

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231  
(An Association not for gain)**

**Financial report  
For the year ended  
30 June 2010**

# THOMAS DAVIS & CO.

(ESTABLISHED 1894)

CHARTERED ACCOUNTANTS

Liability limited by a scheme approved  
under Professional Standards Legislation

PLEASE ADDRESS ALL LETTERS TO  
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LEVEL 20  
68 PITT STREET  
SYDNEY NSW 2000

11th October, 2010

The Members of the Committee  
Friends of the Botanic Gardens Inc;  
Cottage 6  
Mrs Macquarie Road  
SYDNEY, N.S.W, 2000

Dear Sirs,

We have completed our examination of the books of account and other records of the Association for the year ended 30 June 2010 and have pleasure in furnishing herewith the following Statements:-

- (1) Statement of Comprehensive Income for the year ended 30 June 2010.
- (2) Statement of Financial Position as at 30 June 2010.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2010.
- (4) Statement of Cash Flows for the year ended 30 June 2010.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30 June 2010.
- (6) Statement by Members of the Committee, and Auditor's Report in respect to the Accounts for the year ended 30 June 2010.
- (7) Disclaimer in respect of additional Financial Data.
- (8) Detailed Income Statement for the year ended 30 June 2010.

Yours faithfully,

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Statement of Comprehensive Income  
for the year ended 30 June 2010**

	Notes	2010 \$	2009 \$
<b>Revenue</b>	2	665,907	671,349
Employee benefits expense		(335,532)	(310,045)
Depreciation expense	3	(3,435)	(2,829)
Other expenses		<u>(222,504)</u>	<u>(236,357)</u>
<b>Profit before income tax</b>	3	104,436	122,118
Income tax expense	1(a)	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<u>104,436</u>	<u>122,118</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to members of the association</b>		<u><u>104,436</u></u>	<u><u>122,118</u></u>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Statement of Financial Position**  
**as at 30 June 2010**

	Notes	2010 \$	2009 \$
<b>Current assets</b>			
Cash and cash equivalents	4	624,073	594,838
Trade and other receivables	5	17,752	8,523
Inventories	6	7,626	3,438
Other	7	6,880	2,624
<b>Total current assets</b>		<u>656,331</u>	<u>609,423</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	7,582	9,239
<b>Total non-current assets</b>		<u>7,582</u>	<u>9,239</u>
<b>Total assets</b>		<u>663,913</u>	<u>618,662</u>
<b>Current liabilities</b>			
Trade and other payables	9	340,010	274,121
<b>Total current liabilities</b>		<u>340,010</u>	<u>274,121</u>
<b>Non-current liabilities</b>			
Provisions	10	38,484	30,505
<b>Total non-current liabilities</b>		<u>38,484</u>	<u>30,505</u>
<b>Total liabilities</b>		<u>378,494</u>	<u>304,626</u>
<b>Net assets</b>		<u>285,419</u>	<u>314,036</u>
<b>Members' funds</b>			
Retained profits	11	285,419	314,036
<b>Total members' funds</b>		<u>285,419</u>	<u>314,036</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Statement of Changes in Members' Funds  
for the year ended 30 June 2010**

	<b>Retained Profits \$</b>	<b>Total \$</b>
<b>Balance 1 July 2008</b>	129,985	129,985
Profit for the year	122,118	122,118
Prior year commitments to the Royal Botanic Gardens and Domain Trust written back	246,500	246,500
Donations to the Royal Botanic Gardens and Domain Trust	<u>(184,567)</u>	<u>(184,567)</u>
<b>Balance 30 June 2009</b>	314,036	314,036
Profit for the year	104,436	104,436
Donations to the Royal Botanic Gardens and Domain Trust	<u>(133,053)</u>	<u>(133,053)</u>
<b>Balance 30 June 2010</b>	<u><u>285,419</u></u>	<u><u>285,419</u></u>

*The above statement of changes in members' funds should be read in conjunction with the accompanying notes.*

**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Statement of Cash Flows**  
**for the year ended 30 June 2010**

	Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts from subscriptions (inclusive of goods and services tax)		252,531	262,623
Receipts from functions (inclusive of goods and services tax)		186,940	193,919
Receipts from merchandise and visitors guide sales (inclusive of goods and services tax)		23,517	25,852
Receipts from donations		3,351	3,763
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(573,396)</u>	<u>(590,157)</u>
		(107,057)	(104,000)
Interest received		20,139	30,970
Other revenue		203,195	198,295
Donations paid to Royal Botanic Gardens and Domain Trust		<u>(133,053)</u>	<u>(184,567)</u>
<b>Net cash inflow / (outflow) from operating activities</b>	16	<u>(16,776)</u>	<u>(59,302)</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		<u>(1,778)</u>	<u>(4,360)</u>
<b>Net cash (outflow) from investing activities</b>		<u>(1,778)</u>	<u>(4,360)</u>
<b>Cash flows from financing activities</b>			
Increase (decrease) in donations held for RBG Trust		<u>47,789</u>	<u>48,168</u>
<b>Net cash inflow / (outflow) from financing activities</b>		<u>47,789</u>	<u>48,168</u>
<b>Net increase in cash held</b>		29,235	(15,494)
Cash at the beginning of the financial year		<u>594,838</u>	<u>610,332</u>
<b>Cash at the end of the financial year</b>	4	<u><u>624,073</u></u>	<u><u>594,838</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010**

**Note 1. Summary of significant accounting policies**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the *Associations Incorporation Act 1984* (NSW).

*Basis of Preparation*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below.

The financial statements have been on an accruals basis, in accordance with the historical cost convention, except for certain assets, where applicable, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

This financial report covers Friends of the Botanic Gardens Inc as an individual entity.

The financial report of the Association was authorised for issue by the committee on 11th October 2010.

Friends of the Botanic Gardens Inc is an association incorporated in New South Wales under the *Associations Incorporation Act 1984*. It is domiciled in Australia. Its principal place of business is:

Friends of the Botanic Gardens Inc  
Cottage 6  
Mrs Macquaries Road  
Sydney NSW 2000.

**(a) Income tax**

No provision is made for income tax as the association is exempt from income tax pursuant to section 50-40, item 8.2 of the Income Tax Assessment Act 1997.

**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 1. Summary of significant accounting policies (continued)**

**(b) Revenue recognition**

Amounts disclosed as revenue are net of taxes paid. Revenue is recognised for the major business activities as follows:

*(i) Donations, subscriptions and fundraising*

In common with many charitable organisations, it is not practicable for the association to establish accounting controls over all sources of donations, subscriptions and fundraising revenue prior to it being recorded in the accounting records.

*(ii) Sale of goods*

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

*(iii) Interest*

Interest is recognised when received.

**(c) Trade and other receivables**

All debtors are recognised at the amounts receivable.

Collectibility of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

**(d) Inventories**

*Stock on hand*

Stock is stated at the lower of cost and net realisable value.

**(e) Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

**(f) Depreciation of property, plant and equipment**

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its expected useful life to the association. The expected useful lives are as follows:

Plant and equipment	3 - 7 years
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**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 1. Summary of significant accounting policies (continued)**

**(g) Impairment of assets**

At each reporting date, the association reviews the carrying values of its 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 flows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

**(h) Trade and other creditors**

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. The amounts are unsecured.

**(i) Employee benefits**

*(i) Wages, salaries and annual leave*

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

*(ii) Long service leave*

The liabilities for long service leave expected to be settled more than 12 months from the reporting date are recognised in the provisions for employee benefits and are measured in accordance with (i) above.

*(iii) Superannuation*

The amount charged to the statement of comprehensive income in respect of superannuation represents the contributions made by the association to the superannuation fund.

**Friends of the Botanic Gardens Inc**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 1. Summary of significant accounting policies (continued)**

**(j) Cash and cash equivalents**

For purposes of the statement of cash flows, cash includes other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

**(k) Financial instruments**

*Recognition and initial measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at cost.

**(l) Adoption of New and Revised Accounting Standards**

The Association has adopted the following new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosures of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the association.

***Presentation of Financial Statements***

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the association's financial statements.

***Disclosure Impact***

Terminology changes - The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Friends of the Botanic Gardens Inc  
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**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

**Note 1. Summary of significant accounting policies (continued)**

***Disclosure Impact (continued)***

Reporting changes in equity - The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income - The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The association's financial statements now contain a statement of comprehensive income.

Other comprehensive income - The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit and loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**New accounting standards for application in future periods**

The AASB has issued new, revised and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The directors of the Association have decided against early adoption of these standards. A discussion of those future requirements and their impact on the Association follows:

**Friends of the Botanic Gardens Inc  
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**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

**Note 1. Summary of significant accounting policies (continued)**

**New accounting standards for application in future periods (continued)**

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013). These standards are applicable retrospectively and amend the classification and measurement of financial assets. The directors have not yet determined the potential impact on the financial statements.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011). This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the association.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011). This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Association.

AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretations 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010). This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the company.

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

	2010	2009
	\$	\$
<b>Note 2. Revenue</b>		
<b>Revenue from operating activities</b>		
Subscriptions	230,688	221,867
Functions receipts	180,629	191,097
Merchandise and visitors guide sales	21,379	23,502
Donations	3,351	3,763
Commission from art exhibitions	93,447	106,975
Sale of plants	65,865	63,137
Raffles	9,250	7,902
Tours	27,030	12,009
Catering	8,671	7,700
Other revenue	5,458	2,427
	<u>645,768</u>	<u>640,379</u>
<b>Revenue from outside the operating activities</b>		
Interest	20,139	30,970
	<u>20,139</u>	<u>30,970</u>
Revenue from ordinary activities	<u>665,907</u>	<u>671,349</u>

**Note 3. Profit from ordinary activities**

**Expenses**

Profit from ordinary activities before income tax expense includes the following specific expenses:

Cost of sales of inventories	13,689	18,140
Depreciation		
Plant and equipment	3,435	2,829
Total depreciation	<u>3,435</u>	<u>2,829</u>

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

	2010 \$	2009 \$
<b>Note 4. Current assets - Cash and cash equivalents</b>		
Cash at bank and on hand	119,827	158,574
Commercial bill	504,246	436,264
	624,073	594,838

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows.

**Commercial bill**

The commercial bills are bearing fixed interest rates between 5.00% and 5.60% (2009 - 2.48% and 6.56%).

**Note 5. Current assets - Trade and other receivables**

Other debtors	17,752	8,523
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Current trade receivables are non-interest bearing loans and generally receivable within 30 days. A provision for impairment is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2010 (2009: Nil).

**Note 6. Current assets - Inventories**

Stock on hand - at lower of cost and net realisable value	7,626	3,438
Aggregate carrying amount of inventories	7,626	3,438

**Note 7. Current assets - Other**

Trust Account	100	100
Prepayments	6,780	2,524
	6,880	2,624

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

	2010	2009
	\$	\$
<b>Note 8. Non-current assets - Property, plant and equipment</b>		
<b>Plant and equipment</b>		
At cost	65,092	63,314
Less: Accumulated depreciation	57,510	54,075
	7,582	9,239

**Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	<b>Plant and equipment</b>	<b>Plant and equipment</b>
	\$	\$
Carrying amount as at 1 July 2009	9,239	7,708
Additions	1,778	4,360
Depreciation expense (note 3)	(3,435)	(2,829)
Carrying amount as at 30 June 2010	7,582	9,239

**Note 9. Current liabilities - Trade and other payables**

Income received in advance	41,566	36,369
Trade and other creditors	21,091	8,188
Donations held for RBG Trust	277,353	229,564
	340,010	274,121

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

	2010	2009
	\$	\$
<b>Note 10. Non-current liabilities - Provisions</b>		
Employee benefits	<u>38,484</u>	<u>30,505</u>

**Note 11. Retained profits**

Retained profits at the beginning of the financial year	314,036	129,985
Net profit	104,436	122,118
Add: Prior year commitments to the Royal Botanic Gardens and Domain Trust written back (refer Note 15)	-	246,500
Less: Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(133,053)</u>	<u>(184,567)</u>
Retained profits at the end of the financial year	<u>285,419</u>	<u>314,036</u>

**Note 12. Financial risk management**

**(a) Financial risk management policies**

The association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The association did not have any derivative instruments at any time during the year.

**(i) Treasury risk management**

The committee meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in line with recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the association in meeting its financial targets, whilst minimising potential adverse effects on financial performance and reviewing future cash flow requirements.

**(ii) Financial risk exposures and management**

The main risks the association is exposed to through its financial instruments are liquidity risk and credit risk.

**Friends of the Botanic Gardens Inc  
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**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

**Note 12. Financial risk management (continued)**

**(a) Financial risk management policies (continued)**

*Interest rate risk*

The association has no borrowings or debt.

*Liquidity risk*

The association manages liquidity risk by monitoring forecast cash flows and ensuring adequate cash is available to meet those cash flows.

The association generally ensures that the commercial bill deposit term is no longer than 60 days.

*Credit risk*

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

There are no amounts of collateral held as security at 30 June 2010.

Credit risk is managed and reviewed regularly by the finance committee. It arises from exposures to customers and deposits with financial institutions.

The executive committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only highly recognised and reputable banks and financial institutions are used;
- customers that do not meet the association's credit policies may only purchase in cash or using recognised credit cards.

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

**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 12. Financial risk management (continued)**

**(b) Financial instrument composition and maturity analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

2010	Notes	Fixed interest maturing in:					Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and commercial bill	4	119,554	504,246	-	-	273	624,073
Trade and other receivables	5	-	-	-	-	17,752	17,752
		<u>119,554</u>	<u>504,246</u>	<u>-</u>	<u>-</u>	<u>18,025</u>	<u>641,825</u>
Weighted average interest rate		4%	5%	-	-		
<b>Financial liabilities</b>							
Trade and other payables	9	-	-	-	-	340,010	340,010
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,010</u>	<u>340,010</u>
Weighted average interest rate		-	-	-	-		
Net financial assets / (liabilities)		<u>119,554</u>	<u>504,246</u>	<u>-</u>	<u>-</u>	<u>(321,985)</u>	<u>301,815</u>

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

**Note 12. Financial risk management (continued)**

**(b) Financial instrument composition and maturity analysis (continued)  
2009**

	Notes	Fixed interest maturing in:					Total \$
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	
<b>Financial assets</b>							
Cash and commercial bill	4	158,101	436,264	-	-	473	594,838
Trade and other receivables	5	-	-	-	-	8,523	8,523
		<u>158,101</u>	<u>436,264</u>	<u>-</u>	<u>-</u>	<u>8,996</u>	<u>603,361</u>
Weighted average interest rate		3%	4%	-	-		
<b>Financial liabilities</b>							
Trade and other payables	9	-	-	-	-	274,121	274,121
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,121</u>	<u>274,121</u>
Weighted average interest rate		-	-	-	-		
Net financial assets / (liabilities)		<u>158,101</u>	<u>436,264</u>	<u>-</u>	<u>-</u>	<u>(265,125)</u>	<u>329,240</u>

Trade and sundry payables are expected to be paid as follows:

	2010 \$	2009 \$
Less than 6 months	340,010	274,121
6 months to 1 year	-	-
	<u>340,010</u>	<u>274,121</u>

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Notes to the Financial Statements  
for the year ended 30 June 2010 (continued)**

**Note 12. Financial risk management (continued)**

**(c) Net fair value of financial assets and liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The carrying amounts and net fair values of financial assets and liabilities at the reporting date are disclosed in the balance sheet and in the notes to the financial statements.

	2010	2009
	\$	\$

**Note 13. Remuneration of auditors**

During the year the following service was paid to the auditor of the association:

Fees paid for audit of financial report	<u>2,450</u>	<u>2,310</u>
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**Note 14. Contingent liabilities and contingent assets**

The association had no contingent liabilities nor contingent assets as at the end of the financial year.

**Note 15. Commitments for expenditure**

**Capital commitments**

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as

Within one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**Friends of the Botanic Gardens Inc**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 15(a) Commitments for expenditure (change in accounting policy)**

The Association changed its accounting policy in 2009 in respect to the treatment of future commitments to RBG and Domain Trust. All prior commitments recorded as liabilities were written off the balance sheet and are now shown via a similar note off balance sheet. The committee believes this is a more appropriate way to show future commitments as these commitments often change frequently and significantly from their original committed values and purposes. The committee believes recording donations only when they are paid is a more relevant way of disclosure for accounting purposes and for users of this financial report.

	2010	2009
	\$	\$
Commitments not recognised as liabilities as at the reporting date, are:		
Margaret Flockton Awards	91	91
2016 Bicentenary plant diversity program	25,000	12,500
2016 Plantbank	79,294	77,900
Signage for the Domain & RBG	1,675	1,675
Signage at the connections garden at Mt Annan	20,000	20,000
Trees in the Garden's website	20,240	20,240
Mt Annan - BBQ units	949	-
Mt Annan - Significant tree mapping	964	-
Mt Annan - Signage hardware	77	-
Mt Annan - Wayfinding signage	9,000	-
	<u>157,290</u>	<u>132,406</u>
	2010	2009
	\$	\$

**Note 16. Reconciliation of profit after income tax to net cash inflow from operating activities**

Net profit after related income tax	104,436	122,118
Donations to the Royal Botanic Gardens and Domain Trust	(133,053)	(184,567)
Depreciation	3,435	2,829
Change in operating assets and liabilities		
(Increase) / decrease in other debtors	(9,229)	(1,855)
(Increase) / decrease in inventories	(4,188)	(2,136)
(Increase) / decrease in prepayments	(4,256)	-
Increase / (decrease) in income received in advance	5,197	18,479
Increase / (decrease) in trade and other creditors	12,903	(17,111)
Increase / (decrease) in provisions for employee benefits	7,979	2,941
Net cash inflow / (outflow) from operating activities	<u>(16,776)</u>	<u>(59,302)</u>

**Friends of the Botanic Gardens Inc**  
**ABN 64 015 412 231**

**Notes to the Financial Statements**  
**for the year ended 30 June 2010 (continued)**

**Note 17. Related party transactions**

**(a) Committee Members**

The names of persons who were committee members of the association at any time during the financial year are as follows:

W Atmore	D McDonald (resigned Nov 2009)
P Ayres	J McGirr (resigned Nov 2009)
R Beardmore	E McNaughton
E Cornish	J Ormonde
H Crompton (elected Nov 2009)	A Rasmussen
R de Ferranti	H Springford
E Dent	C Webster (resigned April 2010)
A Halliday (resigned Nov 2009)	S Young (elected Nov 2009)

ex-officio members

T Entwisle	M Savio
T Jackson	A Sutherland
K Hines (resigned May 2010)	

**Note 17. Related party transactions (continued)**

**(b) Key management and personnel compensation**

Key management personnel compensation for the years ended 30 June 2010 and 2009 is set out below. The key management personnel are all the committee members of the Association.

	Short-term benefits \$	Post- employ- ment \$	Other long- term benefits \$	Termin- ation benefits \$	Share-based payments \$	Total \$
2010	47,009	46,354	1,796	-	-	95,159
2009	32,627	59,171	1,901	-	-	93,699

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Statement by Members of the Committee**

In the opinion of the Committee the financial report as set out on pages 1 to 20:

1. Presents a true and fair view of the financial position of Friends of the Botanic Gardens Inc as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Friends of the Botanic Gardens Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

R de Ferranti  
President

H Springford  
Honorary Treasurer

Sydney  
11th October, 2010

**Independent Auditor's Report to the Members of  
Friends of the Botanic Gardens Inc**

We have audited the accompanying financial report of Friends of the Botanic Gardens Inc (the Association), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

***The Committee's Responsibility for the Financial Report***

The committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1984*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

**Qualification**

As is common for organisations of this type, it is not practicable for the Association to maintain an effective system of internal control over donations, subscriptions and other fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising was limited to amounts recorded. In our opinion, monies recorded as receipts from donations, subscriptions and other fundraising activities have been properly accounted for by the Association.

**Qualified Auditor's Opinion**

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Friends of the Botanic Gardens Inc. as of 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1984*.

**THOMAS DAVIS & CO.**

J G Ryan      Partner

Chartered Accountants

Sydney  
11th October, 2010

**Liability limited under a scheme approved under Professional Standards Legislation.**

# THOMAS DAVIS & CO.

(ESTABLISHED 1894)

CHARTERED ACCOUNTANTS

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under Professional Standards Legislation

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## Disclaimer

### To The Members of Friends of the Botanic Gardens Inc

The additional financial data presented in the following pages is in accordance with the books and records of Friends of the Botanic Gardens Inc (the Association) which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 30 June 2010.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Association) in respect of such data, including errors or omissions therein however caused.

**THOMAS DAVIS & CO.**

J G Ryan Partner

Chartered Accountants

Sydney  
11th October, 2010

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Detailed Income Statement  
for the year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Revenue</b>		
Subscriptions	230,688	221,867
Functions receipts		
Gross receipts	180,629	191,097
Less: Function costs	<u>(48,645)</u>	<u>(62,019)</u>
	<u>131,984</u>	<u>129,078</u>
Merchandise and visitors guide sales		
Sales revenue	21,379	23,502
Less: Merchandise costs	<u>(13,689)</u>	<u>(18,140)</u>
	<u>7,690</u>	<u>5,362</u>
Donations	3,351	3,763
Commission from art exhibitions	93,447	106,975
Sale of plants	65,865	63,137
Raffles	9,250	7,902
Interest	20,139	30,970
Tours	27,030	12,009
Net surplus / (loss) from catering	3,877	1,473
Other revenue	<u>5,458</u>	<u>2,427</u>
	<u>598,779</u>	<u>584,963</u>

*This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 11th October 2010.*

**Friends of the Botanic Gardens Inc  
ABN 64 015 412 231**

**Detailed Income Statement  
for the year ended 30 June 2010 (continued)**

	2010	2009
	\$	\$
<b>Expenditure</b>		
Advertising and public relations	264	2,857
Annual leave and long service leave expenses	7,979	2,941
Audit fees	2,450	2,310
Bank charges	707	819
Credit card charges	11,315	13,780
Computer expenses	5,909	8,263
Depreciation	3,435	2,829
Fundraising expenses	12,419	-
General expenses	2,946	7,709
Growing Friends	10,628	9,467
Insurance	6,876	2,675
Newsletter and membership costs	83,513	75,660
Printing and stationery	14,646	21,448
Salaries and superannuation	327,553	307,104
Travel expenses	242	286
Volunteer expenses	3,461	4,697
	<u>494,343</u>	<u>462,845</u>
<b>Profit before income tax expense</b>	<u>104,436</u>	<u>122,118</u>

*This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 11th October 2010.*