

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

**Financial report
For the year ended
30 June 2008**

THOMAS DAVIS & CO.
(ESTABLISHED 1894)

CHARTERED ACCOUNTANTS

Liability limited by a scheme approved
under Professional Standards Legislation

PLEASE ADDRESS ALL LETTERS TO
BOX 492 G.P.O.
SYDNEY, N.S.W. 2001

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A.N.Z. BANK BUILDING
68 PITT STREET
SYDNEY 2000

30th September, 2008

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 2008 and have pleasure in furnishing herewith the following Statements:-

- (1) Income Statement for the year ended 30 June 2008.
- (2) Balance Sheet as at 30 June 2008.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2008.
- (4) Cash Flow Statement for the year ended 30 June 2008.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30 June 2008.
- (6) Statement by Members of the Committee, and Auditor's Report in respect to the Accounts for the year ended 30 June 2008.
- (7) Disclaimer in respect of additional Financial Data.
- (8) Detailed Income Statement for the year ended 30 June 2008.

Yours faithfully,

Thomas Davis & Co

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Income Statement
for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
Revenue	2	867,533	760,467
Employee benefits expense		(296,673)	(239,887)
Depreciation expense	3	(14,472)	(14,175)
Other expenses		<u>(294,229)</u>	<u>(222,145)</u>
Profit before related income tax expense	3	262,159	284,260
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit after related income tax expense attributable to members of the association		<u>262,159</u>	<u>284,260</u>
Total changes in equity other than those resulting from transactions with members as members		<u>262,159</u>	<u>284,260</u>

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

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Balance Sheet
as at 30 June 2008

	Notes	2008 \$	2007 \$
Current assets			
Cash and cash equivalents	4	610,332	557,046
Trade and other receivables	5	6,668	3,951
Inventories	6	1,302	4,439
Other	7	<u>2,624</u>	<u>2,805</u>
Total current assets		<u>620,926</u>	<u>568,241</u>
Non-current assets			
Property, plant and equipment	8	<u>7,708</u>	<u>20,040</u>
Total non-current assets		<u>7,708</u>	<u>20,040</u>
Total assets		<u>628,634</u>	<u>588,281</u>
Current liabilities			
Trade and other payables	9	<u>471,085</u>	<u>493,007</u>
Total current liabilities		<u>471,085</u>	<u>493,007</u>
Non-current liabilities			
Provisions	10	<u>27,564</u>	<u>10,813</u>
Total non-current liabilities		<u>27,564</u>	<u>10,813</u>
Total liabilities		<u>498,649</u>	<u>503,820</u>
Net assets		<u>129,985</u>	<u>84,461</u>
Members' funds			
Retained profits	11	<u>129,985</u>	<u>84,461</u>
Total members' funds		<u>129,985</u>	<u>84,461</u>

The above balance sheet 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 2008**

	2008	2007
	\$	\$
Total members' funds at the beginning of the financial year	84,461	72,747
Profit for the year	262,159	284,260
Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(216,635)</u>	<u>(272,546)</u>
Total members' funds at the end of the financial year	<u><u>129,985</u></u>	<u><u>84,461</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

Cash Flow Statement
for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from subscriptions (inclusive of goods and services tax)		250,694	237,560
Receipts from functions (inclusive of goods and services tax)		263,385	198,202
Receipts from merchandise and visitors guide sales (inclusive of goods and services tax)		18,796	13,399
Receipts from donations		6,587	3,720
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(586,473)</u>	<u>(493,184)</u>
		(47,011)	(40,302)
Interest received		34,459	38,996
Other revenue		318,089	303,156
Donations paid to Royal Botanic Gardens and Domain Trust		<u>(363,520)</u>	<u>(210,057)</u>
Net cash inflow / (outflow) from operating activities	16	<u>(57,983)</u>	<u>91,793</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>(2,140)</u>	-
Net cash (outflow) from investing activities		<u>(2,140)</u>	-
Cash flows from financing activities			
Increase (decrease) in donations held for RBG Trust		<u>113,409</u>	<u>(70,997)</u>
Net cash inflow / (outflow) from financing activities		<u>113,409</u>	<u>(70,997)</u>
Net increase in cash held		53,286	20,796
Cash at the beginning of the financial year		<u>557,046</u>	<u>536,250</u>
Cash at the end of the financial year	4	<u><u>610,332</u></u>	<u><u>557,046</u></u>

The above cash flow statement 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 2008**

Note 1. Summary of significant accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards 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 report has 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.

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 2008 (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 2008 (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 income statement.

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 income statement in respect of superannuation represents the contributions made by the association to the superannuation fund.

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

**Notes to the Financial Statements
for the year ended 30 June 2008 (continued)**

Note 1. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

For purposes of the cash flow statement, 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.

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 2. Revenue		
Revenue from operating activities		
Subscriptions	227,258	208,381
Functions receipts	261,046	204,955
Merchandise and visitors guide sales	17,088	12,181
Donations	6,587	3,720
Commission from art exhibitions	169,174	167,991
Sale of plants	63,162	70,195
Raffles	18,512	24,291
Tours	45,701	12,340
Catering	9,468	13,773
Other revenue	15,078	3,644
	<u>833,074</u>	<u>721,471</u>
Revenue from outside the operating activities		
Interest	34,459	38,996
	<u>34,459</u>	<u>38,996</u>
Revenue from ordinary activities	<u>867,533</u>	<u>760,467</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	7,069	7,362
Depreciation		
Plant and equipment	14,472	14,175
Total depreciation	<u>14,472</u>	<u>14,175</u>

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 4. Current assets - Cash and cash equivalents		
Cash at bank and on hand	196,250	169,170
Commercial bill	414,082	387,876
	<u>610,332</u>	<u>557,046</u>

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

Commercial bill

The commercial bill is bearing fixed interest rates between 5.62% and 6.56% (2007 - 5.33% and 5.62%).

Note 5. Current assets - Trade and other receivables

Other debtors	<u>6,668</u>	<u>3,951</u>
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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 2008 (2007: Nil).

Note 6. Current assets - Inventories

Stock on hand - at lower of cost and net realisable value	<u>1,302</u>	<u>4,439</u>
Aggregate carrying amount of inventories	<u>1,302</u>	<u>4,439</u>

Note 7. Current assets - Other

Trust Account	100	100
Prepayments	<u>2,524</u>	<u>2,705</u>
	<u>2,624</u>	<u>2,805</u>

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 8. Non-current assets - Property, plant and equipment		
Plant and equipment		
At cost	58,954	56,814
Less: Accumulated depreciation	<u>51,246</u>	<u>36,774</u>
	<u><u>7,708</u></u>	<u><u>20,040</u></u>

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.

	Plant and equipment	Total
	\$	\$
Carrying amount as at 1 July 2007	20,040	34,215
Additions	2,140	-
Depreciation expense (note 3)	<u>(14,472)</u>	<u>(14,175)</u>
Carrying amount as at 30 June 2008	<u><u>7,708</u></u>	<u><u>20,040</u></u>

Note 9. Current liabilities - Trade and other payables

Income received in advance	17,890	19,584
Trade and other creditors	25,299	12,051
Commitments to Royal Botanic Gardens (note 15)	246,500	393,385
Donations held for RBG Trust	<u>181,396</u>	<u>67,987</u>
	<u><u>471,085</u></u>	<u><u>493,007</u></u>

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 10. Non-current liabilities - Provisions		
Employee benefits	<u>27,564</u>	<u>10,813</u>
Note 11. Retained profits		
Retained profits at the beginning of the financial year	84,461	72,747
Net profit	262,159	284,260
Less: Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(216,635)</u>	<u>(272,546)</u>
Retained profits at the end of the financial year	<u>129,985</u>	<u>84,461</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

A finance 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
ABN 64 015 412 231**

**Notes to the Financial Statements
for the year ended 30 June 2008 (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 2008.

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 2008 (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.

2008	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 \$	
Financial assets							
Cash and commercial bill	4	195,650	414,082	-	-	600	610,332
Trade and other receivables	5	-	-	-	-	6,668	6,668
		<u>195,650</u>	<u>414,082</u>	<u>-</u>	<u>-</u>	<u>7,268</u>	<u>617,000</u>
Weighted average interest rate		6%	7%	-	-		
Financial liabilities							
Trade and other payables	9	-	-	-	-	471,085	471,085
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,085</u>	<u>471,085</u>
Weighted average interest rate		-	-	-	-		
Net financial assets / (liabilities)		<u>195,650</u>	<u>414,082</u>	<u>-</u>	<u>-</u>	<u>(463,817)</u>	<u>145,915</u>

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

Note 12. Financial risk management (continued)

(b) Financial instrument composition and maturity analysis (continued)
2007

	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 \$	
Financial assets							
Cash and commercial bill	4	168,700	387,876	-	-	470	557,046
Trade and other receivables	5	-	-	-	-	3,951	3,951
		<u>168,700</u>	<u>387,876</u>	<u>-</u>	<u>-</u>	<u>4,421</u>	<u>560,997</u>
Weighted average interest rate		5%	6%	-	-		
Financial liabilities							
Trade and other payables	9	-	-	-	-	493,007	493,007
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,007</u>	<u>493,007</u>
Weighted average interest rate		-	-	-	-		
Net financial assets / (liabilities)		<u>168,700</u>	<u>387,876</u>	<u>-</u>	<u>-</u>	<u>(488,586)</u>	<u>67,990</u>

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

	2008 \$	2007 \$
Less than 6 months	206,695	80,038
6 months to 1 year	246,500	393,385
	<u>453,195</u>	<u>473,423</u>

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

**Notes to the Financial Statements
for the year ended 30 June 2008 (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.

	2008	2007
	\$	\$

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	2,100	2,020
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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	-	-
	-	-

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 15. Commitments for expenditure (continued)		
Commitments recognised as liabilities as at the reporting date, payable for (note 9):		
Horticultural and Staff Scholarships	-	4,685
Margaret Flockton Awards	500	7,500
Tree Survey & condition assessment	-	13,200
Solar pump for Twin Ponds	20,000	-
Tree assessment system - Mt Tomah	10,000	-
Contribution to direct costs	45,000	45,000
Contribution to Nurseries from Growing Friends	6,000	4,000
Bicentenary plant diversity program	75,000	-
Sydney Heritage trees (Flying Fox project)	-	75,000
Fogger for Mt Annan nursery	-	14,000
Signage for the Domain & RBG	20,000	80,000
Signage at the connections garden at Mt Annan	20,000	-
Central precinct wayfinding signage - Mt Annan	15,000	-
Library - compactus replacement	-	80,000
Trees in the Garden's website	35,000	70,000
	<u>246,500</u>	<u>393,385</u>

30.35

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

	2008	2007
	\$	\$
Note 16. Reconciliation of profit after income tax to net cash inflow from operating activities		
Net profit after related income tax	262,159	284,260
Donations and commitments to the Royal Botanic Gardens and Domain Trust	(216,635)	(272,546)
Depreciation	14,472	14,175
Change in operating assets and liabilities		
(Increase) / decrease in other debtors	(2,717)	9,681
(Increase) / decrease in inventories	3,137	789
(Increase) / decrease in other operating assets	181	3,869
Increase / (decrease) in income received in advance	(1,694)	830
Increase / (decrease) in trade and other creditors	13,248	(9,570)
Increase / (decrease) in commitments to Royal Botanic Gardens	(146,885)	62,489
Increase / (decrease) in provisions for employee benefits	16,751	(2,184)
Net cash inflow / (outflow) from operating activities	<u>(57,983)</u>	<u>91,793</u>

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:

P Ayres	J McGirr
L Dent (elected November 2007)	A Rasmussen (elected November 2007)
C Elliott (co-opted November 2007)	Sir I Turbott (resigned Feb 2008)
A Halliday	H Springford (elected November 2007)
L Catchlove (resigned November 2007)	C Webster (elected November 2007)
R D Ferranti (elected November 2007)	W Atmore (co-opted February 2008)
H Cornish (elected November 2007)	R Beardmore (elected November 2007)

ex-officio members

T Entwisle	M Savio
T Jackson	A Sutherland
K Hines	

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Notes to the Financial Statements
for the year ended 30 June 2008 (continued)

Note 17. Related party transactions (continued)

(b) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2008 and 2007 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 \$
2008	30,552	62,516	1,748	-	-	94,816
2007	-	88,860	1,463	-	-	90,323

Note 18. Change in accounting policy

The following Australian Accounting Standards which have been issued or amended and which are applicable to the company but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Applicaton date of Standard	Application date for Company
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 107: Cash Flow Statements AASB 136: Impairment of Assets	Changes to AASB 114: Segment Reporting. Being replaced by AASB 8. No impact as company does not fall within the scope of AASB 8.	1.1.2009	1.1.2009
AASB 8 Operating Segments	AASB 14: Segment Reporting	as above	1.1.2009	1.1.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	Revised AASB 101: Presentation of Financial Statements requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009	1.1.2009
AASB 101: Presentation of Financial Statements	AASB 101: Presentation of Financial Statements	as above	1.1.2009	1.1.2009

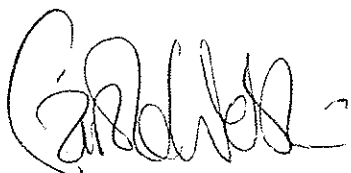
**Friends of the Botanic Gardens Inc
ABN 64 015 412 231**

Statement by Members of the Committee

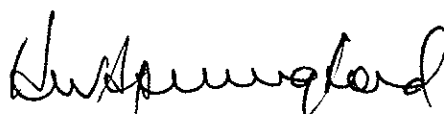
In the opinion of the Committee the financial report as set out on pages 1 to 19:

1. Presents a true and fair view of the financial position of Friends of the Botanic Gardens Inc as at 30 June 2008 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements 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:



C Webster
President



H Springford
Honorary Treasurer

Sydney
30th September 2008

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 balance sheet as at 30 June 2008, and the income statement, statement of changes in members' funds and cash flow statement 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.

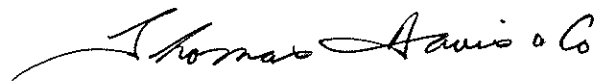
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2008, 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.


R C Geeves

Partner

Chartered Accountants

Sydney
30th September 2008

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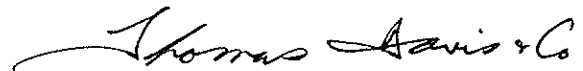
Disclaimer

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 2008.

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.



R C Geeves Partner

Chartered Accountants

Sydney
30th September 2008

Friends of the Botanic Gardens Inc
ABN 64 015 412 231

Detailed Income Statement
for the year ended 30 June 2008

	2008	2007
	\$	\$
Revenue		
Subscriptions	227,258	208,381
Functions receipts		
Gross receipts	261,046	204,955
Less: Function costs	<u>(110,524)</u>	<u>(74,099)</u>
	<u>150,522</u>	<u>130,856</u>
Merchandise and visitors guide sales		
Sales revenue	17,088	12,181
Less: Merchandise costs	<u>(7,069)</u>	<u>(7,362)</u>
	<u>10,019</u>	<u>4,819</u>
Donations	6,587	3,720
Commission from art exhibitions	169,174	167,991
Sale of plants	63,162	70,195
Raffles	18,512	24,291
Interest	34,459	38,996
Tours	45,701	12,340
Net (loss) / proceeds from catering	(3,933)	4,261
Other revenue	<u>15,078</u>	<u>3,644</u>
	<u>736,539</u>	<u>669,494</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 30th September 2008.

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

**Detailed Income Statement
for the year ended 30 June 2008 (continued)**

	2008	2007
	\$	\$
Expenditure		
Advertising and public relations	4,558	554
Annual leave and long service leave expenses	16,751	(10,822)
Audit fees	2,100	2,020
Bank charges	657	900
Credit card charges	12,845	13,194
Computer expenses	3,833	4,818
Depreciation	14,472	14,175
General expenses	5,654	4,786
Growing Friends	7,180	6,757
Insurance	8,364	9,115
Newsletter costs	86,379	76,270
Printing and stationery	27,771	7,697
Salaries and superannuation	279,922	250,709
Travel expenses	579	653
Volunteer expenses	3,315	4,408
	<u>474,380</u>	<u>385,234</u>
Profit before income tax expense	<u>262,159</u>	<u>284,260</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 30th September 2008.