

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 2006

Friends of the Royal Botanic Gardens Sydney Inc

Income Statement for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Revenue	2	599,802	616,368
Employee benefits expense		(239,010)	(229,615)
Depreciation expense	3	(13,185)	(1,615)
Other expenses		<u>(193,023)</u>	<u>(137,274)</u>
Profit before related income tax expense	3	154,584	247,864
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit after related income tax expense attributable to members of the association		<u>154,584</u>	<u>247,864</u>
Total changes in equity other than those resulting from transactions with members as members		<u>154,584</u>	<u>247,864</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 2006

	Notes	2006 \$	2005 \$
Current assets			
Cash and cash equivalents	4	536,250	747,942
Trade and other receivables	5	13,632	7,960
Inventories	6	5,228	9,439
Other	7	6,674	1,573
Total current assets		561,784	766,914
Non-current assets			
Property, plant and equipment	8	34,215	36,489
Total non-current assets		34,215	36,489
Total assets		595,999	803,403
Current liabilities			
Trade and other payables	9	510,255	722,368
Total current liabilities		510,255	722,368
Non-current liabilities			
Provisions	10	12,997	9,598
Total non-current liabilities		12,997	9,598
Total liabilities		523,252	731,966
Net assets		72,747	71,437
Members' funds			
Retained profits	11	72,747	71,437
Total members' funds		72,747	71,437

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 2006**

	2006	2005
	\$	\$
Total members' funds at the beginning of the financial year	71,437	20,923
Profit for the year	154,584	247,864
Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(153,274)</u>	<u>(197,350)</u>
Total members' funds at the end of the financial year	<u><u>72,747</u></u>	<u><u>71,437</u></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 2006

	Notes	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from subscriptions (inclusive of goods and services tax)		226,534	233,239
Receipts from functions (inclusive of goods and services tax)		203,255	163,936
Receipts from merchandise and visitors guide sales (inclusive of goods and services tax)		12,769	12,371
Receipts from donations		2,011	2,297
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(457,190)</u>	<u>(390,995)</u>
		(12,621)	20,848
Interest received		39,084	39,008
Other revenue		135,873	194,305
Donations paid to Royal Botanic Gardens and Domain Trust		<u>(380,264)</u>	<u>(157,464)</u>
Net cash inflow / (outflow) from operating activities	16	<u>(217,928)</u>	<u>96,697</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>(10,911)</u>	<u>(35,421)</u>
Net cash (outflow) from investing activities		<u>(10,911)</u>	<u>(35,421)</u>
Cash flows from financing activities			
Increase in donations held for RBG Trust		<u>17,147</u>	<u>36,644</u>
Net cash inflow / (outflow) from financing activities		<u>17,147</u>	<u>36,644</u>
Net increase in cash held		(211,692)	97,920
Cash at the beginning of the financial year		<u>747,942</u>	<u>650,022</u>
Cash at the end of the financial year	4	<u><u>536,250</u></u>	<u><u>747,942</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 2006

Note 1. Summary of significant accounting policies

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the requirements of the *Associations Incorporation Act 1984* (NSW).

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.

Statement of Compliance

The financial report complies with Australian Accounting Standards, which include AIFRSs. A Statement of Compliance with International Financial Reporting Standards (IFRSs) cannot be made due to Friends of The Botanic Gardens Sydney Inc. applying the not for profit sector requirements contained in AIFRSs.

These financial statements are the first financial statements prepared in accordance with AIFRS and the previous figures to 30 June 2005 have been reviewed accordingly. There were no material differences between the 2005 financial report prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP) and AIFRS, therefore no restatement of balances or reconciliation were considered necessary as Members' Funds has not changed.

(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 Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (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.

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2006 (continued)**

Note 1. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(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 2006 (continued)**

	2006	2005
	\$	\$
Note 2. Revenue		
Revenue from operating activities		
Subscriptions	207,130	211,333
Functions receipts	207,389	158,604
Merchandise and visitors guide sales	11,608	11,246
Donations	2,011	2,297
Commission from art exhibitions	48,592	100,540
Sale of plants	46,209	51,595
Raffles	3,923	16,704
Tours	27,004	10,345
Catering	6,252	12,287
Other revenue	600	2,409
	<u>560,718</u>	<u>577,360</u>
Revenue from outside the operating activities		
Interest	39,084	39,008
	<u>39,084</u>	<u>39,008</u>
Revenue from ordinary activities	<u><u>599,802</u></u>	<u><u>616,368</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	11,683	5,998
Depreciation		
Plant and equipment	13,185	1,615
Total depreciation	<u>13,185</u>	<u>1,615</u>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2006 (continued)**

	2006	2005
	\$	\$
Note 4. Current assets - Cash and cash equivalents		
Cash at bank and on hand	168,971	399,954
Commercial bill	367,279	347,988
	<u>536,250</u>	<u>747,942</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% (2005 - 5.18% and 5.33%).

Note 5. Current assets - Trade and other receivables

Other debtors	<u>13,632</u>	<u>7,960</u>
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Note 6. Current assets - Inventories

Stock on hand - at lower of cost and net realisable value	5,228	9,439
Aggregate carrying amount of inventories	<u>5,228</u>	<u>9,439</u>

Note 7. Current assets - Other

Prepayments	<u>6,674</u>	<u>1,573</u>
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Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2006 (continued)**

	2006	2005
	\$	\$
Note 8. Non-current assets - Property, plant and equipment		
Plant and equipment		
At cost	56,814	45,903
Less: Accumulated depreciation	22,599	9,414
	<u>34,215</u>	<u>36,489</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 2005	36,489	36,489
Additions	10,911	10,911
Depreciation expense (note 3)	(13,185)	(13,185)
Carrying amount as at 30 June 2006	<u>34,215</u>	<u>34,215</u>

Note 9. Current liabilities - Trade and other payables

Income received in advance	18,754	18,406
Trade and other creditors	21,621	24,239
Commitments to Royal Botanic Gardens (note 15)	330,896	557,886
Donations held for RBG Trust	138,984	121,837
	<u>510,255</u>	<u>722,368</u>

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

	2006 \$	2005 \$
Note 10. Non-current liabilities - Provisions		
Employee benefits	<u>12,997</u>	<u>9,598</u>
Note 11. Retained profits		
Retained profits at the beginning of the financial year	71,437	20,923
Net profit	154,584	247,864
Less: Donations and commitments to the Royal Botanic Gardens and Domain Trust	<u>(153,274)</u>	<u>(197,350)</u>
Retained profits at the end of the financial year	<u>72,747</u>	<u>71,437</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 2006 (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.

2006		Fixed interest maturing in:					
	Notes	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	Total \$
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		4.80%	5.39%	-	-		
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>

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

Note 12. Financial instruments (continued)

(b) Interest rate risk exposures (continued)

2005

		Fixed interest maturing in:						
		Floating	1 year or		Over 1	More	Non-	
		interest	less		to 5	than 5	interest	
		rate	\$		years	years	bearing	Total
Notes		\$	\$	\$	\$	\$	\$	\$
Financial assets								
	Cash and commercial bill	4	399,454	347,988	-	-	500	747,942
	Trade and other receivables	5	-	-	-	-	7,960	7,960
			<u>399,454</u>	<u>347,988</u>	<u>-</u>	<u>-</u>	<u>8,460</u>	<u>755,902</u>
Weighted average interest rate			4.60%	5.24%	-	-		
Financial liabilities								
	Trade and other payables	9	-	-	-	-	722,368	722,368
			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>722,368</u>	<u>722,368</u>
Weighted average interest rate			-	-	-	-		
Net financial assets / (liabilities)			<u>399,454</u>	<u>347,988</u>	<u>-</u>	<u>-</u>	<u>(713,908)</u>	<u>33,534</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 2006 (continued)

	2006	2005
	\$	\$

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>1,700</u>	<u>1,600</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	-	12,003
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>12,003</u>

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

	2006	2005
	\$	\$
Note 15. Commitments for expenditure (continued)		
Commitments recognised as liabilities as at the reporting date, payable for (note 9):		
Horticultural and Staff Scholarships	20,000	25,000
Republish of Gardens Guide book	-	40,000
Book sale proceeds	-	10,200
Annual staff scholarship	-	20,000
Margaret Flockton Awards	500	8,000
Lion Gate Lodge upgrade	44,396	48,686
Disabled access at Moreshead & Woolloomooloo gates	10,000	70,000
Tree Survey & condition assessment	48,200	100,000
Red Box gallery Fini frames	-	1,300
Library - purchase of photo collection	-	4,000
Way finding maps and signage upgrade for Sydney	15,000	15,000
Student internships	14,000	14,000
Repair to Twin Ponds in the Lower Gardens	25,000	25,000
Garden Wedding Knot - Mt Annan	-	40,000
Thermal Transfer printer	-	6,700
Banks and Solander at Botany Bay webpage	-	10,000
Weather station for Mt Annan	-	20,000
Annual contribution to direct costs	-	45,000
Relocation of building services and refurbishment of Cottage 5	-	50,000
Conference to be held in Tasmania by Botanic Gardens Australia and New Zealand	-	5,000
Begonia beds	2,000	-
Contribution to direct costs 2007	45,000	-
Contribution to Nurseries from Growing Friends	6,000	-
Sydney Heritage trees (Flying Fox project)	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	-
	<u>330,896</u>	<u>557,886</u>

Friends of the Royal Botanic Gardens Sydney Inc

**Notes to the Financial Statements
for the year ended 30 June 2006 (continued)**

	2006	2005
	\$	\$
Note 16. Reconciliation of profit after income tax to net cash inflow from operating activities		
Net profit after related income tax	154,584	247,864
Donations and commitments to the Royal Botanic Gardens and Domain Trust	(153,274)	(197,350)
Depreciation	13,185	1,615
Change in operating assets and liabilities		
(Increase) / decrease in other debtors	(5,672)	167
(Increase) / decrease in inventories	4,211	1,884
(Increase) in other operating assets	(5,101)	(1,573)
Increase / (decrease) in income received in advance	348	6,035
Increase / (decrease) in trade and other creditors	(770)	(5,843)
Increase / (decrease) in commitments to Royal Botanic Gardens	(226,990)	39,886
Increase in provisions for employee benefits	1,551	4,012
Net cash inflow / (outflow) from operating activities	<u>(217,928)</u>	<u>96,697</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	T Martin
L Catchlove	D Mason
L Dent	B Michie
C Elliott	A Rasmussen (elected 5 November 2005)
T Entwisle	S Richards
A Hawker	M Savio
A Hay (elected 5 November 2005)	A Sutherland
T Jackson	H Springford
A Macaulay (elected 5 November 2005)	C Webster
(resigned 19 April 2006)	

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

Note 17. Related party transactions (continued)

(b) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2006 and 2005 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 \$
2006	38,555	45,260	1,715	-	-	85,530
2005	37,384	37,322	3,152	-	-	77,858

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	Nature of change in Accounting Policy and Impact	Application date of the Standard	Application date for the Association
2005-5	AASB 1: First-time Adoption of AIFRS	No Change, no impact	1st January 2006	1st July 2006
	AASB 101: Presentation of Financial Statements	No Change, no impact	1st January 2006	1st July 2006
	AASB 139: Financial Instruments: Recognition and Measurement	No Change, no impact	1st January 2006	1st July 2006
2005-10	AASB 101: Presentation of Financial Statements	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 2006 (continued)

Note 18. Change in accounting policy (continued)

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 1: First-time Adoption of AIFRS	No Change, no impact	1st January 2007	1st July 2007
AASB 132: Financial Instruments: Disclosure and Presentation	No Change, no impact	1st January 2007	1st July 2007

All other pending Standards issued between the previous financial report and the current reporting date have no application to the Company.

AASB Amendment	AASB Standard Affected
2004-3	AASB 1: First-time Adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 124: Related Party Disclosures
2005-1	AASB 139: Financial Instruments: Recognition and Measurement
2005-2	AASB 1023: General Insurance Contracts
2005-4	AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation AASB 1: First-time Adoption of AIFRS AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts
2005-5	AASB 1: First-time Adoption of AIFRS AASB 139: Financial Instruments: Recognition and Measurement

Friends of the Royal Botanic Gardens Sydney Inc

Notes to the Financial Statements for the year ended 30 June 2006 (continued)

Note 18. Change in accounting policy (continued)

2005-6	AASB 3: Business Combinations
2005-9	AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2005-10	AASB 139: Financial Instruments: Recognition and Measurement AASB 133: Earnings per Share AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts
2006-1	AASB 121: The Effects of Changes in Foreign Exchange rates
New Standard	AASB 7: Financial Instruments: Disclosure AASB 19: Employee Benefits: December 2004

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 20:

1. Presents a true and fair view of the financial position of Friends of the Royal Botanic Gardens Sydney Inc as at 30 June 2006 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 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
15 November 2006

**Independent Audit Report to the Members of
Friends of the Royal Botanic Gardens Sydney Inc**

Scope

We have audited the financial report of Friends of the Royal Botanic Gardens Sydney Inc (the Association) for the year ended 30 June 2006 comprising the Income Statement, Balance Sheet, Statement of Changes in Members' Funds, Statement of Cash Flows, Notes to the Financial Statements and Statement by Members of the Committee. The Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Accounting Standards in Australia, the *Associations Incorporation Act 1984* and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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.

Independent Audit Report to the Members of

Friends of the Royal Botanic Gardens Sydney Inc (continued)

Qualified audit 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 of Friends of the Royal Botanic Gardens Sydney Inc presents a true and fair view in accordance with applicable Accounting Standards in Australia, the *Associations Incorporation Act 1984* and other mandatory professional reporting requirements in Australia of the financial position of the Association as at 30 June 2006, and the results of its operations and its cash flows for the year then ended.

THOMAS DAVIS & CO.

R C Geeves Partner

Chartered Accountants

Sydney
15 November 2006

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 2006.

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
15 November 2006

Friends of the Royal Botanic Gardens Sydney Inc

Detailed Income Statement for the year ended 30 June 2006

	2006	2005
	\$	\$
Revenue		
Subscriptions	207,130	211,333
Functions receipts		
Gross receipts	207,389	158,604
Less: Function costs	<u>(70,649)</u>	<u>(32,314)</u>
	<u>136,740</u>	<u>126,290</u>
Merchandise and visitors guide sales		
Sales revenue	11,608	11,246
Less: Merchandise costs	<u>(11,683)</u>	<u>(5,998)</u>
	<u>(75)</u>	<u>5,248</u>
Donations	2,011	2,297
Commission from art exhibitions	48,592	100,540
Sale of plants	46,209	51,595
Raffles	3,923	16,704
Interest	39,084	39,008
Tours	27,004	10,345
Net proceeds from catering	305	5,548
Other revenue	600	2,409
	<u>511,523</u>	<u>571,317</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 15 November 2006.

Friends of the Royal Botanic Gardens Sydney Inc

Detailed Income Statement for the year ended 30 June 2006 (continued)

	2006	2005
	\$	\$
Expenditure		
Advertising and public relations	1,102	5,239
Annual leave and long service leave expenses	1,551	4,012
Audit fees	1,700	1,600
Bank charges	615	628
Credit card charges	7,451	8,688
Computer expenses	275	878
Depreciation	13,185	1,615
General expenses	2,386	3,862
Growing Friends	3,600	3,245
Insurance	3,759	5,220
Membership costs	-	853
Newsletter costs	66,312	56,160
Printing and stationery	13,292	3,849
Salaries and superannuation	237,459	223,136
Travel expenses	29	307
Volunteer expenses	4,223	4,161
	<u>356,939</u>	<u>323,453</u>
Profit before income tax expense	<u>154,584</u>	<u>247,864</u>

This is the additional financial data referred to in the Thomas Davis & Co. disclaimer dated 15 November 2006.