER is estimated to be less than the annual benefit for sick leave.

Contributions are made by AER to a fully funded employee superannuation fund and are charged as expenses when incurred.

(ii) Long service leave

Long service leave is measured at the present value of the estimated future cash outflows to be made for those benefits.

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 reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less using the indirect method.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

g. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Grant refunds are recognised after the review of the financial acquittal provided for each individual grant awarded and a tax invoice is issued to the relevant grantee for the repayment of any unused funds provided.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

h. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Financial Instruments: Recognition and Measurement*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise. Cashflows, for the purpose of the Cashflow Statement, are adjusted in respect of unrealised gains and losses.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The valuation is based on information independently provided by AER's investment management services provider.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST

j. Comparative Figures

The comparative figures for AER's fifth year in operation 1 July 2005 to 30 June 2006 are shown. Where required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Key Estimates:

Impairment

All assets are assessed for indicators of impairment each year. Refer to Note 1 c.

Provisions for Employee Benefits

Provisions for employee benefits are estimated on the basis of the present value of expected future cash outflows in respect of the services provided.

l. Related Party Disclosures

Directors associated with organisations during the financial year which may receive financial support from AER are Ian Webster, President, Governing Council of the Ted Noffs Foundation and Scott Wilson, an employee of the Aboriginal Drug and Alcohol Council (SA) Inc and David Crosbie, a previous employee of Odyssey House, Victoria.

Terms and Conditions:

Grants awarded to organisations that AER directors are directors and/or employees of are made at arms length and are under the same terms and conditions as all grantees of AER.

AER directors of the related parties were not involved in the decision making process of the grants awarded to those organisations. Details of those grants awarded are contained at Note 24.

	Note	2007 \$	2006 \$
NOTE 2: REVENUES			
a. Asset Sales			
Computers		-	276
Disposal of Lease Make-good asset		-	44,000
Total Asset Sale Revenue		-	44,276
b. Public Fund			
Donations		876	1,314
Gifts		14,368	4,147
Total Public Fund Revenue		15,244	5,461

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 2: REVENUES			
c. Grant Funds			
Grant Payment Refunds			
Anglican Counseling Service		5,960	-
Barossa Region		-	125
Baysa		-	520
Deakin University		-	25,000
Drug Awareness & Relief Foundation		23,818	-
Ferdy's Haven		35,385	-
Latrobe City Council		1,528	-
Livingstone Shire Council		2,700	-
Local Drug Action Group		-	192
Longreach Youth Club		-	3,939
Moree Family Support		-	1,206
NSW Attorney General's		33,725	-
Palmerston City Council		-	5,065
Pharmacy Guild of TAS		1,486	-
Port Augusta Hospital		5,531	-
VAADA		792	-
Victorian Deaf Society		551	-
Wirringa Baiya Aboriginal Womens LC		655	-
Total Grant Funds Revenue		112,131	36,047

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 2: REVENUES			
d. Priority Area Funds			
Priority Area Payment Refunds			
Anglicare SA		19,000	-
Bethlehem Community Inc		35,000	-
Palmerston Association Inc		988	-
Pharmacy Guild of TAS		1,499	-
South Eastern Sydney and Illawarra HS		3,829	-
Total Priority Area Funds Revenue		60,316	-
e. Finance Revenue			
Interest Income			
Public Fund		1,981	70
Operating/Trust Accounts		139,550	195,656
Total Interest Income		141,531	195,726
Investment Income			
Net Investment Income		6,857,457	4,558,054
GST on Brokerage		51,673	49,885
Tax Imputation Credits		490,742	329,590
Total Investment Income		7,399,872	4,937,529
Total Finance Revenue		7,541,403	5,133,255

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 3: EXPENSES			
Surplus (Deficit) for the year has been determined after:			
a. Depreciation and amortisation of non-current assets			
Computer equipment		22,774	44,526
Furniture and fixtures		7,342	10,279
Telephone system		794	901
Other property, plant and equipment		818	1,515
Motor vehicles		30,030	23,118
Computer software		2,483	2,965
Lease Make-good		-	16,000
Total depreciation and amortisation		64,241	99,304
b. Provisions			
Written Off Debts		4,391	-
Total Provisions		4,391	-
c. Employee benefits expenses			
Wage accrual		6,473	4,499
Superannuation accrual		565	372
Leave accrual		20,229	4,453
Long Service Leave accrual		24,437	15,872
Other employee expenses		1,856	27,508
Wages and salaries		799,397	660,463
Superannuation-defined contribution		69,885	55,690
Workers compensation		7,148	6,161
Total employee benefits expenses		929,990	775,018

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 3: EXPENSES			
d. Directors expenses			
Fees		149,500	150,250
Wages		53,000	52,750
Superannuation		4,804	4,747
Other expenses		96,129	54,951
Total directors expenses		303,433	262,698
e. Finance costs			
Operating leases			
Computer		-	1,811
Provision Lease Make-good		-	6,000
Photocopier and Fax		8,683	8,626
Finance leases			
Motor vehicles		5,480	6,939
Total finance costs		14,163	23,376
f. Loss on disposal of assets			
Computers		418	830
Furniture and Fixtures		1,056	-
Motor vehicles		-	10,751
Other property, plant and equipment			17
Total loss on disposal of assets		1,474	11,598
g. Expenditure accruals			
Other expenses		123,139	161,590
Total expenditure accruals		123,139	161,590

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 3: EXPENSES			
h. Rental expense on operating leases			
Computer rental		-	1,811
Office lease		66,550	55,096
Photocopy fax lease		8,683	8,626
Total rental expenses on operating leases		75,233	65,533
i. Auditor remuneration			
Financial Statements Audit-ANAO		16,000	15,000
Total Auditor remuneration		16,000	15,000

**NOTE 4: KEY MANAGEMENT
PERSONNEL COMPENSATION****a. Details of Key Management Personnel****Directors**

I Webster	Chair/Executive Committee
S Wilson	Deputy Chair/Executive and Audit Committees
C Bart	Director/Chair Audit Committee
T Costello	Director
D Crosbie	Director/Executive Committee
P d'Abbs	Director
A Mosey	Director/Executive Committee
B Tobin	Director/Audit Committee

Executives

D Smeaton	Company Secretary/Chief Executive Officer
T Purdam	Deputy Chief Executive Officer

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION			
b. Compensation of Key Management Personnel			
Short-term benefits			
Salary & Fees		520,320	534,996
Cash Bonus		-	-
Non Monetary benefits		48,820	42,598
Other		-	-
Total Short-term benefits		569,140	577,594
Post employment benefits			
Superannuation		35,130	28,642
Retirement benefits		-	-
Total Post employment benefits		35,130	28,642
Long Term			
Incentive Plans		-	-
Total Long Term		-	-
Total		604,270	606,236

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 5: CASH AND CASH EQUIVALENTS			
The cash and cash equivalent assets comprise the following:			
Public Fund account		23,140	5,506
Operating account		55,204	350,827
Trust account		815,428	1,640,436
Petty cash account		203	198
Term deposits		32,680,812	39,570,232
Total Cash and Cash Equivalents		33,574,787	41,567,199
NOTE 6: TRADE AND OTHER RECEIVABLES			
Net GST receivable		373,067	576,230
Other receivables		4,569	3,932
Total Trade and Other Receivables		377,636	580,162
NOTE 7: ACCRUED REVENUE			
Interest accrued			
Operating/Trust accounts		392	49,314
Investment portfolio		-	28,250
Total Accrued Revenue		392	77,564
NOTE 8: OTHER ASSETS			
Deposits paid		-	1,030
Imputation Credit refunds		468,110	329,590
Prepayments		15,620	24,328
Total Other Assets		483,730	354,948

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
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NOTE 9: FINANCIAL INVESTMENTS HELD FOR TRADING

Financial investments held for trading comprise:

Shares in listed corporations, at fair value		24,769,908	24,396,729
Total Financial investments held for trading.		24,769,908	24,396,729

Financial investments held for trading comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**a. Property, Plant and Equipment****Non leased Property, Plant and Equipment****Computer Equipment**

Computer Equipment at cost		137,674	136,199
Less accumulated depreciation		(114,935)	(92,161)
Total Computer Equipment		22,739	44,038

Furniture and Fixtures

Furniture and Fixtures at cost		98,517	94,991
Less accumulated depreciation		(86,253)	(78,911)
Total Furniture and Fixtures		12,264	16,080

Telephone System

Telephone System at cost		8,543	7,845
Less accumulated depreciation		(7,255)	(6,461)
Total Telephone System		1,288	1,384

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS			
Other Property, Plant and Equipment			
Other Property, Plant and Equipment at cost		8,365	8,174
Less accumulated depreciation		(7,353)	(6,535)
Total Other Property, Plant and Equipment		1,012	1,639
Leased Property, Plant and Equipment			
Motor Vehicles			
Motor Vehicles at cost		90,088	90,088
Less accumulated depreciation		(51,331)	(21,301)
Total Motor Vehicles		38,757	68,787
Total Property, Plant and Equipment		76,060	131,928
b. Intangible Assets			
Computer software			
Computer software at cost		40,104	40,104
Less accumulated amortisation		(37,622)	(35,139)
Total Computer software		2,482	4,965
Total Intangible Assets		2,482	4,965

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS			
c. Movements in Carrying Amounts			
Movements in the carrying amounts for each class of property, plant and equipment and intangible assets between the beginning and the end of the current financial year			
Property, Plant and Equipment			
Computer Equipment			
Balance at the beginning of the year		44,038	18,853
Additions		1,893	71,096
Disposals		(418)	(1,385)
Revaluation increments/ (decrements)		-	-
Depreciation expense		(22,774)	(44,526)
Carrying amount at the end of the year		22,739	44,038
Furniture and Fixtures			
Balance at the beginning of the year		16,080	24,591
Additions		4,582	1,768
Disposals		(1,056)	-
Revaluation increments/ (decrements)		-	-
Depreciation expense		(7,342)	(10,279)
Carrying amount at the end of the year		12,264	16,080

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS			
Telephone System			
Balance at the beginning of the year		1,384	2,285
Additions		698	-
Disposals		-	-
Revaluation increments/ (decrements)		-	-
Depreciation expense		(794)	(901)
Carrying amount at the end of the year		1,288	1,384
Other Property, Plant and Equipment			
Balance at the beginning of the year		1,639	2,970
Additions		191	201
Disposals		-	(17)
Revaluation increments/ (decrements)		-	-
Depreciation expense		(818)	(1,515)
Carrying amount at the end of the year		1,012	1,639
Motor Vehicles			
Balance at the beginning of the year		68,787	40,296
Additions		-	90,088
Disposals		-	(38,479)
Revaluation increments/ (decrements)		-	-
Depreciation expense		(30,030)	(23,118)
Carrying amount at the end of the year		38,757	68,787

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS			
Intangible Assets			
Computer software			
Balance at the beginning of the year		4,965	7,930
Additions		-	-
Disposals		-	-
Revaluation increments/ (decrements)		-	-
Amortisation expense		(2,483)	(2,965)
Carrying amount at the end of the year		2,482	4,965
Lease Make-good			
Balance at the beginning of the year		-	32,000
Additions		-	-
Disposals		-	(16,000)
Revaluation increments/ (decrements)		-	-
Depreciation expense		-	(16,000)
Carrying amount at the end of the year		-	-
Total Movements			
Balance at the beginning of the year		136,893	128,925
Additions		7,364	163,153
Disposals		(1,474)	(55,881)
Revaluation increments/(decrements)		-	-
Depreciation/Amortisation expense		(64,241)	(99,304)
Total carrying amount at the end of the year		78,542	136,893

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 11: TRADE AND OTHER PAYABLES			
CURRENT			
Payables		-	39,196
Accrued expenses		130,177	166,461
FBT liability		-	(2,403)
PAYG liability		20,453	17,668
Total Trade and Other Payables		150,630	220,922
NOTE 12 : INTEREST BEARING LIABILITIES			
CURRENT			
Bank credit card	22	41,438	37,033
Finance lease liability	16	23,956	22,322
Total Current		65,394	59,355
NON CURRENT			
Finance lease liability	16	41,053	65,009
Total non current		41,053	65,009
Total Interest Bearing Liabilities		106,447	124,364

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 13: PROVISIONS			
CURRENT			
Employee benefits			
Opening balance		28,167	43,934
Additions		41,791	10,109
Amounts charged		(33,592)	(25,876)
Closing balance		36,366	28,167
Lease Make-good provision			
Opening balance		-	54,000
Additions		-	6,000
Amounts charged		-	(60,000)
Closing balance		-	-
Total Current Provisions		36,366	28,167
NON-CURRENT			
Employee benefits			
Opening balance		77,634	70,461
Additions		52,298	20,303
Amounts charged		(19,769)	(13,130)
Closing balance		110,163	77,634
a. Aggregate employee benefit liability		146,529	105,801
b. Number of employees at year end		11	8

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 14: RESERVES			
General Reserve			
The general reserve records trust funds set aside for future grant/priority area payments and AER strategic directions.			
Unspent Trust Funds			
Movements during the year			
Opening balance		58,598,301	80,419,002
Plus Transfer from Retained Surpluses		(13,587,861)	(21,820,701)
Closing balance		45,010,440	58,598,301
Trust Funds			
Opening balance		58,598,301	80,419,002
Plus Grant payment refunds	2c	112,131	36,047
Plus Grant payment refunds	2d	60,316	-
Plus Interest received		-	-
Net Trust Funds		58,770,748	80,455,049
Less Grants/Priority Area payments made	17	(13,760,308)	(21,856,748)
Unspent Trust Funds closing balance		45,010,440	58,598,301
NOTE 15: RETAINED SURPLUSES			
Retained surpluses at beginning of financial year		8,064,107	4,615,263
Operating deficit		(7,781,019)	(18,371,857)
Transfer from general reserves	14	13,587,861	21,820,701
Retained surpluses at the end of the financial year		13,870,949	8,064,107

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 16: CAPITAL AND LEASING COMMITMENTS			
a. Finance Lease Commitments			
Payable			
— not later than 1 year		27,803	27,803
— later than 1 year but not later than 5 years		41,950	69,753
Minimum Finance Lease payments		69,753	97,556
Less future finance charges		(4,744)	(10,225)
Total Finance Lease Liability	12	65,009	87,331
Current			
Finance Lease liability	12	23,956	22,322
Non Current			
Finance lease liability	12	41,053	65,009
Total Finance Lease Liability		65,009	87,331

Finance Lease exists in relation to the motor vehicle supplied in terms of employment contract.

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable			
— not later than 1 year		83,437	81,442
— later than 1 year but not later than 5 years		92,174	169,378
Minimum Operating Lease Commitments		175,611	250,820
Total Operating Lease Commitments		175,611	250,820

The photocopier lease is a non-cancellable lease with a five year term, with rent payable monthly in advance on a fixed monthly instalment for the term of the lease. The equipment is to be returned to the lessee on expiration or termination of the lease.

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Rental provisions within the property lease agreement require that the minimum lease payments shall be increased by 3% per annum in July each year. An option exists to renew the lease at the end of the three-year term for an additional term of two years.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 17: OTHER COMMITMENTS

Trust Fund Approvals

As at 30 June 2007, AER is committed to providing to grantees a further \$17,963,245. These payments are subject to the grantees meeting the terms of their respective funding agreements. The full terms of approval were not complied with at that date. In accordance with Australian National Audit Office advice and the Department of Finance directives, the committed trust funds have not been expensed in the Income Statement. If the committed trust funds were included then the balance of unspent trust funds would amount to \$27,047,195.

	2007 \$	2006 \$
a. Summary		
Balance at the beginning of year	24,112,187	43,842,963
Committed	8,207,988	5,511,014
Total payable	32,320,175	49,353,977
Less amounts paid	(13,760,308)	(21,856,748)
Less amounts unutilised	(596,622)	(3,385,042)
Balance Payable	17,963,245	24,112,187

Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
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b. Grants

Individual Grantee Details

TREATMENT AND REHABILITATION

Australian Capital Territory

AER Programs	230,335	-	80,000	-	150,335
WIREDD	96,258	-	44,385	-	51,873
Total Australian Capital Territory	326,593	-	124,385	-	202,208

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
New South Wales					
ADF NSW	25,000	-	25,000	-	-
Albury Wodonga Aboriginal Health Service	2,000	-	2,000	-	-
Anglican Counselling Service	2,500	-	-	2,500	-
Aroonba Aboriginal Corporation	293	-	-	-	293
CSAHS RPA Hospital	9,000	-	9,000	-	-
Drug and Alcohol Nurses of Australasia	1,000	-	-	-	1,000
Family Drug Support	2,000	-	-	-	2,000
Guthrie House Co-operative Ltd	81,000	-	-	-	81,000
Hillsong Emerge	9,030	-	-	-	9,030
Macquarie University – D Hewson	790	-	790	-	-
Mission Australia	83,333	-	75,000	-	8,333
Odyssey House McGrath	1,000	-	-	-	1,000
Oolong Aboriginal Corporation Inc	5,575	-	-	-	5,575
South Western Sydney Area HS	3,000	-	-	-	3,000
St Vincents-The Alcohol and Drug Service	9,000	-	-	-	9,000
Sydney West Area Health Service	82,265	-	-	-	82,265
Ted Noffs Foundation	126,557	-	51,854	-	74,703
Teen Challenge NSW	10,000	-	10,000	-	-
The Buttery Incorporated	151,966	-	94,520	-	57,446

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
The Construction Industry D and A Foundation	168,581	-	165,550	-	3,031
The Lyndon Community	103,300	-	93,400	-	9,900
The University of New South Wales	147,616	-	135,000	-	12,616
The University of Sydney	164,135	-	50,195	-	113,940
Wegelli Aboriginal Corporation	36,000	-	32,000	-	4,000
We Help Ourselves	275,000	-	-	-	275,000
Western Sydney Division of General Practice	105,000	-	-	-	105,000
Youth Off The Streets	43,199	-	43,199	-	-
Total New South Wales	1,648,140	-	787,508	2,500	858,132
Northern Territory					
Alcohol Awareness and FR	72,849	-	-	-	72,849
CAAPS	20,552	-	-	-	20,552
Drug and Alcohol Services Assoc	5,000	-	5,000	-	-
Forster Foundation for Drug Rehabilitation Inc	14,250	-	-	-	14,250
Ipurla Aboriginal Corporation	177,000	-	87,000	-	90,000
Menzies School of Health Research	500	-	-	-	500
Mt Theo-Yuendumu	43,000	-	35,000	-	8,000
Tangentyere Council Inc	145,313	-	500	-	144,813
Total Northern Territory	478,464	-	127,500	-	350,964

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
Queensland					
Aborigines and Islanders Alcohol Relief Service	7,819	-	-	-	7,819
Brisbane Youth Services	10,000	-	-	-	10,000
Congress Community Development and Education Unit	271,612	-	-	-	271,612
Department of Premier and Cabinet	9,632	-	-	-	9,632
Drug Arm	10,000	-	-	10,000	-
Ferdy's Haven Rehab Aboriginal Corp	251,364	-	-	251,364	-
Gumbi Gumbi Aboriginal and Torres Strait Islanders Corp	2,217	-	-	2,217	-
Korrawinga Aboriginal Corporation	138,043	-	-	-	138,043
Mt Isa Volatile Substance Misuse	12,500	-	-	-	12,500
Ozcare	16,600	-	-	-	16,600
Pormur Paanth Aboriginal Corporation	155,000	-	-	-	155,000
Queensland Baptist Care	12,394	-	12,394	-	-
Queensland Police Service	5,000	-	2,254	2,746	-
The Salvation Army	165,000	-	-	-	165,000
Wu Chopperen HS Ltd	4,999	-	-	-	4,999
Total Queensland	1,072,180	-	14,648	266,327	791,205

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
South Australia					
ADAC of SA Inc	1,072	-	-	-	1,072
Anglicare SA Incorporated	37,175	-	-	-	37,175
Baptist Community Service	2,085	-	750	1,335	-
Goreta Aboriginal Corporation	178,250	-	-	178,250	-
National Correctional Services AC	4,500	-	4,239	261	-
NCETA	62,113	-	30,299	-	31,814
Northern Area Community and Youth Services Inc	1,110	-	-	-	1,110
OARS SA	264,608	-	221,008	-	43,600
Port Augusta Hospital	-	-	-	-	-
RDNS Research Unit	14,600	-	14,600	-	-
SANDAS	38,040	-	34,840	-	3,200
Uniting Care Wesley Adelaide Inc	65,921	-	60,000	-	5,921
University of Adelaide	69,226	-	65,000	-	4,226
Total South Australia	738,700	-	430,736	179,846	128,118
Tasmania					
Drug Education Network	160,265	-	78,260	-	82,005
Launceston City Mission	59,000	-	11,228	47,772	-
Tasmanian Department of Health and Human Services	275,000	-	235,000	-	40,000
Salvation Army	92,698	-	75,000	-	17,698
The Pharmacy Guild of Australia TAS	4,595	-	-	4,595	-
Total Tasmania	591,558	-	399,488	52,367	139,703

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
Victoria					
ARCAB-Western Region A & D Centre	7,319	-	-	-	7,319
Baysa Limited-Baysa Youth Services	104,617	-	67,977	-	36,640
Bendigo and District Division of General Practice	150,000	-	-	-	150,000
Centacare Catholic Family Services	3,000	-	3,000	-	-
Deakin University	160,735	-	93,365	-	67,370
Glenelg Southern Grampians DTS	8,800	-	-	-	8,800
Grampians Community Health Centre Inc	134,977	-	-	-	134,977
Heatherton Christian Resource Centre	280,000	-	267,500	-	12,500
Jesuit Social Services	24,000	-	13,000	11,000	-
Njerda Aboriginal Corporation	183,367	-	-	-	183,367
Odyssey House Victoria	100,000	-	-	-	100,000
Odyssey Institute of Studies	40,726	-	-	-	40,726
Orygen Research Centre	23,250	-	-	-	23,250
Shekinah Homelessness Services Inc	3,000	-	490	2,510	-
Southern Health	86,489	-	-	-	86,489
St Vincents Hospital Dr A Dent	9,358	-	-	-	9,358
The Buoyancy Foundation of VIC	2,500	-	2,500	-	-
The Salvation Army (VIC)	10,000	-	2,000	-	8,000
Turning Point Drug and Alcohol Centre	38,623	-	10,000	-	28,623
VAADA	1,500	-	1,339	161	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
TREATMENT AND REHABILITATION					
Western Region ADC	31,000	-	6,357	643	24,000
Youth Substance Abuse Service	298,271	-	130,271	-	168,000
Total Victoria	1,701,532	-	597,799	14,314	1,089,419
Western Australia					
Collie Health Service	3,440	-	-	-	3,440
Curtin University of Technology-NDRI	97,958	-	35,065	-	62,893
Drug and Alcohol Office	3,000	-	-	-	3,000
Drug Arm WA Inc	3,900	-	3,900	-	-
Holyoake	2,590	-	2,590	-	-
John Wale	7,000	-	3,000	-	4,000
Kimberley Aboriginal Law and Culture Centre	86,000	-	76,000	-	10,000
Mission Australia	138,663	-	123,000	-	15,663
Ngnowar-Aerwah Aboriginal Corporation	12,251	-	12,251	-	-
Palmerston Assoc Inc	68,103	-	5,000	-	63,102
Perth Community Drug Service Team	500	-	378	122	-
Salvation Army Bridge	293,284	-	141,258	-	152,026
WANADA	3,000	-	3,000	-	-
WA Council on Addictions Inc	69,800	-	60,000	-	9,800
Total Western Australia	789,489	-	465,442	122	323,924
Total Treatment and Rehabilitation	7,346,656	-	2,947,506	515,476	3,883,674

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PREVENTION					
Australian Capital Territory					
ADCA	164,633	-	-	-	164,633
AER Programs	400,000	-	-	-	400,000
Australian Division of GP'S	128,079	-	25,387	-	102,692
Dr Maggie Brady	5,000	-	-	-	5,000
Total Australian Capital Territory	697,712	-	25,387	-	672,325
New South Wales					
Arts North West	125,000	-	115,000	-	10,000
DAMEC	100,000	-	90,000	-	10,000
Family Drug Support	2,000	-	2,000	-	-
Hornsby Shire Council	1,000	-	1,000	-	-
International Society for Biomedical Research on Alcoholism	20,000	-	18,000	-	2,000
Macquarie Uni	34,160	-	32,000	-	2,160
NDARC	237,714	-	177,928	-	59,786
Newcastle City Council	125,000	-	115,000	-	10,000
NSW Bureau of Crime Stat & Res	5,000	-	-	5,000	-
NSW Department of Health	1,630,000	-	720,000	-	910,000
Queanbeyan West Public School	11,440	-	-	-	11,440
Royal Prince Alfred Hospital	54,284	-	50,000	-	4,284
South West Sydney AHS	210,358	-	90,668	-	119,690
University of New South Wales	2,472	-	2,472	-	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PREVENTION					
Uni of Newcastle	1,645,537	-	713,740	-	931,797
University of Sydney	175,000	-	-	-	175,000
Vibe Australia	135,000	-	25,000	-	110,000
Total New South Wales	4,513,965	-	2,152,808	5,000	2,356,157
Northern Territory					
AFL Central Australia	50,000	-	-	-	50,000
Alice Springs Youth Accommodation SS	1,000	-	1,000	-	-
Batchelor IOITE	1,983	-	1,983	-	-
Central Aust Aboriginal Congress	2,435	-	-	-	2,435
Djabulukgu Association	140,000	-	-	-	140,000
Gumatj Association Inc-Gunyangara Men's Group	142,000	-	-	-	142,000
Mt Theo Yuendumu	622	-	622	-	-
NPY Women's Council	910	-	910	-	-
Sports Challenge Australia	1,000	-	1,000	-	-
Tangentyere Council Inc	1,968	-	1,968	-	-
YMCA Katherine	487,493	-	240,480	-	247,013
Yeulamu Community Council Inc	1,000	-	-	-	1,000
Yuendumu Community Council	2,000	-	2,000	-	-
Yuendumu Women's Centre	4,000	-	-	-	4,000
Total Northern Territory	836,411	-	249,963	-	586,448

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PREVENTION					
Queensland					
Apunipima Cape York Health Council	3,543	-	-	-	3,543
Drug Arm Australasia	10,000	-	-	-	10,000
Nicki Gazis/QLD University	20,240	-	17,890	-	2,350
James Cook University	26,000	-	24,000	-	2,000
KASH	21,260	-	-	-	21,260
Keriba-Mina TSIC for Development	1,800	-	-	-	1,800
Livingstone Shire Council	300	-	-	300	-
Ozcare	2,946	-	-	-	2,946
QLD Police Citizens Youth Welfare	1,860	-	751	1,109	-
The University of Queensland	136,095	-	114,300	-	21,795
Wu Chopperen	1,000	-	-	1,000	-
Total Queensland	225,044	-	156,941	2,409	65,694
South Australia					
ADAC of SA Inc	2,000	-	1,000	-	1,000
Alzheimer's Australia SA Inc	279,849	-	179,849	-	100,000
Life Education Aust	25,685	-	-	-	25,685
Mission Australia's Hindmarsh Centre	2,240	-	2,000	-	240
NCETA- N Skinner	10,000	-	10,000	-	-
NCETA-The 3r's	5,506	-	5,506	-	-
Port Lincoln Aboriginal Community Inc	60,436	-	-	-	60,436

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PREVENTION					
Vietnamese Community in Australia	110,000	-	100,000	-	10,000
Wakefield Health	100,000	-	80,000	-	20,000
YWCA of Adelaide Inc	31,500	-	26,500	-	5,000
Total South Australia	627,216	-	404,855	-	222,361
Tasmania					
Community Connections Inc	110,000	-	100,000	-	10,000
The Link Youth Health Service Inc	1,977	-	1,977	-	-
Total Tasmania	111,977	-	101,977	-	10,000
Victoria					
Baysa Youth Services	13,323	-	-	-	13,323
Breaking the Barriers Action Group	800	-	-	-	800
Brophy Family and Youth Services	1,000	-	1,000	-	-
Erin Crowley	1,900	-	-	-	1,900
Latrobe City Council	2,670	-	-	2,670	-
Murdoch Children's Research Institute	15,000	-	-	-	15,000
Peninsula Health-Drug & Alcohol Program	500	-	-	-	500
Southern Health	40,000	-	30,000	-	10,000
SPARC/ARBIAS	500	-	500	-	-
Turning Point Drug and Alcohol Centre	691,970	-	3,207	-	688,763
University of Melbourne	85,071	-	81,000	-	4,071
Victorian Government	1,015,000	-	-	-	1,015,000

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PREVENTION					
Western Health through DASWest Youth Services	500	-	-	-	500
Western Region Alcohol and Drug Centre	500	-	-	-	500
Total Victoria	1,868,734	-	115,707	2,670	1,750,357
Western Australia					
City of Canning	500	-	500	-	-
City of Kalgoorlie Boulder	5,000	-	-	-	5,000
Curtin University of Technology	299,664	-	-	-	299,664
Greater Bunbury Division of GP's	135,000	-	115,000	-	20,000
Kimberley Community DST	276,692	-	-	-	276,692
NDRI Indigenous Traineeship	60,738	-	-	-	60,738
Noongar/Alcohol Substance Abuse Service	1,000	-	-	-	1,000
Royal Life Saving Soc WA	130,000	-	90,000	-	40,000
Shire of Halls Creek	20,000	-	-	-	20,000
Telethon Institute	375,500	-	325,500	-	50,000
Total Western Australia	1,304,094	-	531,000	-	773,094
Total Prevention	10,185,153	-	3,738,638	10,079	6,436,436

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PUBLIC EDUCATION					
Australian Capital Territory					
AER Programs	-	-	-	(200,000)	200,000
Australian Associated Brewers Inc	90,909	-	81,818	-	9,091
Australian Sports Medicine Federation	50,000	-	45,000	-	5,000
Total Australian Capital Territory	140,909	-	126,818	(200,000)	214,091
New South Wales					
Calvary Health Care Riverina	740	-	-	740	-
Community Broadcasting Association of Australia	20,000	-	-	-	20,000
DAMEC	8,000	-	-	-	8,000
Drug Arm Wollongong	39,007	-	39,007	-	-
Greater Western Area Health Service	2,000	-	-	-	2,000
Historic Houses Trust of NSW	1,180	-	-	-	1,180
Hunter Centre for H A	10,000	-	-	-	10,000
MDECC	165,000	-	149,722	-	15,278
Newcastle City Council	66,090	-	54,290	-	11,800
NSW Department of Health	945,500	-	530,500	-	415,000
Sydney West Area Health Service	741	-	-	741	-
Tamworth Youth Care Inc	980	-	954	26	-
Wirringa Baiya Aboriginal Women's Legal Centre Inc	1,339	-	-	1,339	-
Total New South Wales	1,260,577	-	774,473	2,846	483,258

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PUBLIC EDUCATION					
Northern Territory					
Central Australian Aboriginal Media Association	70,000	-	60,000	-	10,000
Council for Aboriginal Alcohol Programme Services Inc	38,515	-	29,515	-	9,000
Mutitjulu Community Inc	2,000	-	-	2,000	-
Nyirranggulung Mardrulk Ngadberre Council	1,000	-	-	1,000	-
Walungurru Community Council AC	2,000	-	-	2,000	-
Total Northern Territory	113,515	-	89,515	5,000	19,000
Queensland					
National Indigenous Radio Services Ltd	10,000	-	10,000	-	-
Perry Shire Council	257	-	-	-	257
QLD Health	10,593	-	-	-	10,593
South Burnett CTC Youth Services	120,000	-	100,000	-	20,000
Wu Chopperen	935	-	-	935	-
Total Queensland	141,785	-	110,000	935	30,850
South Australia					
ADAC HOSW 2004	2,500	-	-	-	2,500
ADAC Inc-Indigenous Standard Drinks	5,000	-	5,000	-	-
Booleroo Centre DH and HS Inc	5,000	-	-	-	5,000
Confederation of Aust Sport -10th Aust Masters Games	1,000	-	259	741	-
Drug and Alcohol Services Council	200,000	-	-	200,000	-
Flinders University of SA	5,044	-	2,359	2,685	-
Total South Australia	218,544	-	7,618	203,426	7,500

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
b. Grants					
Individual Grantee Details					
PUBLIC EDUCATION					
Tasmania					
Launceston City Council	8,200	-	8,200	-	-
University of Tasmania	220,000	-	200,000	-	20,000
Total Tasmania	228,200	-	208,200	-	20,000
Victoria					
Central Bayside Community Health	5,000	-	5,000	-	-
Child and Family Services-Ballarat	2,000	-	1,533	467	-
Cobaw Community Health Service	60,000	-	-	-	60,000
Focal Promotions Pty Ltd	20,000	-	20,000	-	-
Grampians Community Health Centre	70,000	-	-	-	70,000
Odyssey Institute of Studies	4,642	-	-	-	4,642
Self Help Addiction Resource Centre Inc	35,000	-	30,000	-	5,000
Sunraysia Community Health Service	250	-	-	-	250
VAADA	640	-	-	640	-
VAADA NADA WANADA	125,000	-	-	-	125,000
Vic Arabic Social Service	8,000	-	-	-	8,000
Victorian Deaf Society	1,000	-	-	1,000	-
Total Victoria	331,532	-	56,533	2,107	272,892

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA ONE-					
A CHANGE IN COMMUNITY ATTITUDES					
Australian Capital Territory					
AER Programs	-	1,124,000	120,998	-	1,003,002
Total Australian Capital Territory	-	1,124,000	120,998	-	1,003,002
New South Wales					
RADD Australia Limited	12,500	-	-	-	12,500
Total New South Wales	12,500	-	-	-	12,500
Victoria					
Australian Drug Foundation	977,519	-	643,825	-	333,694
Focal Promotions Pty Ltd	250,000	250,000	250,000	-	250,000
Total Victoria	1,227,519	250,000	893,825	-	583,694
Western Australia					
Curtin University of Technology	317	-	-	-	317
Telethon Institute for Child Health Research	20,000	-	17,303	2,697	-
Total Western Australia	20,317	-	17,303	2,697	317
Total Priority Area One	1,260,336	1,374,000	1,032,126	2,697	1,599,513

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Australian Capital Territory					
ADCA	21,000	165,210	111,000	-	75,210
ADFACT	-	78,655	45,545	-	33,110
AER Programs	-	558,913	24,393	-	534,520
Total Australian Capital Territory	21,000	802,778	180,938	-	642,840
New South Wales					
Adele Dundas Inc	-	40,000	35,000	-	5,000
ADF NSW	-	35,000	34,300	700	-
Association of Drug Referral Centres Ltd	-	19,620	10,000	-	9,620
Australian Red Cross	-	19,000	18,000	-	1,000
Australasian Therapeutic Communities Association	-	111,600	83,051	-	28,549
Citycare Newcastle	-	74,050	-	-	74,050
FADISS	-	64,500	57,000	-	7,500
Grace Productions	-	5,000	5,000	-	-
Hillsong Emerge Ltd	-	9,671	-	-	9,671
Home Detoxification Service	-	1,495	1,000	-	495
Hornsby Shire Council	-	20,000	19,000	-	1,000
Hunter England Area Health Service	-	1,795	-	-	1,795
Illawarra Area Health	486	-	-	486	-
Kamira Farm Rehabilitation Centre	-	5,899	4,899	-	1,000
Life Education Australia	-	106,300	69,300	-	37,000

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Macarthur Drug and Alcohol Services Committee	-	4,100	1,000	2,980	120
Manly Drug Education and Counselling Centre	-	7,250	4,250	-	3,000
Miyagan Aboriginal Development Association	-	21,028	19,909	-	1,118
NADA	-	178,670	85,200	800	92,670
North Coast Area Health Service	-	5,342	3,661	1,681	-
O'Connor House Alcohol Detoxification and Rehabilitation Unit	-	1,495	1,000	-	495
Phoebe House Incorporated	-	40,817	31,467	-	9,350
South East Sydney Illawarra Health	-	9,944	8,944	-	1,000
South Sydney Youth Services	-	10,858	-	-	10,858
The Buttery Incorporated	-	60,925	31,000	-	29,925
The Construction Industry Drug and Alcohol Foundation	36,970	-	34,000	-	2,970
The Peppers Illicit Drug Therapeutic Community	-	1,495	1,000	-	495
The Salvation Army	-	20,000	19,000	-	1,000
The Ted Noffs Foundation	52,500	71,500	91,500	-	32,500
The University of Sydney	-	10,665	9,665	-	1,000
Tourism and Training Australia	27,000	-	27,000	-	-
UCA-Wayside Chapel	-	70,500	65,000	-	5,500
Waverley Action for Youth Services	-	58,890	45,300	-	13,590
Wollongong Crisis Centre D & A Services Inc	-	64,600	58,600	-	6,000
Total New South Wales	116,956	1,152,009	874,046	6,647	388,271

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Northern Territory					
Council for Aboriginal Alcohol Program Services Inc	-	58,075	50,470	-	7,605
Ilpurla Community	-	16,000	-	-	16,000
Millingimbi Community Inc	-	20,000	19,000	-	1,000
Mt Theo Yuendumu Substance Misuse	-	75,000	50,000	-	25,000
Shilton Helen	-	5,000	4,163	-	837
Tangentyere Council Inc	80,000	18,642	93,799	-	4,843
Teen Challenge Centralia	-	11,800	10,800	-	1,000
Top End Division of General Practice	-	75,000	50,000	-	25,000
Total Northern Territory	80,000	279,517	278,232	-	81,285
Queensland					
Alcohol and Drug Foundation QLD	21,000	131,140	113,325	2,975	35,840
Australian Red Cross Society	-	19,780	18,780	-	1,000
Drug Arm Australasia	-	75,000	67,500	-	7,500
Fresh Hope Association Inc	-	5,012	4,443	569	-
Gindaja Substance Misuse Aboriginal Corporation	-	7,402	-	-	7,402
Gold Coast Drug Council Inc	-	39,774	35,000	-	4,774
James Cook University	-	5,132	-	-	5,132
Milingimbi Gattjirrk Cultural Festival	-	20,000	-	-	20,000
Mothers Crying Out for Help Group	1,315	-	-	-	1,315
Mullen Jodie	-	4,996	3,996	-	1,000

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Northern Aboriginal & Torres Strait					
Islander Health Alliance	-	10,000	-	-	10,000
Queensland Police Service	-	20,000	-	-	20,000
Roman Catholic Trust Corporation	500	-	69	431	-
Teen Challenge QLD	13,455	-	13,455	-	-
The University of Queensland	-	3,725	-	-	3,725
Wu Chopperen Health Service	-	7,851	7,851	-	-
Total Queensland	36,270	349,812	264,419	3,975	117,688
South Australia					
Aboriginal Sobriety Group Inc.	-	15,476	-	-	15,476
Aboriginal Drug and Alcohol Council (SA) Inc	-	17,588	15,280	-	2,308
Anglicare SA Inc	-	20,000	19,000	1,000	-
Bookyana Inc.	-	15,476	15,476	-	-
Catholic Family Services	-	20,000	19,000	-	1,000
Ceduna Koonibba Aboriginal Health Service Inc	-	10,694	10,694	-	-
Muna Paiendi Community Health Centre	-	15,476	-	-	15,476
NOFASARD	1,000	-	1,000	-	-
Offenders Aid and Rehabilitation Services of SA Inc	-	3,710	3,298	412	-
RDNS	11,000	-	9,000	-	2,000
SANDAS	20,000	75,000	80,562	38	14,400
Southern Adelaide Health Service (DASSA)	-	4,913	-	-	4,913
Uniting Care Wesley Bowden	-	9,360	8,360	-	1,000

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Vietnamese Community In Australia (SA Chapter)	-	142,305	90,305	-	52,000
West Coast Youth Services Inc	-	4,400	3,796	604	-
Young Women's Christian Association of Adelaide	-	1,334	1,205	129	-
Total South Australia	32,000	355,732	276,976	2,183	108,573
Tasmania					
Alcohol Tobacco and other Drug Council (TAS)	-	74,934	54,084	-	20,850
Drug Education Network Inc	-	4,300	3,300	-	1,000
Holyoake Tasmania	-	18,510	17,510	-	1,000
Pharmacy Guild of Australia TAS Branch	285	73,608	37,000	285	36,608
Total Tasmania	285	171,352	111,894	285	59,458
Victoria					
Arbias Ltd	-	52,000	26,000	-	26,000
Australian Drug Foundation Inc	1,000	50,000	51,000	-	-
Baysa Youth Services	-	84,378	59,755	1,004	23,620
Bendigo Community Health Services Inc	-	8,254	5,974	-	2,280
Bethlehem Community	-	70,000	35,000	35,000	-
City of Ballarat	-	20,000	19,000	-	1,000
Cobaw Community Health Service	-	2,363	1,556	131	675
DANA	21,000	-	-	-	21,000
DASWest	494	14,051	14,051	-	494
Eastern Access Community Health Inc	-	39,980	36,980	-	3,000
Glastonbury Child and Family Services	-	24,865	20,000	-	4,865

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY					
TO REDUCE ALCOHOL RELATED HARMS					
Inner East Community Health Service	-	6,000	-	-	6,000
La Trobe University	-	2,500	1,500	-	1,000
Lane Nicole Carmen	-	14,238	13,238	-	1,000
Melbourne Health	-	20,000	-	-	20,000
Ngwala Willumbong Cooperative Limited	-	90,476	76,626	-	13,850
Njerda Aboriginal Corporation	-	6,610	-	-	6,610
RaveSafe	-	3,257	3,257	-	-
Self Help Addiction Resource Centre Inc	-	89,831	69,181	-	20,650
Stride Foundation Ltd	-	75,000	42,640	-	32,360
St Vincent's Hospital Melbourne	-	29,610	27,610	-	2,000
Stevens-Jones Prudence	-	20,000	-	-	20,000
Task force Community Agency	-	65,000	33,000	-	32,000
The Buoyancy Foundation of VIC Inc	-	74,566	49,976	-	24,590
Turning Point Alcohol and Drug Centre	-	240,353	148,892	343	91,118
Uniting Care Moreland Hall	-	88,802	73,802	-	15,000
Victorian Aboriginal Health Service Co-operative Ltd	-	15,000	13,500	-	1,500
Victorian Alcohol and Drug Association	-	20,000	19,000	-	1,000
Western Region Alcohol and Drug Centre	-	20,965	19,965	-	1,000
Whitehorse Community Health Service	-	950	800	-	150
Windana	-	25,800	20,800	-	5,000
Youth Substance Abuse Service	-	84,256	56,038	-	28,218
Total Victoria	22,494	1,359,105	939,141	36,478	405,980

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA TWO-					
INCREASE THE SECTOR'S CAPACITY TO					
REDUCE ALCOHOL RELATED HARMS					
Western Australia					
APSAD	21,000	-	-	-	21,000
Curtin University Of Technology	-	20,000	19,000	-	1,000
Centacare Family Services Ehlers Esme	-	15,300	14,300	-	1,000
Holyoake Institute for Alcohol and Drug Addiction	-	24,412	23,412	-	1,000
Local Drug Action Groups	-	22,955	20,000	2,955	-
Palmerston Association Inc	-	36,100	33,100	1,000	2,000
Serenity Lodge Incorporated	-	75,000	50,000	-	25,000
Telethon Institiute for Child Health Research	-	3,272	3,272	-	-
The Roman Catholic Archbishop of Perth	-	2,951	2,559	393	-
UnitingCare West	-	4,540	-	-	4,540
Uniting Church in Australia Property Trust	-	75,000	-	-	75,000
WA Alcohol and Drug Authority	-	17,600	-	-	17,600
WA Council on Addictions	-	40,183	37,183	-	3,000
Walsh Damian	-	1,370	1,229	142	-
WANADA	-	75,000	38,000	-	37,000
Total Western Australia	21,000	413,683	242,055	4,490	188,140
Total Priority Area Two	330,005	4,883,988	3,167,701	54,058	1,992,235

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA THREE-					
PROMOTE GOOD PRACTICE OUTCOMES					
Australian Capital Territory					
AER Programs	-	750,000	377,918	-	372,082
Australian National University-M Brady	119,738	-	114,738	-	5,000
Total Australian Capital Territory	119,738	750,000	492,656	-	377,082
Queensland					
University of Queensland	28,812	-	25,645	-	3,167
Total Queensland	28,812	-	25,645	-	3,167
South Australia					
South Australian Government	2,100,000	-	-	-	2,100,000
Total South Australia	2,100,000	-	-	-	2,100,000
Victoria					
Monash University	28,467	-	-	-	28,467
Total Victoria	28,467	-	-	-	28,467
Total Priority Area Three	2,277,017	750,000	518,301	-	2,508,716

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FOR THE YEAR ENDED 30 JUNE 2007

	Opening Balance 2007 \$	Approved 2007 \$	Payments 2007 \$	Unutilised Approvals 2007 \$	Balance Payable 2007 \$
NOTE 17: OTHER COMMITMENTS					
d. Priority Areas					
Individual Beneficiary Details					
PRIORITY AREA FOUR- FUND RAISING					
Australian Capital Territory					
AER Programs	-	1,200,000	860,760	-	339,240
Total Australian Capital Territory	-	1,200,000	860,760	-	339,240
Total Priority Area Four	-	1,200,000	860,760	-	339,240
TOTAL PRIORITY AREAS	3,867,358	8,207,988	5,578,888	56,755	6,439,703
	Priority Area One	Priority Area Two	Priority Area Three	Priority Area Four	Total 2007
e. Priority Areas Commitments					
Payable					
— not later than 1 year	1,274,013	1,860,072	2,302,716	320,740	5,757,541
— later than 1 year but not later than 2 years	325,500	132,162	206,000	18,500	682,162
— later than 2 years but not later than 5 years	-	-	-	-	-
Total Priority Area Liability	1,599,513	1,992,234	2,508,716	339,240	6,439,703

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 18: CONTINGENT LIABILITIES

As at 30 June 2007 AER had no contingent liabilities or contingent assets that may become payable or receivable.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year AER has approved the awarding of further priority area funding in the amount of \$66,673 consistent with the 2008-2010 business plan.

NOTE 20: SEGMENT REPORTING

AER operates predominantly in one business and geographical segment being the awarding of community grants throughout Australia.

Note	2007	2006
	\$	\$

NOTE 21: CASH FLOW INFORMATION

a. Reconciliation of Cash

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

Cash on hand	893,975	1,996,967
Term deposits	32,680,812	39,570,232
Total	33,574,787	41,567,199

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 21: CASH FLOW INFORMATION			
b. Reconciliation of Cash Flow from Operations with Operating Deficit for the year			
Operating Deficit for the year		(7,781,019)	(18,371,857)
Investment Income		(7,399,872)	(4,937,530)
Deficit from trading activities		(15,180,891)	(23,309,387)
Non-cash flows in surplus from ordinary activities			
Asset Sales - Loss		1,474	(32,678)
Depreciation		64,241	99,304
Changes in assets and liabilities			
(Increase)/Decrease in receivables		(637)	(631)
(Increase)/Decrease in accrued revenue		77,172	59,595
(Increase)/Decrease in other assets		9,738	(7,808)
Increase/(Decrease) in payables		(75,480)	74,277
Increase/(Decrease) in employee provisions		40,728	(4,175)
Increase/(Decrease) in provisions		-	(54,000)
(Increase)/Decrease in GST receivable		203,163	(1,082,529)
Increase/(Decrease) in Payroll liabilities		5,188	(16,141)
Increase/(Decrease) in bank credit card		4,405	5,660
Cash flows from operations		(14,850,899)	(24,268,513)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 21: CASH FLOW INFORMATION			
c. Trust Fund Payments			
Grant Payments made	17	8,181,421	20,218,142
Priority Area Payments made	17	5,578,888	1,638,606
Total Trust Fund Payments		13,760,309	21,856,748

This cashflow represents the aggregate cashflows of AER required to maintain its operating capacity.

There were no material cashflows which represent an increase in operating capacity.

NOTE 22: CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES

AER has a mastercard facility amounting to \$20,000. This may be terminated at any time at the option of the bank. At 30 June 2007 \$nil of this facility was used. Interest rates are variable.

AER has an unlimited American Express corporate card facility. This may be terminated at any time at the option of American Express. At 30 June 2007 \$41,438 of this facility was used.

AER has a bank guarantee as security deposit in favour of the property lessors for an amount of \$14,115.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 23: FINANCIAL INSTRUMENTS
Note 23 A: – Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	AER invests funds with a commercial bank at call. Interest is earned on the daily balances at rates based on the banks at call rates. Rate has averaged at 5.25%. Interest is paid at months end.
Financial investments held for trading	9	Financial investments held for trading are initially recognised at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these assets are measured at fair value determined on current bid prices for all quoted investments.	AER invests funds in a managed portfolio with a commercial bank. There are no fixed returns or maturity dates attached to these investments.
Receivables	6	These receivables are recognised at the nominal amounts due.	
Term deposits	5	Term deposits are recognised at cost. Interest is accrued as it is earned.	Term deposits are with AER's bank, and earn an effective rate of interest of 12.08% payable quarterly.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Financial lease liabilities	16	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At reporting date, AER had two finance leases with a term of 3 years each. The interest rate implicit in the leases are 7.13% and 7.03%. These lease liabilities are secured by the leased assets.
Creditors	11	Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Unrecognised Financial Liabilities			
Other guarantees	22	The amount guaranteed by AER has been disclosed in the Schedule of credit standby arrangements and loan facilities.	AER has a bank guarantee as security deposit in favour of the property lessors for an amount of \$14,115.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 23: FINANCIAL INSTRUMENTS
Note 23 B: — Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2007 \$	2006 \$	1 Year or Less		1 to 5 Years		> 5 Years		2007 \$	2006 \$	2007 \$	2006 \$	2007 %	2006 %
				2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$						
Financial Assets															
Cash at bank	5	893,772	1,996,769	-	-	-	-	-	-	-	-	893,772	1,996,769	5.75	5.75
Cash on hand	5	-	-	-	-	-	-	-	203	198	203	198	n/a	n/a	
Receivables	6	-	-	-	-	-	-	-	4,569	3,932	4,569	3,932	n/a	n/a	
Term deposit	5	-	-	32,680,812	39,570,232	-	-	-	-	-	32,680,812	39,570,232	12.80	7.04	
Financial investments held for trading	9	24,769,908	24,396,729	-	-	-	-	-	-	-	24,769,908	24,396,729	12.80	7.04	
Total		25,663,680	26,393,498	32,680,812	39,570,232	-	-	-	4,772	4,130	58,349,264	65,967,860			
Total Assets											59,284,995	67,113,495			
Financial Liabilities															
Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2007 \$	2006 \$	1 Year or Less		1 to 5 Years		> 5 Years		2007 \$	2006 \$	2007 \$	2006 \$	2007 %	2006 %
Bank credit cards	12	41,438	37,033	-	-	-	-	-	-	-	41,438	37,033	22.00	22.00	
Financial lease liabilities	16	-	-	27,803	41,950	69,753	-	-	-	-	69,753	97,556	7.08	7.08	
Creditors	11	-	-	-	-	-	-	-	150,630	220,922	150,630	220,922	n/a	n/a	
Total		41,438	37,033	27,803	41,950	69,753	-	-	150,630	220,922	261,821	355,511			
Total Liabilities											403,606	451,087			
Other guarantees	22	-	-	-	-	-	-	-	14,115	14,115	14,115	14,115	n/a	n/a	
Total Financial Liabilities (Unrecognised)		-	-	-	-	-	-	-	14,115	14,115	14,115	14,115			

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 Total Carrying Amount	2007 Aggregate Net Fair Value	2006 Total Carrying Amount	2006 Aggregate Net Fair Value
NOTE 23: FINANCIAL INSTRUMENTS					
Note 23 C: - Net Fair Values of Financial Assets and Liabilities					
Financial Assets					
Cash at Bank	5	893,772	893,772	1,996,769	1,996,769
Cash on Hand	5	203	203	198	198
Receivables	6	4,569	4,569	3,932	3,932
Term Deposits	5	32,680,812	32,680,812	39,570,232	39,570,232
Financial investments held for trading	9	24,769,908	24,769,908	24,396,729	24,396,729
Total Financial Assets		58,349,264	58,349,264	65,967,860	65,967,860
Financial Liabilities					
Bank credit cards	12	41,438	41,438	37,033	37,033
Finance Lease Liabilities	16	69,753	69,753	97,556	97,556
Creditors	11	150,630	150,630	220,922	220,922
Total Financial Liabilities		261,821	261,821	355,511	355,511
Financial Liabilities (Unrecognised)					
Other Guarantees	22	14,115	14,115	14,115	14,115
Indemnities					
Total Financial Liabilities (Unrecognised)		14,115	14,115	14,115	14,115

Financial Assets

The net fair values of cash, deposits on call and non-bearing monetary financial assets approximate their carrying amounts.

The net fair value of the term deposit is based on discounted cash flows using current interest rates for assets with similar risk profiles.

Other than for listed financial assets, none of the classes of financial assets are readily traded on organised markets in standardised form.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

NOTE 23: FINANCIAL INSTRUMENTS

Financial Liabilities

The net fair values of all loans, unsecured notes, finance leases, deposits and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. (Where the liability is on a floating rate of interest, the method returns the principal amount).

The net fair value for creditors, grant and priority area liabilities, all of which are short term in nature, are approximated by their carrying amounts.

Note 23 D: Credit Risk Exposures

A finance committee consisting of senior executives of AER meet on a regular basis to analyse currency and interest rate exposure and to evaluate strategies in the context of the most recent economic conditions and forecasts.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Income Statement and notes to the financial statements.

AER does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by AER.

NOTE 24: RELATED PARTY DISCLOSURES

The value of Trust Fund Approvals to organisations of which AER directors are directors and/or employees of are detailed below:

	Note	2007 \$	2006 \$
Related parties			
Aboriginal Drug and Alcohol Council (SA) Inc		17,588	-
Odyssey House, Victoria		-	-
The Ted Noffs Foundation		71,500	100,000
Total Related Party Disclosures	1(l)	89,088	100,000

These transactions were undertaken on terms equivalent to those that prevail in arm's-length transactions.

END OF AUDITED FINANCIAL STATEMENTS

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

CHIEF EXECUTIVE OFFICERS' DECLARATION

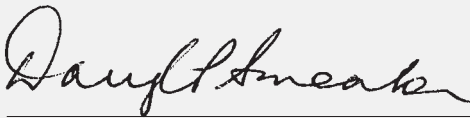
CHIEF EXECUTIVE OFFICERS' DECLARATION

The Chief Executive Officer of AER declares that:

- the financial records of AER for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- the financial statements, and the notes comply with the accounting standards;
- the financial statements, and notes give a true and fair view; and
- other matters prescribed by the regulations in relation to the financial statements, and the notes for the financial year are satisfied.

This declaration is made by:

Daryl P. Smeaton
Chief Executive Officer



Dated this 11th day of September 2007

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

CHIEF FINANCE OFFICERS' DECLARATION

CHIEF FINANCE OFFICERS' DECLARATION

The Chief Finance Officer of AER declares that:

- the financial records of AER for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- the financial statements, and the notes comply with the accounting standards;
- the financial statements, and notes give a true and fair view; and
- other matters prescribed by the regulations in relation to the financial statements, and the notes for the financial year are satisfied.

This declaration is made by:

Jim O'Shea
Chief Finance Officer



Dated this 11th day of September 2007

Alcohol Education and Rehabilitation Foundation Ltd • ABN 91 096 854 385

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

The directors of AER declare that:

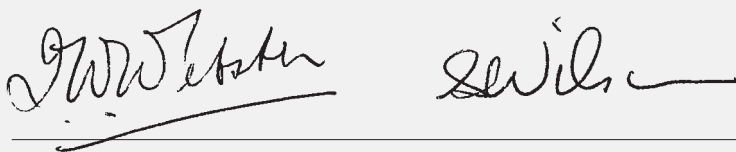
1. The financial statements and notes, as set out on pages 1 to 78 are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of AER.
2. In the directors opinion there are reasonable grounds to believe that AER will be able to pay its debts as and when they become due and payable.

The directors make this declaration having received declarations from the chief executive officer and the chief financial officer that:

- the financial records of AER for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- the financial statements, and the notes comply with the accounting standards;
- the financial statements, and notes give a true and fair view; and
- other matters prescribed by the regulations in relation to the financial statements, and the notes for the financial year are satisfied.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dated this 11th day of September 2007



AER

Foundation Ltd

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