

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 2007

THOMAS DAVIS & CO.

(ESTABLISHED 1894)

CHARTERED ACCOUNTANTS

Liability limited by a scheme approved
under Professional Standards Legislation

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

17th October, 2007

The Members of the Committee
Friends of the Royal Botanic Gardens Sydney 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 2007 and have pleasure in furnishing herewith the following Statements:-

- (1) Income Statement for the year ended 30 June 2007.
- (2) Balance Sheet as at 30 June 2007.
- (3) Statement of Changes in Members' Funds for the year ended 30 June 2007.
- (4) Cash Flow Statement for the year ended 30 June 2007.
- (5) Notes to and Forming part of the Financial Statements for the year ended 30 June 2007.
- (6) Statement by Members of the Committee, and Auditors' Report in respect to the Accounts for the year ended 30 June 2007.
- (7) Disclaimer in respect of additional Financial Data.
- (8) Detailed Income Statement for the year ended 30 June 2007.

Yours faithfully,

Friends of the Royal Botanic Gardens Sydney Inc

**Income Statement
for the year ended 30 June 2007**

	Notes	2007 \$	2006 \$
Revenue	2	760,467	599,802
Employee benefits expense		(239,887)	(239,010)
Depreciation expense	3	(14,175)	(13,185)
Other expenses		<u>(222,145)</u>	<u>(193,023)</u>
Profit before related income tax expense	3	284,260	154,584
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit after related income tax expense attributable to members of the association		<u>284,260</u>	<u>154,584</u>
Total changes in equity other than those resulting from transactions with members as members		<u>284,260</u>	<u>154,584</u>

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

Friends of the Royal Botanic Gardens Sydney Inc

Balance Sheet as at 30 June 2007

	Notes	2007 \$	2006 \$
Current assets			
Cash and cash equivalents	4	557,046	536,250
Trade and other receivables	5	3,951	13,632
Inventories	6	4,439	5,228
Other	7	2,805	6,674
Total current assets		568,241	561,784
Non-current assets			
Property, plant and equipment	8	20,040	34,215
Total non-current assets		20,040	34,215
Total assets		588,281	595,999
Current liabilities			
Trade and other payables	9	493,007	510,255
Total current liabilities		493,007	510,255
Non-current liabilities			
Provisions	10	10,813	12,997
Total non-current liabilities		10,813	12,997
Total liabilities		503,820	523,252
Net assets		84,461	72,747
Members' funds			
Retained profits	11	84,461	72,747
Total members' funds		84,461	72,747

The above balance sheet should be read in conjunction with the accompanying notes.

Friends of the Royal Botanic Gardens Sydney Inc

**Statement of Changes in Members' Funds
for the year ended 30 June 2007**

	2007	2006
	\$	\$
Total members' funds at the beginning of the financial year	72,747	71,437
Profit for the year	284,260	154,584
Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(272,546)</u>	<u>(153,274)</u>
Total members' funds at the end of the financial year	<u>84,461</u>	<u>72,747</u>

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

Friends of the Royal Botanic Gardens Sydney Inc

**Cash Flow Statement
for the year ended 30 June 2007**

	Notes	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from subscriptions (inclusive of goods and services tax)		237,560	226,534
Receipts from functions (inclusive of goods and services tax)		198,202	203,255
Receipts from merchandise and visitors guide sales (inclusive of goods and services tax)		13,399	12,769
Receipts from donations		3,720	2,011
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(493,184)</u>	<u>(457,190)</u>
		(40,302)	(12,621)
Interest received		38,996	39,084
Other revenue		303,156	135,873
Donations paid to Royal Botanic Gardens and Domain Trust		<u>(210,057)</u>	<u>(380,264)</u>
Net cash inflow / (outflow) from operating activities	16	<u>91,793</u>	<u>(217,928)</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>-</u>	<u>(10,911)</u>
Net cash (outflow) from investing activities		<u>-</u>	<u>(10,911)</u>
Cash flows from financing activities			
Increase (decrease) in donations held for RBG Trust		<u>(70,997)</u>	<u>17,147</u>
Net cash inflow / (outflow) from financing activities		<u>(70,997)</u>	<u>17,147</u>
Net increase in cash held		20,796	(211,692)
Cash at the beginning of the financial year		<u>536,250</u>	<u>747,942</u>
Cash at the end of the financial year	4	<u><u>557,046</u></u>	<u><u>536,250</u></u>

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

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2007

Note 1. Summary of significant accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards and the requirements of the *Associations Incorporation Act 1984* (NSW).

Basis of Preparation

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, 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 Royal Botanic Gardens Sydney Inc as an individual entity.

Friends of the Royal Botanic Gardens Sydney 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 Royal Botanic Gardens Sydney 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.

(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.

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2007 (continued)

Note 1. Summary of significant accounting policies (continued)

(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) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

(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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(g) 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.

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2007 (continued)

Note 1. Summary of significant accounting policies (continued)

(h) 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.

(i) 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.

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
Note 2. Revenue		
Revenue from operating activities		
Subscriptions	208,381	207,130
Functions receipts	204,955	207,389
Merchandise and visitors guide sales	12,181	11,608
Donations	3,720	2,011
Commission from art exhibitions	167,991	48,592
Sale of plants	70,195	46,209
Raffles	24,291	3,923
Tours	12,340	27,004
Catering	13,773	6,252
Other revenue	3,644	600
	<u>721,471</u>	<u>560,718</u>
Revenue from outside the operating activities		
Interest	38,996	39,084
	<u>38,996</u>	<u>39,084</u>
Revenue from ordinary activities	<u><u>760,467</u></u>	<u><u>599,802</u></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	7,362	11,683
Depreciation		
Plant and equipment	14,175	13,185
Total depreciation	<u>14,175</u>	<u>13,185</u>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
Note 4. Current assets - Cash and cash equivalents		
Cash at bank and on hand	169,170	168,971
Commercial bill	<u>387,876</u>	<u>367,279</u>
	<u><u>557,046</u></u>	<u><u>536,250</u></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 5.33% and 5.62% (2006 - 5.62% and 6.11%).

Note 5. Current assets - Trade and other receivables

Other debtors	<u>3,951</u>	<u>13,632</u>
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Note 6. Current assets - Inventories

Stock on hand - at lower of cost and net realisable value	<u>4,439</u>	<u>5,228</u>
Aggregate carrying amount of inventories	<u><u>4,439</u></u>	<u><u>5,228</u></u>

Note 7. Current assets - Other

Trust Account	100	-
Prepayments	<u>2,705</u>	<u>6,674</u>
	<u><u>2,805</u></u>	<u><u>6,674</u></u>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
Note 8. Non-current assets - Property, plant and equipment		
Plant and equipment		
At cost	56,814	56,814
Less: Accumulated depreciation	<u>36,774</u>	<u>22,599</u>
	<u><u>20,040</u></u>	<u><u>34,215</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 2006	34,215	36,489
Additions	-	10,911
Depreciation expense (note 3)	<u>(14,175)</u>	<u>(13,185)</u>
Carrying amount as at 30 June 2007	<u><u>20,040</u></u>	<u><u>34,215</u></u>

Note 9. Current liabilities - Trade and other payables

Income received in advance	19,584	18,754
Trade and other creditors	12,051	21,621
Commitments to Royal Botanic Gardens (note 15)	393,385	330,896
Donations held for RBG Trust	<u>67,987</u>	<u>138,984</u>
	<u><u>493,007</u></u>	<u><u>510,255</u></u>

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2007 (continued)

	2007 \$	2006 \$
Note 10. Non-current liabilities - Provisions		
Employee benefits	<u>10,813</u>	<u>12,997</u>
Note 11. Retained profits		
Retained profits at the beginning of the financial year	72,747	71,437
Net profit	284,260	154,584
Less: Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(272,546)</u>	<u>(153,274)</u>
Retained profits at the end of the financial year	<u>84,461</u>	<u>72,747</u>

Note 12. Financial instruments

(a) Credit risk exposures

The credit risk on financial assets which have been recognised on the balance sheet is generally the carrying amount.

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 Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

Note 12. Financial instruments (continued)

(b) Interest rate risk exposures

The exposure of the association to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the association intends to hold fixed rate assets and liabilities to maturity.

		Fixed interest maturing in:					Total \$
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	
Notes		\$	\$	\$	\$	\$	\$
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>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

Note 12. Financial instruments (continued)

(b) Interest rate risk exposures (continued)

2006

	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	168,271	367,279	-	-	700	536,250
Trade and other receivables	5	-	-	-	-	13,632	13,632
		<u>168,271</u>	<u>367,279</u>	<u>-</u>	<u>-</u>	<u>14,332</u>	<u>549,882</u>
Weighted average interest rate		5%	5%	-	-		
Financial liabilities							
Trade and other payables	9	-	-	-	-	510,255	510,255
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,255</u>	<u>510,255</u>
Weighted average interest rate		-	-	-	-		
Net financial assets / (liabilities)		<u>168,271</u>	<u>367,279</u>	<u>-</u>	<u>-</u>	<u>(495,923)</u>	<u>39,627</u>

(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.

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$

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>2,020</u>	<u>1,700</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 liabilities, payable:

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 Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
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	20,000
Margaret Flockton Awards	7,500	500
Lion Gate Lodge upgrade	-	44,396
Disabled access at Moreshead & Woolloomooloo gates	-	10,000
Tree Survey & condition assessment	13,200	48,200
Way finding maps and signage upgrade for Sydney	-	15,000
Student internships	-	14,000
Repair to Twin Ponds in the Lower Gardens	-	25,000
Begonia beds	-	2,000
Contribution to direct costs	45,000	45,000
Contribution to Nurseries from Growing Friends	4,000	6,000
Sydney Heritage trees (Flying Fox project)	75,000	75,000
Maiden and Playfair manuscripts	-	2,500
Image collection - pilot scanning project	-	3,000
Image collection - urgent restoration needs	-	2,300
Development of a Tree charter	-	10,000
Site identification banners for Sydney	-	8,000
Fogger for Mt Annan nursery	14,000	-
Signage for the Domain & RBG	80,000	-
Library - compactus replacement	80,000	-
Trees in the Garden's website	70,000	-
	<u>393,385</u>	<u>330,896</u>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
Note 16. Reconciliation of profit after income tax to net cash inflow from operating activities		
Net profit after related income tax	284,260	154,584
Donations and commitments to the Royal Botanic Gardens and Domain Trust	(272,546)	(153,274)
Depreciation	14,175	13,185
Change in operating assets and liabilities		
(Increase) / decrease in other debtors	9,681	(5,672)
(Increase) / decrease in inventories	789	4,211
(Increase) / decrease in other operating assets	3,869	(5,101)
Increase / (decrease) in income received in advance	830	348
Increase / (decrease) in trade and other creditors	(9,570)	(770)
Increase / (decrease) in commitments to Royal Botanic Gardens	62,489	(226,990)
Increase / (decrease) in provisions for employee benefits	<u>(2,184)</u>	<u>1,551</u>
Net cash inflow / (outflow) from operating activities	<u><u>91,793</u></u>	<u><u>(217,928)</u></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 (co-opted July 2007)	J McGirr (elected November 2006)
L Catchlove	A Rasmussen
L Dent	S Richards (resigned November 2006)
C Elliott (co-opted December 2006)	J Smith (elected November 2006, resigned June 2007)
A Halliday (elected November 2006)	Sir I Turbott (elected November 2006)
A Hawker (resigned November 2006)	H Springford
D Mason (resigned November 2006)	C Webster

ex-officio members

T Entwisle (elected October 2006)	T Martin (elected October 2006)
A Hay	M Savio
T Jackson	A Sutherland

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

Note 17. Related party transactions (continued)

(b) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2007 and 2006 is set out below. The key management personnel are all the committee members of the Association.

	Short-term benefits \$	Post-employment \$	Other long-term benefits \$	Termination benefits \$	Share-based payments \$	Total \$
2007	-	84,998	1,463	-	-	86,461
2006	38,555	45,260	1,715	-	-	85,530

Note 18. Change in accounting policy

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

AASB Amendment	AASB Standard Affected	Outline of Amendment	Application date of the Standard	Application date for the Association
AASB 2005-10	AASB 1: First-time Adoption of AIFRS	No Change, no impact	1st January 2007	1st July 2007
	AASB 4: Insurance Contracts	No Change, no impact	1st January 2007	1st July 2007
	AASB 101: Presentation of Financial Statements	No Change, no impact	1st January 2007	1st July 2007
	AASB 114: Segment Reporting	No Change, no impact	1st January 2007	1st July 2007
	AASB 117: Leases	No Change, no impact	1st January 2007	1st July 2007
	AASB 139: Financial Instruments: Recognition and Measurement	No Change, no impact	1st January 2007	1st July 2007

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2007 (continued)**

Note 18. Change in accounting policy (continued)

AASB Amendment	AASB Standard Affected	Outline of Amendment	Application date of the Standard	Application date for the Association
AASB 2005-10	AASB 133: Earnings per Share	No Change, no impact	1st January 2007	1st July 2007
	AASB 1023: General Insurance Contracts	No Change, no impact	1st January 2007	1st July 2007
	AASB 1038: Life Insurance Contracts	No Change, no impact	1st January 2007	1st July 2007
AASB 7	AASB 139: Financial Instruments: Disclosure and Presentation	No Change, no impact	1st January 2007	1st July 2007

Friends of the Royal Botanic Gardens Sydney Inc

Statement by Members of the Committee

In the opinion of the Committee the financial report as set out on pages 1 to 18:

1. Presents a true and fair view of the financial position of Friends of the Royal Botanic Gardens Sydney Inc as at 30 June 2007 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory financial 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 Royal Botanic Gardens Sydney 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
17 October 2007

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

We have audited the accompanying financial report of Friends of the Royal Botanic Gardens Sydney Inc (the Association), which comprises the balance sheet as at 30 June 2007, 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.

**Independent Auditor's Report to the Members of
Friends of the Royal Botanic Gardens Sydney Inc (continued)**

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 Royal Botanic Gardens Sydney Inc. as of 30 June 2007, 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
17 October 2007

Liability limited under a scheme approved under Professional Standards Legislation.

Disclaimer

To The Members of Friends of the Royal Botanic Gardens Sydney Inc

The additional financial data presented in the following pages is in accordance with the books and records of Friends of the Royal Botanic Gardens Sydney 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 2007.

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
17 October 2007

Friends of the Royal Botanic Gardens Sydney Inc

**Detailed Income Statement
for the year ended 30 June 2007**

	2007	2006
	\$	\$
Revenue		
Subscriptions	208,381	207,130
Functions receipts		
Gross receipts	204,955	207,389
Less: Function costs	<u>(74,099)</u>	<u>(70,649)</u>
	<u>130,856</u>	<u>136,740</u>
Merchandise and visitors guide sales		
Sales revenue	12,181	11,608
Less: Merchandise costs	<u>(7,362)</u>	<u>(11,683)</u>
	<u>4,819</u>	<u>(75)</u>
Donations	3,720	2,011
Commission from art exhibitions	167,991	48,592
Sale of plants	70,195	46,209
Raffles	24,291	3,923
Interest	38,996	39,084
Tours	12,340	27,004
Net proceeds from catering	4,261	305
Other revenue	<u>3,644</u>	<u>600</u>
	<u>669,494</u>	<u>511,523</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 17 October 2007.

Friends of the Royal Botanic Gardens Sydney Inc

**Detailed Income Statement
for the year ended 30 June 2007 (continued)**

	2007	2006
	\$	\$
Expenditure		
Advertising and public relations	554	1,102
Annual leave and long service leave expenses	(10,822)	1,551
Audit fees	2,020	1,700
Bank charges	900	615
Credit card charges	13,194	7,451
Computer expenses	4,818	275
Depreciation	14,175	13,185
General expenses	4,786	2,386
Growing Friends	6,757	3,600
Insurance	9,115	3,759
Newsletter costs	76,270	66,312
Printing and stationery	7,697	13,292
Salaries and superannuation	250,709	237,459
Travel expenses	653	29
Volunteer expenses	4,408	4,223
	<u>385,234</u>	<u>356,939</u>
Profit before income tax expense	<u>284,260</u>	<u>154,584</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 17 October 2007.