

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Royal Botanic Gardens and Domain Trust (the Trust), as a reporting entity, comprises all the entities under its control and is responsible for four programs as outlined in Note 7.

The Trust is consolidated as part of the NSW Total State Sector and as part of the NSW Public Accounts.

(b) Basis of Accounting

The Trust's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with:

- * applicable Australian Accounting Standards;
- * other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- * Urgent Issues Group (UIG) Consensus Views;
- * the requirements of the *Public Finance and Audit Act 1983* and Regulations;
- * the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain investments, land and buildings, plant and equipment and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year.

(c) Administered Activities

The Trust does not administer or control any activities on behalf of the Crown Entity.

(d) Revenue Recognition

Revenue is recognised when the Trust has control of the good or right to receive, it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the Trust obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, any unspent appropriations are accounted for as liabilities rather than revenue.

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services i.e. user charges. User charges are recognised as revenue when the Trust obtains control of the assets that result from them.

(iii) Investment Income

Interest revenue is recognised as it accrues. Rent revenue is recognised in accordance with Accounting standards

(e) Employee benefits and Other Liabilities

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

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

The outstanding amounts for payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

The Trust's liabilities for long service leave and superannuation are assumed by the Crown Entity as per TC0308. The Trust accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured on net present value method. The net present value method is based on remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(f) Insurance

The Trust's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(g) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- * the amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- * receivables and payables are stated with the amount of GST included.

(h) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Asset additions are held in Work in Progress pending reclassification to other asset categories.

(i) Plant and Equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

(j) Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price i.e. the replacement cost of the asset's remaining future economic benefits. The Trust is a not for profit entity with no cash generating operations.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

Otherwise, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect to the same class of assets, the decrements are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current asset, but not otherwise.

Buildings, plant and equipment, and infrastructure systems were revalued in 2003 by Preston Rowe Paterson Pty Ltd.

Collection assets include Monuments, Heritage Furniture, Works of Art, Rare Books and General Books. These items were valued to market by Edward Rushtons Australia Pty Ltd as at 30 June 2001.

This asset group also includes the specimens within the National Herbarium. Complying with Australian Accounting Standards AAS 29 "Financial Reporting by Government Departments", the Trust has applied The Treasury Policy and Guidelines paper TPP 03/02 "Valuation of physical non-current assets at fair value". These items have been valued to market by Edward Rushtons Australia Pty Ltd as at 30 June 2001. Following determination of a Total Loss Recovery Strategy by the Collections Managers, the Herbarium Specimen Collection components are valued according to the following strategy:

Public Reference collection	Recollection cost
Banks and Solander Collection	Market Valuation
Remainder of the Collection	Unable to be reliably measured

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

The items that form the "Remainder of the Collection" have not been recognised in the Statement of Financial Position. The Trust is unable to measure reliably the value of the assets. These items are plant specimens held in the National Herbarium. The total number of such specimens approaches one million.

(k) Depreciation of Non-Current Physical Assets

Except for a limited number of heritage assets, depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Trust.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including original artworks and collections and heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

Depreciable assets are depreciated from the date of acquisition.

Depreciation Rates	% Rate
Building	2.5%
Infrastructure	1% to 10%
Plant and equipment	10% to 25%

Collection Assets have not been depreciated.

(l) Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(m) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The leasing transactions of the Trust are restricted to operating leases of computer equipment and motor vehicles. Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(n) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less (where necessary) a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

(o) Payables

These amounts represent liabilities for goods and services provided to the Trust and other amounts including interest. Interest is accrued over the period it becomes due.

(p) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and / or s26 of the *Public Finance and Audit Act 1983* .

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts i.e. per the audited financial statements (rather than carried forward estimates).

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is calculated using the 'weighted average' method.

(r) Other Financial Assets

Marketable securities and deposits are valued at market valuation or cost. Non marketable securities are brought to account at cost.

(s) Interest Bearing Liabilities

All loans are valued at current capital value.

2. EXPENSES

	2005	2004
	\$'000	\$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	15,189	14,592
Superannuation	1,740	1,654
Long service leave	919	1,049
Workers' compensation insurance	437	794
Payroll tax and fringe benefit tax	1,025	964
Other	0	22
	19,310	19,075

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	2005	2004
	\$'000	\$'000
(b) Other operating expenses		
Audit Remuneration	72	59
Bad Debts	79	66
Operating Leases	183	609
Insurance	226	276
Advertising	91	64
Consultants	167	265
EDP	47	174
Cost of Goods Sold	778	778
Stores and Provisions	870	1,525
Energy	304	418
Contractors	563	670
Telephone and Communication	317	248
Other	3,989	2,231
	7,686	7,383
(c) Maintenance		
Plant and equipment	1,167	1,371
	1,167	1,371
(d) Depreciation expense		
Buildings	1,521	1,635
Infrastructure	1,213	1,181
Plant and Equipment	1,088	1,102
	3,822	3,918
(e) Grants and Subsidies		
NSW Public Sector Agencies	61	50
Federal Government Agencies	10	0
Other	0	16
	71	66
(f) Borrowing Costs		
Interest Paid on Treasury loan	4	6
	4	6

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

3. REVENUES	2005	2004
	\$'000	\$'000
(a) Sales of goods and services		
Gross sales through the shops	1,467	1,332
Publications	5	36
Fees received	2,592	2,304
Admissions	530	489
Rental Income	1,502	1,165
Other	2	0
	<u>6,098</u>	<u>5,326</u>
(b) Investment income		
Interest	169	113
	<u>169</u>	<u>113</u>
(c) Retained taxes, fees and fines		
Parking meter fee	1,004	1,076
Parking infringement	130	218
	<u>1,134</u>	<u>1,294</u>
(d) Grants and contributions		
Grants and Donations	682	1,340
Research Grants	558	1,526
	<u>1,240</u>	<u>2,866</u>
Research grants are applied to those areas of scientific endeavour sponsored by the grantor.		
	2005	2004
	\$'000	\$'000
(e) Other Revenue		
Insurance recoveries	261	107
Cost recoveries and other non user charges	389	632
	<u>650</u>	<u>739</u>
4. GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Proceeds from the sale of assets	51	17
Written down value of asset disposed	(946)	0
	<u>(895)</u>	<u>17</u>

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

5. GOVERNMENT CONTRIBUTION	2005	2004
	\$'000	\$'000
Recurrent appropriations		
Recurrent drawdowns from Treasury (per Summary of Compliance)	16,427	16,305
Less: Liability to Consolidated Fund (per Summary of Compliance)	0	0
	<u>16,427</u>	<u>16,305</u>
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	16,427	16,305
	<u>16,427</u>	<u>16,305</u>
Capital appropriations		
Total capital drawdown from Treasury (per Summary of Compliance)	2,484	2,657
Less: Liability to Consolidated Fund (per Summary of Compliance)		
	<u>2,484</u>	<u>2,657</u>
Comprising:		
Capital appropriations (per Statement of Financial Performance)	2,484	2,657
	<u>2,484</u>	<u>2,657</u>

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and / or expenses have been assumed by the Crown Entity:

	2005	2004
	\$'000	\$'000
Superannuation	1,740	1,654
Long service leave	906	1,024
Payroll tax	94	80
	<u>2,740</u>	<u>2,758</u>

7. PROGRAMS / ACTIVITIES OF THE TRUST

Program 1 - Research

Objective: To investigate the systematics, ecology, horticulture and pathology of plants and related organisms and disseminate the results.

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

Program 2 - Botanic Gardens and Parks

Objective: To manage and develop garden sites to accommodate multiple uses including recreation, relaxation, celebrations, education and the promotion of conservation.

Program 3 - Public Programs

Objective: To promote community awareness and knowledge of plants, plant conservation and the importance of plants in the nature work through on-site and off-site programs.

Program 4 - Commercial Services

Objective: To manage and develop viable commercial business and to host externally operated commercial services that generate income to support the objective of the Trust.

8. CURRENT ASSETS - CASH

	2005	2004
	\$'000	\$'000
Cash at Bank	1,116	2,072
Petty Cash	11	11
TCorp Investment	1,403	848
	2,530	2,931
	2,530	2,931

For the purposes of the Statement of Cash Flows, Cash includes cash on hand, cash at bank, and TCorp Investments.

Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2005	2004
	\$'000	\$'000
Cash (per Statement of Financial Position)	2,530	2,931
Closing cash and cash equivalents (per Statement of Cash Flows)	2,530	2,931
	2,530	2,931

9. CURRENT ASSETS - RECEIVABLES

Debtors	566	940
GST Receivable from the Australian Taxation Office	179	169
Accrued Income	98	37
	843	1,146
Less: Provision for Doubtful Debts	(149)	(120)
	694	1,026
	694	1,026

Sales of goods and services are recognised as amounts receivable at balance date. Collectability is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on Receivables. The carrying amount approximates fair value. All sales are made on the basis of 30-day terms.

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

10 CURRENT ASSETS - Inventory

	2005	2004
	\$'000	\$'000
Retail inventory	379	374
	379	374
	379	374

11 CURRENT ASSETS - OTHER

Prepayments	0	86
	0	86
	0	86

12 NON-CURRENT ASSETS

	2005	2004
	\$'000	\$'000
Land and Building		
At Fair Value	259,580	258,811
Less Accumulated Depreciation	(63,447)	(61,940)
	196,133	196,871
Including Work in Progress of \$489,000		
Plant and Equipment		
At Fair Value	8,292	7,558
Less Accumulated Depreciation	(3,986)	(3,133)
	4,306	4,425
Including Work in Progress of \$666,000		
Infrastructure Systems		
At Fair Value	43,676	43,707
Less Accumulated Depreciation	(9,984)	(8,864)
	33,692	34,843
Including Work in Progress of \$630,000		
Collection Assets		
At Fair Value	34,485	34,397
	34,485	34,397
Including Work in Progress of \$630,000		
Total Plant and Equipment at Net Book Value	268,616	270,536

Reconciliations

Reconciliations of the carrying amounts of Non Current Assets at the beginning and end of the current financial year is set out below.

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Land and Building	Plant and Equipment	Infra- structure	Works in Progress	Collection Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2005						
Carrying amount at start of year	196,863	4,342	33,200	1,734	34,397	270,536
Additions	384	497	301	1,639	27	2,848
Disposals	(10)	(243)	(238)	(448)	(7)	(946)
Reclassification	(72)	132	1,012	(1,140)	68	0
Depreciation expense	(1,521)	(1,088)	(1,213)	0	0	(3,822)
Carrying amount at end of year	195,644	3,640	33,062	1,785	34,485	268,616

Collection assets include plant specimens of the National Herbarium. Herbarium managers estimated recollection costs of the Public Reference Collection at \$9.7m and the valuers estimated \$2.5m for the Banks and Solander collection. The specimens within "Remainder of the Collection" are not assigned a value in the Financial Statements, as the value cannot be reliably measured. These assets have been collected over a long period and are regarded as time and location specific. The Trust could not recollect these specimens if they were lost. As a consequence, application of a recollection cost methodology for valuing the specimens could not be applied. Hence, a market value basis was applied to attempt to achieve a reliable valuation.

A selection of specimens was randomly selected for market appraisal by a registered valuer. All specimens appraised within the sample returned a greater than 30% variance between highest and lowest values assigned by the valuer. These results indicate that these specimens cannot be reliably measured. There are approximately one million plant specimens that fall within this asset group. The annual maintenance/curation costs of these specimens is estimated to be \$2,081,000.

13 RESTRICTED ASSETS

	2005	2004
	\$'000	\$'000
Cosh Bequest	399	378
Bowden Bequest	432	410
Rathborne Bequest	0	0
Research Bequest	572	691
	<u>1,403</u>	<u>1,479</u>

These contributions are held in investments and are applied in accordance with the conditions on each contribution. The Cosh Bequest is for the purpose of the National Herbarium of NSW. The Bowden Bequest is for the preservation, propagation and dissemination of Australian flora at Mount Annan Botanic Garden. Research grants are applied to those areas of scientific endeavour sponsored by the grantors.

14 CURRENT LIABILITIES - PAYABLES

	2005	2004
	\$'000	\$'000
Creditors	329	357
Accrued expenses	184	762
Income in Advance	135	332
	<u>648</u>	<u>1,451</u>

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

15 CURRENT / NON CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

	2005	2004
	\$'000	\$'000
Secured/Unsecured		
Treasury advances repayable	187	74
Repayment of borrowings		
Not later than one year	49	27
Between one and five years	138	47
Later than five years		
Total Borrowings at face value	187	74

The Trust received a Crown advance of \$135,981 in 2005 under an Energy Performance Contract to install energy efficient products. Also, in 2002 the Trust received a Crown advance of \$114,075, to install energy efficient chillers in the Robert Brown Building. These loans are repayable over a period of five years.

16 CURRENT / NON CURRENT LIABILITIES - PROVISIONS

	2005	2004
	\$'000	\$'000
Employee benefits and related on-costs		
Recreation leave	1,139	1,179
Provision for Long Service Leave	209	384
Payroll Tax on employee benefits	256	72
	1,604	1,635
Aggregate employee benefits and on-costs		
Provision - current	1,246	1,288
Provision - non current	358	347
	1,604	1,635

17 CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation		Total Equity	
	2005	2004	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at the beginning of the financial year	162,268	162,012	109,525	45,108	271,793	207,120
Changes in equity-transactions with owners as owners	0	0	0	0	0	0
Total	162,268	162,012	109,525	45,108	271,793	207,120
Changes in equity-other than transactions with owners as owners	0	0	0	0	0	0
Surplus / (deficit) for the year	(2,013)	256	0	0	(2,013)	256

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Increment / (decrement) on revaluation of:						
Land and Building			65,030	0		65,030
Infrastructure			(26)	0		(26)
Plant and Equipment			(587)	0		(587)
Total	<u>(2,013)</u>	<u>256</u>	<u>0</u>	<u>64,417</u>	<u>(2,013)</u>	<u>64,673</u>
Balance at the end of the financial year	<u>160,255</u>	<u>162,268</u>	<u>109,525</u>	<u>109,525</u>	<u>269,780</u>	<u>271,793</u>

18 COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	2005	2004
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of goods contracted for at balance date and not provided for:		
- Not later than one year	0	0
Total (including GST)	<u>0</u>	<u>0</u>

(b) Operating Lease Commitments

	2005	2004
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
- Not later than one year	201	414
- Later than one year, and not later than five years	149	154
- Later than five years		0
Total (including GST)	<u>350</u>	<u>568</u>

The total commitments above includes input tax credits of \$31,820 (2003-2004 \$51,628) that are expected to be recoverable from the ATO.

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Trust is not aware of any contingent liabilities and / or contingent assets associated with its operations.

20 BUDGET REVIEW

Net cost of services

The Net Cost of Services of \$23.7 million is \$3.4 million higher than the budget of \$20.3 million. This is mainly due to an overstatement of budget for Grants and Contributions (\$1.8 million). A review of assets resulted in disposal of non-current assets (\$0.9 million).

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

Assets and liabilities

Total Non-Current Assets is \$1.7 million lower than budget. This difference is linked to the depreciation writedown and the disposal of non-current assets (\$1.8 million). In addition, asset purchases were \$0.8 million lower than budget as the timing of expenditure of external funds was adjusted.

Cash flows

Net Cash Flows from Operating Activities of \$2.3 million is \$0.6 million lower than the budget of \$2.9 million. This is due to an increase in Capital Appropriation of \$0.6 million to fund Information Technology procurement.

21 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2005	2004
	\$'000	\$'000
Net cash used on operating activities	2,283	3,577
Cash Flows from Government / Appropriations	(19,787)	(18,962)
Acceptance by the Crown Entity of employee benefits and other liabilities	(1,864)	(2,758)
Depreciation	(3,822)	(3,918)
Decrease / (increase) in provisions	31	256
Increase / (decrease) in prepayments and receivables	(418)	117
Decrease / (increase) in creditors	1,000	(442)
Decrease / (increase) in income received in advance	(197)	759
Decrease / (increase) in inventory	5	(110)
Net loss / (gain) on sale of plant and equipment	(895)	17
Net cost of services	(23,664)	(21,464)

22 FINANCIAL INSTRUMENTS

(a) Cash

Cash comprises cash on hand, cash at bank and TCorp investments.

(b) Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

(c) Authority Deposits

The Trust has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poors. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. The interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit.

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

1. **Statement of Financial Position**

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

	2005 Carrying Amount \$000	2005 Net Fair Value \$000	2004 Carrying Amount \$000	2004 Net Fair Value \$000
At call				
Less than one year	1,403	1,403	848	848
One to five years				
Greater than five years				
Total	1,403	1,403	848	848

(d) Bank Overdraft

The Trust does not have bank overdraft facility.

(e) Trade Creditors and Accruals

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (2003-2004 \$nil).

(f) Treasury Advances

	2005 \$'000	2004 \$'000
Less than one year	49	27
One to five years	138	47
Greater than five years		0
Total	187	74

The Trust received advances of \$114,075 (2001-02) and \$135,981 (2004-05) from the New South Wales Treasury. Interest was calculated based on the 10 year bond rate applicable at the drawdown date. Interest rate on both advances is 6.38%.

23 IMPACT OF ADOPTING AUSTRALIAN EQUIVALENT TO IFRS

The Trust will apply the Australian equivalent to International Financial Reporting Standards (AEIFRS) from 2005-06.

The Trust's senior Finance team have reviewed the new standards and assessed the impact of adopting the AEIFRS. There is no financial impact of AEIFRS on the Trust. However, the actual effects of the transition may differ because of pending changes to the AEIFRS, including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. The Trust's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

**ROYAL BOTANIC GARDENS AND DOMAIN TRUST
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005**

Reconciliation of key aggregates

	30 June 2005 Existing *	30 June 2005 under AEIFRS **
Total Assets	272,219	272,219
Total Liabilities	<u>2,439</u>	<u>2,439</u>
Net Assets	<u><u>269,780</u></u>	<u><u>269,780</u></u>
Reserves	109,525	109,525
Accumulated Funds	<u>160,255</u>	<u>160,255</u>
	<u><u>269,780</u></u>	<u><u>269,780</u></u>
Surplus /(Deficit)	(\$2,013)	(\$2,013)

* = balances as per balance date under existing environment

** = balances as per balance date under AEIFRS

Financial Instruments

In accordance with NSW Treasury's indicative mandated, the Trust will apply the exemption provided in AASB 1 *First - time Adoption of Australian Equivalents to International Financial Reporting Standards* not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurements* for the financial year ended 30 June 2005. These Standards will apply from 01 July 2005. None of the information provided above includes any impact for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit / loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

Grant recognition for *not-profit* entities

The Trust will apply the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 *Financial Reporting by local Governments*. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either The Trust supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

24 AFTER BALANCE DATE EVENTS

There are no events subsequent to balance date which affect the financial report.

(END OF AUDITED FINANCIAL STATEMENTS)