



**Foundation for Alcohol
Research & Education**

ABN 91 096 854 385

Annual report for the year ended

30 June 2011

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Foundation for Alcohol Research and Education Limited

Directors' report for the year ended 30 June 2011

Directors' Report

The Directors of the Foundation for Alcohol Research and Education Limited (FARE) submit herewith the annual report of the company for the financial year ended 30 June 2011 and the auditor's report thereon.

The company changed its name from the Alcohol Education and Rehabilitation Foundation Limited to the Foundation for Alcohol Research and Education Limited, effective 30 August 2011.

DIRECTORS

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

Cheryl Bart	Scott Wilson	Peter Thomas	Tim Costello	David Crosbie
Bernadette Tobin	Ian Webster	Peter d'Abbs	Anne Mosey	

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

PRINCIPAL ACTIVITIES

The principal activities of FARE 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; and
- to promote community education encouraging low risk consumption of alcohol and highlighting the dangers of licit substance misuse.

No significant change in the nature of these activities occurred during the financial year.

We will pursue the following five strategic goals over the course of our 2011-2014 strategic plan:

- Policy and advocacy-Pursue public policy reforms that will prevent the harms caused by alcohol misuse;
- Research and development-Support research that contributes to the evidence-base on alcohol misuses and supports FARE's public policy objectives;
- Community education and engagement-Educate and engage the Australian community about alcohol, its use and its harms;
- Helping communities-Directly support Australian communities by providing resources to respond to alcohol-related harms; and
- Economic sustainability-Manage FARE's resources in an economically efficient and sustainable manner .

Management and the Board monitor FARE's overall performance, from its implementation of its mission statement and strategic plan through to the performance of FARE against operating plans and financial budgets.

FARE maintains an operating fund within retained surpluses to support its operational activities. The balance of the operating fund amounts to \$4,915,420 (\$6,021,390 in 2010).

FARE maintains a project fund to support its principal activities. The balance of the project fund amounts to \$8,130,797 (\$9,769,187 in 2010).

Of the project fund, FARE is committed to providing a further \$8,087,353 in project funding. These payments are subject to the terms and conditions of their respective contract and details of these are shown at Note 15. In accordance with Accounting Standards the committed project fund amounts have not been expensed in the Statement of Comprehensive Income. If the committed funds were included then the balance of the uncommitted and unspent project fund would be \$43,444.

FARE maintains a capital fund to support its future activities. The balance of the capital fund as at 30 June 2011 was \$23,812,020 (\$20,780,201 in 2010).

INFORMATION ON DIRECTORS

Names, qualifications, experience and special responsibilities of FARE directors in office at the end of the financial year are as follows:

Cheryl Bart AO	Chair
Qualifications	BCom/LLB
Experience	Cheryl is a lawyer and company director. She is the Chair of ANZ Trustees Ltd, the South Australian Film Corporation, the Adelaide Film Festival and the Environment Protection Authority. During the past year Cheryl also served as a director of Spark Infrastructure Ltd, Audio Pixel Holdings Ltd, Australian Broadcasting Corporation and ETSA Utilities.
Special Responsibilities	Cheryl also serves on the Audit and Risk, and Nomination and Remuneration Committees.

Directors' Report (continued)

INFORMATION ON DIRECTORS (continued)

Scott Wilson	Deputy Chair
Qualifications	Grad Dip, Indigh(SubUse)
Experience	Scott was the FARE Chair from 2009 to 2010.. He is the State Director of the Aboriginal Drug and Alcohol Council (SA) Inc, which is the only Indigenous organisation of its kind in Australia. In 2003, Mr Wilson was awarded the Centenary Medal for service to Indigenous substance misuse issues. Scott is the co Deputy Chairperson of the National Indigenous Drug and Alcohol Committee and serves on a variety of other national and state committees.
Special Responsibilities	Scott also serves on the Audit and Risk, Nomination and Remuneration, Research and Small Grants Committees.
Peter Thomas	Audit and Risk Committee Chair
Qualifications	B. Comm; FCA
Experience	He is a director of TFG International, a consulting and advisory firm. Peter sits on the boards of a number of government entities, including Innovation Australia, the Australian Solar Institute and Indigenous Business Australia. He is also on the board of Albert Music and is active in the not-for-profit sector.
Special Responsibilities	Peter is also the Chair of the Small Grants Committee.
Timothy Costello AO	Director
Qualifications	LLB, DipEd (Monash)Bdivinity(BTSRuschlikon), Mtheol (Whitley) AO, Doctorate of Sacred Theology
Experience	Tim is one of Australia's leading voices on social justice issues. He has taken a prominent role in national debates on issues such as gambling, urban poverty, homelessness, reconciliation and substance abuse. Tim has served as Minister at the Collins Street Baptist Church in Melbourne and as Executive Director of Urban Seed, a Christian not-for profit outreach service for the urban poor. Between 1999 and 2002 he was national President of the Baptist Union of Australia. In April 2008 Tim chaired the Strengthening Communities Supporting Families and Social Inclusion Committee of the Australian Government's 2020 Summit in Canberra. Tim is currently Chief Executive Officer of World Vision Australia.
Special Responsibilities	Tim serves on the Small Grants Committee.
David Crosbie	Director
Qualifications	BA, Dip Ed, Grad Dip Spec Ed
Experience	David is currently the CEO of the Community Council of Australia and was previously the CEO of the Mental Health Council of Australia, the national peak body for the mental health field, the CEO of Odyssey House Victoria, one of Australia's leading alcohol and drug treatment agencies and the CEO of the Alcohol and other Drugs Council of Australia.
Special Responsibilities	David serves on the Nomination and Remuneration, and Research Committees.
Bernadette Tobin	Nomination and Remuneration Committee Chair
Qualifications	MA (Melb) MEd (Melb) PhD (Cantab)
Experience	Dr Tobin was appointed a director of FARE 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.
Special Responsibilities	Dr Tobin also serves on the Audit and Risk, and Research Committees.
Professor Ian Webster AO	Director
Qualifications	MBBS MD (Melb) FRACP FAFPHM FAFRM FACHAM FRACGP
Experience	Professor Webster was the FARE Chair from 2001 to 2009. He is a consultant 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 Australian Suicide Prevention Advisory Council, NSW Expert Advisory Committee on Alcohol and Drugs and Governing Council of The Ted Noffs Foundation. Professor Webster has chaired a number of Commonwealth and State Government inquiries and reviews in disability, health, mental health and alcohol and other drug problems.
Special Responsibilities	Professor Webster is also the Chair of the Research Committee.

Directors' Report (continued)

INFORMATION ON DIRECTORS (continued)

Professor Peter Harald Nilsen d'Abbs	Director
Qualifications	BA (Hons) Melb, MA Exeter, PhD Melb
Experience	Professor d'Abbs holds a position as Professor of Substance Misuse Studies at the Menzies School of Health Research, Darwin, and adjunct appointments with James Cook University, Queensland, and the National Drug Research Institute, Curtin University of Technology, Perth. He has conducted extensive policy - related research and evaluation in the areas of alcohol problems, volatile substance misuse, and community-based interventions, particularly in Indigenous and rural/remote settings
Special Responsibilities	During the year Professor d'Abbs was the Chair of the Small Grants committee and also served on the Audit and Risk, and Research Committees.
Elizabeth Anne Mosey	Director
Qualifications	Dip T (Sec), Dip Comm Serv(AOD)' Dip M (Comm)' PG Dip Vis Arts
Experience	Elizabeth Mosey (known as Anne) has worked with remote Aboriginal communities for over 20 years in the Northern Territory, Queensland, South Australia 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, resource development, and community development support to government and non-government agencies in the areas of alcohol, community night patrols and inhalant substance misuse.
Special Responsibilities	During the year Anne also served on the Audit and Risk and Small Grants Committees.

INFORMATION ON COMPANY SECRETARY

Jim O'Shea	Company Secretary
Qualifications	BBFA, CPA
Experience	Jim O'Shea was appointed the secretary of FARE on 2 October 2008 and has been the FARE Chief Finance Officer since 3 December 2001. Previously he has held corporate appointments in the banking, legal and logistics sectors and is also a Justice of the Peace. He is past President of a number of community based organisations and presently serves on a committee of the Mental Health Council of Australia and Audit and Risk Committees of a variety of not for profit organisations.

DIRECTORS' MEETINGS

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

Director	General	8 Held	Audit and Risk	5 Held	Nomination and Remuneration	2 held
Name	Number eligible to attend	Attended	Number eligible to attend	Attended	Number eligible to attend	Attended
Cheryl Bart	8	8	5	2	2	2
Scott Wilson	8	3	5	3	2	2
Peter Thomas	8	6	5	5		
Timothy Costello	8	3				
David Crosbie	8	8			2	2
Bernadette Tobin	8	8	5	5	2	2
Ian Webster	8	6				
Peter d'Abbs	4	4	3	3		
Anne Mosey	4	4	3	3		

Peter d'Abbs and Anne Mosey had been in office since the formation of FARE and both retired at the Annual General Meeting held on 3 December 2010. All other Directors have been in office since their initial date of appointment to the date of this report.

MEMBERS' GUARANTEE

FARE is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If FARE is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of FARE. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$300 (2010: \$400).

Directors' Report (continued)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7 and forms part of the Directors' report for the financial year ended 30 June 2011.

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

Director 

Director 

Dated 19 th day of October 2011

Foundation for Alcohol Research and Education Limited
Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF THE FOUNDATION FOR ALCOHOL RESEARCH AND EDUCATION LIMITED

In relation to my audit of the financial report of the Foundation for Alcohol Research and Education Limited for the year ended 30 June 2011, I declare to the best of my knowledge and belief, there have been:

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

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Kristian Gage', written in a cursive style.

Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra
14 October 2011

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Income			
Asset sales	2(a)	-	9,252
Consultancy Services	2(b)	3,400	34,545
Finance Revenue	2(c)	3,834,758	3,766,458
Funding Development Activities	2(d)	54,627	12,870
Government Funding	2(e)	41,427	-
Grant Funding	2(f)	935,481	190,431
Total Income		4,869,693	4,013,556
Expenses			
Project Payments	15	2,631,898	4,398,356
Occupancy expenses		158,415	120,844
Administrative expenses		232,168	219,293
Depreciation and amortisation expenses	3(a)	20,076	26,262
Employee benefits expenses	3(b)	1,136,711	1,007,744
Directors' expenses	3(c)	244,366	259,784
Finance costs	3(d)	11,376	15,962
Other expenses	3(e)	147,224	150,833
Total Expenses		4,582,234	6,199,078
Operating Surplus (Deficit) for the year before income tax		287,459	(2,185,522)
Income tax expense	1(j)	-	-
Net Profit/(Deficit) for the year		287,459	(2,185,522)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the Company		287,459	(2,185,522)

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	15,807,529	16,027,908
Trade and other receivables	6	204,920	114,194
Accrued revenue	7	3,221	10,599
Other assets	8	869,620	432,908
TOTAL CURRENT ASSETS		16,885,290	16,585,609
NON-CURRENT ASSETS			
Financial assets	9	20,088,241	20,184,499
Property, plant and equipment	10	32,696	42,057
Intangible assets	11	4,493	8,598
TOTAL NON-CURRENT ASSETS		20,125,430	20,235,154
TOTAL ASSETS		37,010,720	36,820,763
CURRENT LIABILITIES			
Trade and other payables	12	70,602	101,106
Interest-bearing liabilities	13	12,762	47,855
Provisions	14	29,567	76,709
TOTAL CURRENT LIABILITIES		112,931	225,670
NON-CURRENT LIABILITIES			
Provisions	14	39,552	24,315
TOTAL NON-CURRENT LIABILITIES		39,552	24,315
TOTAL LIABILITIES		152,483	249,985
NET ASSETS		36,858,237	36,570,778
EQUITY			
Reserves			
Capital Fund	15	23,812,020	20,780,201
Project Fund	15	8,130,797	9,769,187
Total Reserves		31,942,817	30,549,388
Retained Surpluses			
Operating Fund	16	4,915,420	6,021,390
Total Retained Surpluses		4,915,420	6,021,390
TOTAL EQUITY		36,858,237	36,570,778

The accompanying notes form part of these financial statements.

Foundation for Alcohol Research and Education Limited
Financial statements for the year ended 30 June 2011

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
RESERVES			
CAPITAL FUND			
Movements during the year			
Opening balance		20,780,201	19,175,908
Transfer to/from Retained Surpluses		3,031,819	1,604,293
Capital Fund closing balance	15	23,812,020	20,780,201
PROJECT FUND			
Movements during the year			
Opening balance		9,769,187	13,929,697
Transfer to/from Retained Surpluses		(1,638,390)	(4,160,510)
Project Fund closing balance	15	8,130,797	9,769,187
Total General Reserve		31,942,817	30,549,388
RETAINED SURPLUSES			
Balance at start of year		6,021,390	5,650,695
Operating (Deficit) for the year		287,459	(2,185,522)
Transfer to Reserves		(1,393,429)	2,556,217
Retained Surpluses balance at end of year	16	4,915,420	6,021,390
TOTAL EQUITY		36,858,237	36,570,778

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Project Fund		1,147,449	890,424
Interest received		101,693	92,089
Donations and Gifts		99,545	47,922
Net GST Receipts		25,135	(43,120)
Payments to Suppliers		(554,201)	(481,521)
Interest paid		-	(1,705)
Directors		(244,366)	(259,784)
Employees		(1,184,127)	(1,039,018)
Project Payments		(2,885,087)	(4,838,192)
Net cash flows (used in) operating activities	20(b)	(3,493,959)	(5,632,905)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		3,427,415	679,888
Sale of property, plant and equipment		-	22,480
Payment for property, plant and equipment		(6,610)	(32,421)
(Payment for) / Proceeds of investments		(147,225)	(150,833)
Net cash flows (used in) from investing activities		3,273,580	519,114
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayments under finance leases		-	(32,262)
Net cash from (used in) financing activities		-	(32,262)
Net (decrease) in cash held		(220,379)	(5,146,053)
Cash and cash equivalents at beginning of year		16,027,908	21,173,961
Cash and cash equivalents at end of year	20(a)	15,807,529	16,027,908

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

The financial statements are for the Foundation for Alcohol Research and Education Limited (FARE), a Not For Profit (RDR) as an individual entity, incorporated and domiciled in Australia. FARE is a company limited by guarantee. The company changed its name from the Alcohol Education and Rehabilitation Foundation Limited to the Foundation for Alcohol Research and Education Limited, effective 30 August 2011.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

FARE has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. 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 final report and the financial acquittal provided for each individual grant awarded. A tax invoice is issued to the relevant grantee for the repayment of any unused funds provided. If funds can be used by the grantee within the project, the project is then extended and a contract variation entered into with the respective grantee and further payment milestones agreed. (Notes 2 (f)).

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).

b. Inventories

Inventories are measured at the lower cost of and net realisable value.

c. Property, Plant and Equipment

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

A capitalisation threshold of \$1,000 is adopted except where items aggregate to form part of larger items.

FARE 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 freehold land and properties held for investment purposes, is depreciated on a straight line basis over their estimated useful lives to FARE commencing from the time the asset is held ready for use.

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 FARE 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. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives or over the term of the lease.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

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

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

Classification and subsequent measurement (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Such assets are subsequently measured at fair value.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

g. 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 FARE is estimated to be less than the annual benefit for sick leave.

Contributions are made by FARE to complying superannuation funds 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.

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

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

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 Statement of Financial Position are shown inclusive of GST.

j. Income Tax

FARE is a Health Promotion Charity operating as a company Limited by Guarantee and has an exemption from the Commissioner for Taxation and accordingly does not account for Income Tax.

FARE has also obtained Deductible Gift Recipient Status through the specific listing of FARE as a deductible gift recipient in the *Income Tax Assessment Act 1997*.

k. Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between three and four years. It is assessed annually for impairment.

The amortisation rates used for each class of asset are 25-40% (25-40% in 2010):

l. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

The comparative figures for 1 July 2009 to 30 June 2010 are shown. Where required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

n. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o. 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 d. No indicators of impairment were identified for the period ended 30 June 2011 (2010: nil)

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.

p. Economic Dependency

FARE was established by its members on 17 October 2001 and the FARE Constitution outlines its purpose and objectives.

FARE has an accumulated pool of funds which it is permitted to use for its continued existence and has established a capital fund to assist in ensuring the long term sustainability of FARE.

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Related Party Disclosures

Directors associated with organisations during the financial year which may receive financial support or fees for services from FARE are Ian Webster, President, Governing Council of the Ted Noffs Foundation, Scott Wilson, an employee of the Aboriginal Drug and Alcohol Council (SA) Inc, and Cheryl Bart, Chairman of ANZ Trustees Limited, the investment management service provider for FARE.

Terms and Conditions:

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

FARE 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 23.

Tenders awarded to organisations that FARE directors are directors and/or employees of are made at arms length and are under the same terms and conditions as all service providers of FARE. FARE directors of the related parties were not involved in the decision making process of the tenders awarded to those organisations. Details of those investments are contained at Notes 5 and 9.

NOTE 2: REVENUES	Note	2011	2010
		\$	\$
a. Asset Sales			
Computer Equipment		-	2,825
Motor Vehicle Sales		-	6,427
Total Asset Sales		-	9,252
b. Consultancy Services			
Committees		900	495
Workshops		2,500	34,050
Total Consultancy Services		3,400	34,545
c. Finance Revenue			
Interest Income			
Public Fund		3,351	2,821
Operating/Trust Accounts		90,964	97,032
Total Interest Income		94,315	99,853
Investment Income			
Dividends and Interest		1,757,266	1,666,186
Fair Value Movement		1,265,034	1,625,248
Tax Imputation Credits		718,143	375,171
Total Investment Income		3,740,443	3,666,605
Total Finance Revenue		3,834,758	3,766,458

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 2: REVENUES (CONTINUED)	Note	2011	2010
		\$	\$
d. Funding Development Activities			
Individual Donors		-	50
Corporate Partnerships		22,512	12,670
Merchandise and Resources		32,115	150
Total Funding Development Activities		54,627	12,870
e. Government Funding			
Taxation refunds		41,427	-
Total Government Funding		41,427	-
f. Grant Funding			
Payments refunded		935,481	190,431
Total Grant Funding		935,481	190,431
NOTE 3: EXPENSES			
Surplus (Deficit) for the year has been determined after:			
a. Depreciation and amortisation of non-current assets			
Computer equipment		8,888	5,070
Furniture and fixtures		6,264	5,911
Telephone system		426	558
Other property, plant and equipment		393	129
Motor vehicles		-	10,511
Computer software		4,105	4,083
Total depreciation and amortisation		20,076	26,262
b. Employee benefits expenses			
Wage accrual		23,366	16,590
Superannuation accrual		1,983	1,493
Leave accrual		17,138	3,348
Long Service Leave accrual		19,022	19,759
Other employee expenses		8,526	91,448
Wages and salaries		971,281	795,472
Superannuation-defined contribution		90,298	73,264
Workers compensation		5,097	6,370
Total employee benefits expenses		1,136,711	1,007,744
c. Directors' expenses			
Fees		184,880	198,836
Other expenses		59,486	60,948
Total directors' expenses		244,366	259,784

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 3: EXPENSES (CONTINUED)	Note	2011 \$	2010 \$
d. Finance costs			
Operating leases			
Photocopier		11,376	14,257
Finance leases			
Motor vehicles		-	1,705
Total finance costs		11,376	15,962
e. Other Expenses			
Investment management fees		147,224	150,833
Total Other expenses		147,224	150,833
f. Auditor remuneration			
Financial Statements Audit-ANAO		13,800	13,800
Total Auditor remuneration		13,800	13,800

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Details of Key Management Personnel

Directors

Cheryl Bart	Chair
Scott Wilson	Deputy Chair
Peter Thomas	Chair Audit and Risk Committee
Tim Costello	Director
David Crosbie	Director
Bernadette Tobin	Director
Ian Webster	Director
Peter d'Abbs	Director (retired 03/12/2010)
Anne Mosey	Director (retired 03/12/2010)

Executives

Ian Chalmers	Chief Executive Officer (commenced 12/07/2010 and resigned 14/09/2010)
Michael Thorn	Chief Executive Officer (commenced 31/01/2011)
Jim O'Shea	Acting Chief Executive Officer (1/07/2010 to 11/07/2010) and Chief Finance Officer

b. Compensation of Key Management Personnel

Short-term benefits

Director fees	178,916	198,836
Executive salaries	376,727	342,754
Executive Other Monetary benefits	-	20,415
Total Short-term benefits	555,643	562,005

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

b. Compensation of Key Management Personnel (continued)	Note	2011 \$	2010 \$
Post employment benefits			
Executive superannuation		46,372	46,549
Total Post employment benefits		46,372	46,549
Total		602,015	608,554

NOTE 5: CASH AND CASH EQUIVALENTS

The cash and cash equivalent assets comprise the following:

Public Fund account	49,060	99,076
Operating account	706,943	860,970
Trust account	234,464	1,790,429
Petty cash account	2	1,971
Term deposits	14,817,060	13,275,462
Total Cash and Cash Equivalents	15,807,529	16,027,908

NOTE 6: TRADE AND OTHER RECEIVABLES

Net GST receivable	3,913	104,534
Other receivables	201,007	9,660
Total Trade and Other Receivables	204,920	114,194

NOTE 7: ACCRUED REVENUE

Interest accrued

Operating/Trust accounts	3,221	10,599
Total Accrued Revenue	3,221	10,599

NOTE 8: OTHER ASSETS

Imputation Credit refunds	813,548	404,262
Prepayments	11,796	11,994
Merchandise	12,009	16,652
Resources	32,267	-
Total Other Assets	869,620	432,908

NOTE 9: FINANCIAL ASSETS

Financial assets at fair value through profit or loss	9(a)	19,587,656	18,720,274
Held-to-maturity financial assets	9(b)	500,585	1,464,225
Total Financial Assets		20,088,241	20,184,499

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 10: PROPERTY, PLANT AND EQUIPMENT Note 2011 2010
(continued) \$ \$

b. Movements in Carrying Amounts (continued)

Furniture and Fixtures

Balance at the beginning of the year	14,444	14,835
Additions	4,000	5,520
Depreciation expense	(6,263)	(5,911)
Carrying amount at the end of the year	12,181	14,444

Telephone System

Balance at the beginning of the year	808	1,366
Depreciation expense	(426)	(558)
Carrying amount at the end of the year	382	808

Other Property, Plant and Equipment

Balance at the beginning of the year	1,395	161
Additions	-	1,363
Depreciation expense	(393)	(129)
Carrying amount at the end of the year	1,002	1,395

Motor Vehicles

Balance at the beginning of the year	-	19,618
Disposals	-	(9,107)
Amortisation expense	-	(10,511)
Carrying amount at the end of the year	-	-

Total Movements

Balance at the beginning of the year	42,057	45,043
Additions	6,610	31,194
Disposals	-	(12,001)
Depreciation expense	(15,971)	(22,179)
Total carrying amount at the end of the year	32,696	42,057

NOTE 11: INTANGIBLE ASSETS

a. Computer software

Computer software at cost	56,434	56,434
Accumulated amortisation	(51,941)	(47,836)
Total Intangible Assets	4,493	8,598

b. Movements in Carrying Amounts

Computer software

Balance at the beginning of the year	8,598	12,681
Amortisation expense	(4,105)	(4,083)
Carrying amount at the end of the year	4,493	8,598

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 12: TRADE AND OTHER PAYABLES Note 2011 2010
\$ \$

CURRENT

Payables		-	4,438
Accrued expenses		70,602	81,158
Taxation liability		-	15,439
Superannuation liability		-	71
Total Trade and Other Payables		70,602	101,106

NOTE 13 : INTEREST BEARING LIABILITIES

CURRENT

Bank credit card	21	12,762	47,855
Total Current		12,762	47,855

Total Interest Bearing Liabilities		12,762	47,855
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NOTE 14: PROVISIONS

CURRENT

Employee benefits

Opening balance		76,709	100,210
Additions		47,187	67,511
Amounts charged		(94,329)	(91,012)
Closing balance		29,567	76,709

NON-CURRENT

Employee benefits

Opening balance		24,315	34,299
Additions		39,471	27,413
Amounts charged		(24,234)	(37,397)
Closing balance		39,552	24,315

a. Aggregate employee benefit liability		69,119	101,024
b. Number of employees at year end		12	11

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Foundation for Alcohol Research and Education Limited
Financial statements for the year ended 30 June 2011

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 15: RESERVES	Note	2011	2010
		\$	\$

GENERAL RESERVE

The general reserve records the capital fund set aside for future AER strategic directions and the project fund set aside for project payments.

Reconciliation

Capital Fund

Balance at start of year		20,780,201	19,175,908
Dividends and Interest		1,101,705	916,575
Market Value Movement		1,261,725	1,609,289
Imputation Credits		793,197	309,966
Management Fees		(124,808)	(108,588)
Retained in Operating Fund		-	(1,122,949)
Capital Fund balance at end of year		23,812,020	20,780,201

Project Fund

Balance at start of year		9,769,187	13,929,697
Consultancy Services Income	2(b)	3,400	34,545
Funding Development Activity Income	2(d)	54,627	12,870
Project Funding Income	2(f)	935,481	190,431
Project Payments Made	15 (a)	(2,631,898)	(4,398,356)
Project Fund balance at end of year		8,130,797	9,769,187

Total General Reserve		31,942,817	30,549,388
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a. Project Fund Commitments

As at 30 June 2011, FARE is committed to providing a further \$8,087,353 in project funds. (\$6,227,277 in 2010) These payments are subject to the terms and conditions of their respective contract. These forward commitments have not been expensed in the Statement of Comprehensive Income as they are contingent upon satisfactory performance of grantees.

Summary

Balance at the beginning of year		6,227,277	7,379,866
New approvals		4,695,103	3,365,390
Total payable		10,922,380	10,745,256
Amounts paid		(2,631,898)	(4,398,356)
Amounts unutilised		(203,129)	(119,623)
Balance Payable		8,087,353	6,227,277

Payables

-not later than 1 year		2,541,446	4,147,277
-later than 1 year but not later than 2 years		2,011,742	1,090,000
-later than 2 years but not later than 5 years		3,534,165	990,000
Total Payable		8,087,353	6,227,277

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 15: RESERVES (continued)

Note	2011	2010
	\$	\$

b. Project Fund Uncommitted

As at 30 June 2011 the balance of the project fund uncommitted is \$43,444 (\$3,541,910 in 2010).

Summary

Total Project Fund	8,130,797	9,769,187
Project Fund Payable	(8,087,353)	(6,227,277)
Total Uncommitted	43,444	3,541,910

NOTE 16: RETAINED SURPLUSES

The retained surpluses records the operating fund set aside for future AER operational costs.

Retained surpluses at beginning of financial year		6,021,390	5,650,695
Operating surplus/(deficit)		287,459	(2,185,522)
Transfer from project fund	15	1,638,390	4,160,510
Transfer (to) capital fund	15	(3,031,819)	(1,604,293)
Retained surpluses at the end of the financial year		4,915,420	6,021,390

NOTE 17: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

Payable

— not later than 1 year		67,068	90,515
— later than 1 year but not later than 5 years		602,975	218,989
Total Operating Lease Commitments		670,043	309,504

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.

A new property lease has been entered into commencing October 2011 for a period of five years with an option to renew for a further five years with a rent free period of six months. Rent is payable monthly in advance commencing April 2012.

Rental provisions within the new property lease agreement require that the minimum lease payments shall be increased by 3.25% per annum in October each year commencing October 2012. This increase has been factored into these commitments.

NOTE 18: CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2011 AER had no contingent liabilities or contingent assets that may become payable or receivable.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to reporting date.

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 20: CASH FLOW INFORMATION

	2011	2010
	\$	\$

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	990,469	2,752,446
Term deposits	14,817,060	13,275,462
Total	15,807,529	16,027,908

b. Reconciliation of net cash flows (used in) operating activities with Operating Deficit for the year

Operating Deficit for the year	287,459	(2,185,521)
Investment (Income)/Loss	(3,593,219)	(3,515,722)
Deficit from trading activities	(3,305,760)	(5,701,293)

Non-cash flows in surplus from ordinary activities

Asset Sales – Net(Profit)/Loss	-	(9,252)
Depreciation	20,076	26,262
Changes in assets and liabilities		
decrease /(increase) in receivables	(191,346)	154,136
Decrease/(increase) in accrued revenue	7,378	(7,764)
(increase) in other assets	(27,426)	(11,221)
(Increase)/decrease GST paid on expenses	100,622	(3,613)
(decrease) in payables	(14,995)	(38,200)
(decrease) in employee provisions	(31,905)	(33,487)
Increase/(decrease) in GST receivable	-	(24,262)
(decrease)/increase in Payroll liabilities	(15,510)	2,212
(decrease)/increase in bank credit card	(35,093)	13,577
Net Cash flows (used in) operating activities	(3,493,959)	(5,632,905)

c. Project Fund Payments

	15	2,631,898	4,398,356
Total Project Fund Payments		2,631,898	4,398,356

NOTE 21: CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES

FARE has a mastercard facility amounting to \$80,000. (2010 \$80,000) This may be terminated at any time at the option of the bank. At 30 June 2011 \$12,762 (2010 \$47,855) was outstanding on this facility. Interest rates are variable.

FARE has a bank guarantee as security deposit in favour of the property lessors for an amount of \$20,000.

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 22: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011 \$	2010 \$
Financial assets			
Cash and cash equivalents	5	15,807,529	16,027,908
Trade and other receivables	6	204,920	114,194
Financial assets at fair value through profit or loss	9(a)	19,587,656	18,720,274
Held-to-maturity investments	9(b)	500,585	1,464,225
Available-for-sale financial assets		-	-
Total financial assets		36,100,690	36,326,601

Financial liabilities

Financial liabilities at amortised cost:

- trade and other payables	12	-	4,438
- borrowings	13	12,762	47,855
Total financial liabilities		12,762	52,293

Net fair values

(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

There are no unlisted available-for-sale financial assets.

(ii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

Sensitivity analysis

The majority of the portfolio is Australian equities with revenue dependent on dividends and share value movements. As at 30 June 2011 if dividends or values move, as illustrated in the table below, with all variables held constant, profit and equity would have been affected as follows:

Notes to the Financial Statements (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

NOTE 22: FINANCIAL RISK MANAGEMENT (continued)

	Equity (Higher/Lower)		Profit (Higher/Lower)	
	2011	2010	2011	2010
	\$	\$	\$	\$
+1% movement in Dividends	17,570	16,650	17,570	16,650
-2% movement in Dividends	(35,140)	(33,300)	(35,140)	(33,300)
+1% movement in Share Prices	200,880	201,845	200,880	201,845
-2% movement in Share Prices	(401,765)	(403,690)	(401,760)	(403,690)

Going concern

FARE monitors rolling forecasts of liquidity reserves, this been a major factor in its Business Plan considerations when establishing the basis for future operations. Forecast liquidity reserves as at 30 June 2011 are as follows.

	Actual	Forecast
	2011	2012
	\$	\$
Opening balance retained surpluses	6,021,390	4,921,411
Operating Inflows	850,357	414,000
Investment Outflows	(147,224)	(138,600)
Operating Outflows	(1,791,736)	(2,010,024)
Proceeds from sale of assets	-	-
Financing Costs	(11,376)	(11,376)
Closing Balance for the year	4,921,411	3,175,411

NOTE 23: RELATED PARTY DISCLOSURES

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

	Note	2011	2010
		\$	\$
Related parties			
Aboriginal Drug and Alcohol Council (SA) Inc		-	8,950
The Ted Noffs Foundation		-	12,500
Total Related Party Disclosures	1(q)	-	21,450

These transactions were undertaken on terms equivalent to those that prevail in arm's-length transactions and also see comments under Note 1(q).

END OF AUDITED FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

The directors of FARE declare that:

1. The financial statements and notes, as set out on pages 1 to 27 are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of FARE.
2. In the directors' opinion there are reasonable grounds to believe that FARE 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 Chief Finance Officer that:

- the financial records of FARE 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 Australian 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



Chair

Director



Audit and Risk Committee Chair

Dated this

19th day of October 2011

INDEPENDENT AUDIT REPORT TO THE MEMBERS



INDEPENDENT AUDITOR'S REPORT

To the members of the Foundation for Alcohol Research and Education Limited

I have audited the accompanying financial report of the Foundation for Alcohol Research and Education Limited which comprises the Statement of Financial Position as at 30 June 2011, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information, and the Directors' Declaration.

The Directors' Responsibility for the Financial Report

The directors of the Foundation for Alcohol Research and Education Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the director's determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

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 company's preparation of the financial report that gives a true and fair view 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 company'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*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Foundation for Alcohol Research and Education Limited on 14 October 2011, would be in the same terms if provided to the directors as at the time of this auditor's report.

Opinion

In my opinion the financial report of the Foundation for Alcohol Research and Education Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Foundation for Alcohol Research and Education Limited's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Australian National Audit Office

Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra
21 October 2011

CHIEF EXECUTIVE OFFICER'S DECLARATION

The Chief Executive Officer of FARE declares that:

-the financial records of FARE for the financial year ended 30 June 2011 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

-the financial statements, and the notes comply with the Australian 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:

Michael Thorn



Chief Executive Officer

Dated this

19th day of October 2011

CHIEF FINANCE OFFICER'S DECLARATION

The Chief Finance Officer of FARE declares that:

-the financial records of FARE for the financial year ended 30 June 2011 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

-the financial statements, and the notes comply with the Australian 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



19th day of October 2011

