



2004

ANNUAL REPORT

**The Foundation would like to recognise the following
who have been strong supporters
during the year**

Ergon Energy

Fairfax Publications

Text Pacific Publications

Daintree Cassowary Care Group

Save the Cassowary Adoptees

Mervyn Hains

John Morris

Tim Parker

Sir Robert Norman

William Buck Accountants

Cairns City Council

John Ewens

Bellview Motel

John Blake

George Chapman

Ben Gale

Down Under Tours

Thala Beach Lodge

Bob Norman

Lui Piccone

ARAZPA - Qld

Evelyn Hegyesi

Ron Ireland

Dale Rogers

Mort Johnston

Dreamworld

Peter Hatfield

**This Annual Report covers the period 1 July 2003 to 31 December 2004 .
Audited Financial Statements are for the period 1 July 2003 to 30 June 2004
in accordance with accounting standards**



Rainforest Guardians Thomas and Lina Bauer, purchased 15 hectares of cassowary habitat at Mission Beach from ARF. The land is now protected by a conservation covenant covering over 90% of the land area.



As part of the ARF's fundraising to support cassowary recovery, The Foundation commissioned artist Andre' Vanne to produce a carved cassowary statuette.

Made from Camphor Laurel, an invasive weed, these pieces are presented to "Cassowary Adopters" in return for donations in support of habitat acquisition.

PATRON, CHAIRMAN AND CEO



Lynne Cosgrove

Patron

Lynne Cosgrove is the wife of Australian Defence Force Chief, General Peter Cosgrove and has lent her high profile to support the Foundation. Lynne said she was extremely flattered by the invitation of ARF Chair George Mansford to be the Patron.



Brigadier George Mansford AM (retd.)

Chairman

George Mansford was a professional soldier who was commissioned from the ranks and retired after forty years of service which included Korea, Malayan Emergency, Thai/Malaysia Border, Vietnam, New Guinea and Singapore.

Since retirement he has published two books, *Junior Leadership on the Battlefield* and the best selling *Mad Galahs*. He has also been involved in many community projects and was a Board member of Wet Tropics Management Authority for two terms and awarded the Authority's Cassowary Award - Unsung Hero Class.

Other achievements include Member of the Order of Australia for Cyclones Tracey and Althea and the Brisbane Floods; Cairns Citizen of the Year; and the Paul Harris Award.



Roger Phillips, B.Ed.

Chief Executive Officer

Roger Phillips has worked in senior management in the private and public sectors. He established a career in marketing, working for Melbourne Tourism Authority and Tourism South Australia. He has also run a private training and business consulting company.

He is currently the licensed agent for the Foundation's Daintree land conservation program.

He has been with the Australian Rainforest Foundation since 2001 after moving from the Wet Tropics Management Authority where he held the position of Manager Community Relations. He holds a Bachelor of Education degree and has studied international marketing management at the Columbia University Graduate School of Business, USA.

THE FOUNDATION

Our Mission:

To build global awareness and support for Australia's World Heritage listed tropical rainforest, by funding conservation and enhancement programs through investment, sponsorship and donations from corporate and private citizens.

A Foundation for the Future.

The Australian Rainforest Foundation is a non-profit organisation dedicated to education, research and habitat rehabilitation for Australia's tropical rainforests. It has the highest level of support and recognition from the Australian Government for developing a new framework of partnerships between government, business and the global community.

By combining ideas, energies and capital, the Foundation is achieving sustainable outcomes for the rainforest.

The local community, government, business and people worldwide, have joined us in this vital investment in our future - our forests.

A Not-For-Profit Company

The Foundation is an incorporated not-for-profit company with a Board of unpaid, elected Directors who play an active role in the direction of the Foundation and its projects.

The Foundation operates a streamlined office in the centre of the World Heritage listed rainforest at Cairns, Queensland, Australia.

By using the professional expertise of Foundation members and corporate partners, the Foundation is able to deliver conservation outcomes which are flexible, cost-efficient and make a real, on-the-ground difference.

Deductible Gift Recipient

The Foundation has achieved registration with the Australian Government and is listed on the Register of Environmental Organisations. This makes it a Deductible Gift Recipient, meaning that donations to the Foundation are tax deductible.

The Foundation is also exempt from Commonwealth income tax and Queensland Stamp Duty, which means that contributions to the Foundation can be applied to programs with maximum effect.

Strong Government Support

In 2002, the Australian and Queensland governments provided \$1 million to the Foundation to start a program of private land acquisition in the Daintree area for conservation. The Daintree is recognised as one of the most fragile and biodiverse regions on the planet. The Foundation's appointment is recognition from both levels of government, that private citizens, along with government hold the key to species conservation.

THE FOUNDATION'S PROGRAMS

The Foundation's major purpose is to raise funds to support its four major programs:-

- Rainforest protection
- Rainforest research
- Education
- Presentation

Rainforest Protection

One of the flagship projects of the Foundation is securing habitat for endangered species.

By purchasing key blocks of private land, the Foundation provides crucial wildlife corridors for rainforest fauna. Many volunteers also help the Foundation with tree planting and weed control, which helps rehabilitate damaged forest.

The protection program is currently focused on saving the last remaining cassowaries - research indicates that there are as few as 1200 left.

Losing this colourful bird is more than just the extinction of a single species. The giant, flightless cassowary is the only animal capable of distributing the oversized seeds of the rare ribbonwood, one of many primitive flowering plants of the Wet Tropics. It also helps spread another 100 different seeds, many too toxic for other animals to eat.

Rainforest Research

The Foundation seeks to support the research efforts of universities, cooperative research centres and individuals in the research areas of tropical rainforest ecology and management. The Foundation supports bio-prospecting in the search for new drugs and cures for disease and illness.

Education

The development of school based curricula and teaching aids along with media presentations are all part of the education program.

Presentation

The Foundation encourages people to visit the rainforest to witness first hand its uniqueness and understand its importance.

To enhance this experience the Foundation is working with land management agencies in developing public presentation signage and visitor interpretive materials.

CHAIRMAN'S MESSAGE

During this past year the Foundation has undertaken a number of projects which will see us well placed for the following year. In particular, the development of products which enable private citizens and corporations to invest in the environment.

The Give A Tree For Life and the Land Sponsorship programs are two which have seen significant development and sales this past year.

We have also developed a commercial relationship with Fairfax Enterprises; and in Queensland, with energy supplier, Ergon Energy. Both of these have proved to be mutually beneficial relationships.

Without doubt the most time consuming and controversial of our activities has been the Daintree Land Conservation Program. Disappointingly, some interest groups used the opportunity of both a State and Federal election to attack the Foundation and its role in delivering the program (on behalf of both governments).

Despite such unwarranted criticism we have weathered the storm. Our success in countering such criticism is because of our determination to communicate at all levels of our society and get on with the job. Simply put, no one has a monopoly on the environment. It belong to each and everyone of us, regardless of who we are or what we are.

The Foundation has been able to successfully articulate its vision and intentions with political leaders, including the strong support of the Federal Member, Warren Entsch. Consequently the Foundation was able to convince the Federal Government to provide \$1 million in funding as part of a campaign to save the endangered cassowary. We intend to at least match this with contributions from the private sector and will be launching a national campaign in 2005.

In addition the Minister also announced an additional \$5 million to the Foundation for a range of innovative conservation initiatives in the Daintree. This is also expected to proceed in 2005.

On other fronts we continue in partnership with conservation groups to reforest degraded areas of our national parks and as part of our "Give A Tree for Life" we help such groups by providing funds for tree planting.



Suffice to say the success of the Foundation has and always will be determined by its members. It has been the membership which has provided the encouragement and support and has never wavered in the difficult times. Each and everyone of has my utmost respect.

DAINTREE LAND CONSERVATION PROGRAM

Background to events

In 2001, the Wet tropics Ministerial Council resolved to provide the Foundation with \$1 million in seed funding to progress conservation outcomes in accordance with the *Daintree Futures Study* recommendations.

ARF was given very precise parameters in which to operate. Funding was allocated to Land acquisition - \$500,000; Land acquisition and the on costs associated with land acquisition and resale - \$200,000; Marketing - \$100,000; Capacity building, i.e.. enabling ARF to operate the program - \$200,000.

The program was given a five year timeframe and an agreed business plan was signed with Wet Tropics Management Authority in September 2002.

A key component of the program was the raising of substantial funds for land acquisition from the reselling of acquired land, after consolidation of a number of titles, placing conservation covenants on the title and reducing development potential.

The initial funding was seen as seed funding to develop a 'Revolving Land Fund', which would be used to acquire additional land.

The second main thrust of the agreement is the engaging of the private sector to seek contributions towards the acquisition of freehold land.

2004 Progress

A number of events impacted on the delivery of the program during the year, including the introduction of a Daintree River Ferry levy by the Douglas Shire Council to partly fund Daintree conservation and the introduction of a proposed new Planning Scheme for Douglas Shire.

This was followed by a Queensland government Temporary Local Planning Instrument, which in effect proposed stopping development on freehold land.

As a result of the uncertainty in land use, the Foundation temporarily stopped acquisition while the various parties sought to work out a coordinated approach.

The Foundation has acquired or under contract, 13 rainforest blocks, representing 25.32 hectares. The properties have been valued at \$720,000 and were purchased for \$571,000, with two blocks being donated.

In August 2004, the Australian Government announced an additional \$5 million in funding to the ARF, to undertake a more flexible and innovative approach to the Daintree land conservation program.

The Foundation expects to receive funding in 2005.

COMMUNITY PROGRAMS



This program was established in 2002 as a retail program to raise funds for the Foundation and to provide a focus for revegetation of degraded rainforest.

In return for the purchase of a rainforest tree, which volunteers plant in degraded rainforest, the purchaser or the gift recipient receives a special certificate celebrating the purchase and planting. This is fulfilled in a mailing tube, along with information on the Foundation and the revegetation site. Each certificate is individually coded, allowing the recipient to log onto the Foundation web site for further information.

In February 2004, the Foundation entered into a commercial arrangement with Fairfax Enterprises, which saw extensive display advertising of the Give A Tree For Life product in the Sydney Morning Herald, Melbourne Age and Herald Sun. This relationship has continued throughout 2004 and it is likely to extend into 2005.

Give A Tree For Life is also promoted through the Foundation and Fairfax newspaper web sites, with ARF's call centre in Malanda handling many of the sales and enquiries.

Ergon Energy also joined the Foundation as our corporate partner in promoting the Give A Tree For Life program to its customers.

Total tree sales in period 1 July 2003 to 31 December 2004 - 1,304



Rainforest Guardians are private citizens and corporations acting directly to save endangered plants and animals

During the financial year, the Foundation sold the second of its forested lots in Mission Beach to a purchaser under strict environmental covenants, protection over 95% of the land area.

The sale proceeds (\$140,000) can now be used to fund further land acquisition.



The Rainforest Protector program is another retail product developed by the Foundation to raise funds for the protection of the rainforest. Donors can sponsor 100 square meters of rainforest for \$100.

Strongly promoted through the website, the program has attracted 56 sponsors to date.

Sponsors receive a Certificate of Land Sponsorship and can choose and pay for the 100 square meter grid in real time on line through the Foundation's website. Information on the actual block of land, which is located in the Daintree, can also be found on the website.

OPERATION BIG BIRD



The southern cassowary has become synonymous with the World Heritage listed rainforest of tropical north Queensland. This rare species is Australia's largest land animal and plays a unique role in the rainforest's ecology.

Many of the tree species in the rainforest depend on cassowaries to spread their seeds. Historically these birds have had few natural predators and were able to maintain stable population sizes.

However over the last 20 to 25 years an exponential decline in the cassowary population has resulted in the bird being officially listed as an endangered species.

Recent estimates indicate that there may only be around 1,200 cassowaries left in Australia - about the same numbers as China's Giant Pandas.

In one of the most ambitious conservation plans in the nation's history, the Australian Rainforest Foundation will bring together all levels of government, community groups and individuals, scientists, land managers and the corporate sector to work cooperatively to save this magnificent bird. The Foundation plans to create a 250km wildlife corridor along the Wet Tropics coast of Queensland.

The Corridor will be a living green link between the Far North Queensland resort city of Cairns and the southern coastal town of Cardwell, where World Heritage listed rainforest habitat has been fragmented by farms, tourism resorts and urban developments.

It will be the largest wildlife corridor ever established in Australia and will be a world-first pilot project demonstrating how an industrialised nation can sustain a viable wildlife population in its midst.

The Foundation was successful in obtaining \$1 million in seed funding from The Australian Government in 2004 to continue with this project.



THE WEBSITE

The website underwent additional upgrades in 2003-04, including e-gate, on line purchasing facility with the ANZ Bank. Further upgrades are planned for 2005, to provide access to the Annual Report and information on the Daintree Land Conservation Program and Operation Big Bird.

Over 350,000 visits to the site have been recorded since set up in 2004 and 15,000 pages viewed.

Thursday January 14, 2004

AUSTRALIAN Rainforest Foundation

Home ABOUT US COMMENTS CONTACT US LINKS SITE MAP

How can you help?

- GIVE A TREE
 - save the DAINTREE
 - rainforest GUARDIANS
 - rainforest PROTECTORS
 - MISSION POSSIBLE
 - leave a BEQUEST
 - MAKE A DONATION
- merchandise
- Information
 - image library
 - world heritage area
 - news
 - plans & reports of the Wet Tropics
 - download ARF literature

Welcome

Our Mission: To build global awareness and support for Australia's World Heritage listed tropical rainforests by funding conservation and enhancement programs through investment, sponsorship and donations from corporate and private citizens.

A Foundation for the Future.

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[more info...](#)

ARF Merchandise

how can you help?

Give a Tree For Life

How you can give a tree as a gift to a loved one and help save the rainforest.

Don't buy flowers to mark a special occasion, give the gift of life instead. Buy a rainforest tree and help save Australia's tropical rainforests.

Become a Rainforest Guardian

You can make a significant impact on saving our world heritage tropical rainforests by saving and protecting critical habitat.

Saving unprotected rainforests - Mission Possible

It is one of the most ambitious conservation plans in the nation's history, the Australian Rainforest Foundation is working with local residents and government agencies to create a 200km protected wildlife corridor along the Wet Tropics Coast of Queensland, Australia.

Bring the rainforest to life with superb colour posters. These high quality posters are \$13 each. 40% of all proceeds go towards the management of our World Heritage rainforests.

ARF Merchandise

Bequest

Land for Sale

Saving the Daintree

It is not possible to protect one of the most biodiversity-rich systems on the planet - the Daintree Rainforests of Tropical Far North Queensland? [Click here](#) to find out how you can help to secure Australia's largest remaining stand of tropical rainforest, a refuge for unique plants and animals dating back 140 million years.

You can help save the rainforest by sponsoring as little as 100 square metres of endangered rainforest.

Each time you contribute \$100 this equates to 100 square metres of identified rainforest which you have protected. Your help will enable us to purchase vital land for conservation.

Not everybody is able to plant trees or just seems to help save our rainforests. For many people, their gift is not a donation of time or energy, it is the valuable gift of [financial support](#) to ensure the on-ground work is done.

You can help protect our rainforests by simply [gifting the Australian Rainforest Foundation](#) a sum of...

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AUSTRALIAN RAINFOREST FOUNDATION

ABN 44 073 434 563

FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2004



AUSTRALIAN RAINFOREST FOUNDATION**ABN 44 073 434 563****DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2004.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

George Mansford (Chairman)	John Darling
Lestar Manning (Secretary)	Victoria Gordon
John Morris	Warwick Nelson
Darrell Bresnahan	Robert Foord
David Butter	John Blake (Appointed 4 April 2004)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The loss of the company for the financial year amounted to \$127,186.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activity

The principal activity of the company during the financial year was the preservation of Australian rainforests. No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments

The likely developments in the operations of the company and the expected results of those operations in future financial years are as follows:

In June 2004, the Douglas Shire Council released its draft planning scheme, which through a Temporary Local Planning Instrument, (TLPI) effectively prohibited all development on freehold land in the Daintree, which did not already have an approved development application.

The implication of this action for the ARF in respect to the Daintree was the purchase, consolidation and reselling of acquired land became very difficult. Unsure of the effect on development of a new planning scheme, the Board resolved in May 2004 to temporarily suspend land acquisition and not to pursue land sales. The key thrust of the agreement between the ARF and WTMA in respect to the Daintree was the purchase, consolidation and reselling of land with reduced development rights so as to establish a revolving land fund. It is unlikely that in 2004-05 the Foundation will be able to consolidate and resell any of its acquired land in accordance with the Deed of Agreement with government. The Board is however pursuing a tax effective investment package involving the current Daintree landholdings. This may affect cash inflows significantly in 2004-05. The Chair and CEO held discussions late in the financial year with the Commonwealth government and expect to receive \$6 million in Commonwealth funding in the 2004-05 year.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Information on Directors

The information on directors is as follows:

George Mansford - Director since 9 February 1999

Qualifications - Chairperson since 9 February 1999

Lestar Manning - Director since 9 February 1999

Qualifications - Secretary since 14 April 2000

John Morris - Director since 27 March 1996

Darrell Bresnahan - Director since 26 May 1999

David Butler - Director since 26 May 1999

John Darling - Director since 27 August 2002

Victoria Gordon - Director since 17 December 2002

Warwick Nelson - Director since 17 December 2002

Robert Foord - Director since 17 December 2002

John Blake - Director since 4 April 2004

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
George Mansford (Chairman)	5	5
Lestar Manning (Secretary)	5	4
John Morris	5	4
Darrell Bresnahan	5	2
David Butler	5	1
John Darling	5	2
Victoria Gordon	5	4
Warwick Nelson	5	3
Robert Foord	5	2
John Blake (Appointed 4 April 2004)	2	2

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Director
George Mansford (Chairman)

Director
Lestar Manning (Secretary)

Dated this 3rd day of November 2004

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004	2003
		\$	\$
Revenue from ordinary activities	2	256,802	1,068,292
Cost of sales		(117,414)	(3,695)
Fees Permits and Licenses		(5,568)	(4,670)
Sales commissions paid		(8,543)	-
Management Fees		(100,076)	(83,927)
Marketing		(80,026)	(53,206)
Office Expenses		(27,599)	(12,565)
Travel Costs		(17,799)	(14,798)
Rent		(6,800)	(6,052)
Employee Benefits Expense		(1,485)	(1,020)
Other expenses from ordinary activities		(18,678)	(16,599)
Profit from ordinary activities		(127,186)	871,760
Total changes in equity other than those resulting from transactions with owners as owners	9	(127,186)	871 760

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	Notes	2004	2003
		\$	\$
CURRENT ASSETS			
Cash assets	4	797,642	892,234
Receivables	5	2,444	7,741
Inventories	6	123,632	147,198
<u>TOTAL CURRENT ASSETS</u>		<u>923,718</u>	<u>1,047,173</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,375	2,521
<u>TOTAL NON-CURRENT ASSETS</u>		<u>2,375</u>	<u>2,521</u>
<u>TOTAL ASSETS</u>		<u>926,093</u>	<u>1,049,694</u>
CURRENT LIABILITIES			
Payables	8	3,673	88
<u>TOTAL CURRENT LIABILITIES</u>		<u>3,673</u>	<u>88</u>
<u>TOTAL LIABILITIES</u>		<u>3,673</u>	<u>88</u>
<u>NET ASSETS</u>		<u>922,420</u>	<u>1,049,606</u>
EQUITY			
Reserves	10	677,945	879,697
Retained profits	11	244,475	169,909
<u>TOTAL EQUITY</u>	9	<u>922,420</u>	<u>1,049,606</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004	2003
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		262,272	109,283
Operating grant receipts		-	1,005,000
Payments to suppliers and employees		(395,090)	(293,227)
Interest received		38,226	31,178
<u>Net cash provided by/(used in) operating activities</u>	13 (b)	<u>(94,592)</u>	<u>852,234</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		--	(17,887)
Net cash used in investing activities			(17,887)
Net increase/(decrease) in cash held		(94,592)	834,347
Cash at beginning of financial year		892,234	57,887
Cash at end of financial year	13 (a)	<u>797,642</u>	<u>892,234</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial report is for the entity Australian Rainforest Foundation as an individual entity. Australian Rainforest Foundation is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards:

AASB 1026:	Statement of Cash Flows
AASB 1018:	Statement of Financial Performance
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1034:	Financial Report Presentation and Disclosures
AASB 1040:	Statement of Financial Position
AASB 103 1:	Materiality
AASB 1002:	Events Occurring After Reporting Date

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Depreciation

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Plant and equipment	33%	Straight Line

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(f) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 2: REVENUE			
<i>Operating activities</i>			
Cairns City Council			155
Merchandise sales		1,374	3,695
Trees for Life sales		46,391	1,632
Land Squares sales		4,300	400
Interest	2(a)	38,226	31,178
Member subscriptions		10,702	10,036
Operating grants		-	1,005,000
Donations		15,809	16,300
Sale of Land		140,000	-
Other revenue		-	(104)
		<u>256,802</u>	<u>1068,292</u>
(a) Interest from:			
-Bank accounts		38,226	31,178
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of property, plant and equipment		147	147
Remuneration of the auditors for:			
-audit or review services		<u>2,000</u>	<u>1,500</u>
NOTE 4: CASH ASSETS			
Operating account		16,907	41,417
Cash management account		4,820	2,685
Grant cash management account		775,915	848,132
		<u>797,642</u>	<u>892,234</u>
NOTE 5: RECEIVABLES			
CURRENT			
Sundry debtors			92
Net GST Receivable		2,444	7,649
		<u>2,444</u>	<u>7,741</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004	2003
NOTE 6: INVENTORIES			
CURRENT			
Merchandise		2,515	3,889
Land held for resale		121,117	143,309
		<u>123,623</u>	<u>147,198</u>
NOTE 7: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		2,668	2,668
Less accumulated depreciation		(293)	(1 4 7)
<u>Total property, plant and equipment</u>		<u>2,375</u>	<u>2,521</u>
NOTE 8: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		3,673	
Sundry creditors and accruals			88
		<u>3673</u>	<u>88</u>
NOTE 9: EQUITY			
Total equity at the beginning of the financial year		1,049,606	177,846
Total changes in equity recognised in the statement of financial performance		(127,186)	871,760
<u>Total equity at the reporting date</u>		<u>922,420</u>	<u>1,049,606</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 10: RESERVES			
Reserve for future land purchases	(a)	16,000	16,000
Reserve for unexpended grant funding	(b)	661,945	863,697
		<u>677,954</u>	<u>879,697</u>
(a) Reserve for future land purchases			
Movements during the financial year:			
Opening balance		16,000	
Transfer from retained surplus			16,000
<u>Closing balance</u>		<u>16,000</u>	<u>16,000</u>
This reserve sets aside any profits made on the disposal of land acquired using grant funding. Per the terms of the grant agreement, such profits are to be set aside for future land purchases.			
(b) Reserve for unexpended grant funding			
Movements during the financial year:			
Opening balance		863,697	-
Transfer from retained surplus		(201,752)	863,697
<u>Closing balance</u>		<u>661,945</u>	<u>863,697</u>
This reserve sets aside grant funding received during the year ended 30 June 2003 to be used over the next several years for specific purposes as per the funding agreement			
NOTE 11: RETAINED PROFITS			
Retained profits at the beginning of the financial year		169,909	177,846
Net profit (loss) attributable to members of the entity		(127,186)	871,760
Transfers to reserves		-	(879,697)
Transfers from reserves		201,752	
<u>Retained profits at the end of the financial year</u>		<u>244,475</u>	<u>169,909</u>
NOTE 12: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		1,536	1,536
- later than one year and not later than five years			1,536
		<u>1536</u>	<u>3,072</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Note	2004	2003
	\$	\$
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
<u>Cash at bank</u>	<u>797,642</u>	<u>892,234</u>
(b) Reconciliation of cash flow from operations		
with profit from ordinary activities after income tax		
Profit (Loss) from ordinary activities after income tax	(127,186)	871,760
Non-cash flows in profit from ordinary activities		
Depreciation	147	147
Non-cash donation received	-	(16,000)
Changes in assets and liabilities		
(Increase)/decrease in receivables	5,297	(7,201)
Decrease in inventories	23,565	3,695
increase/(decrease) in payables	3,585	(167)
<u>Cash flows from operations</u>	<u>(94,592)</u>	<u>852,234</u>

Certificate of Registration of a Company

Corporations Law Sub-section 121(1)

This is to certify that

**AUSTRALIAN WET TROPICS RAINFOREST
FOUNDATION LIMITED**

Australian Company Number 073 434 563

is a registered company under Division 1 of Part 2.2 of the
Corporations Law of Queensland and because
of its registration it is an incorporated company.

The company is **limited by guarantee**.

The company is a **public** company.

The day of commencement of registration is
the twenty-seventh day of March 1996.



CERTIFICATE

Given under the seal of the
Australian Securities Commission
on this twenty-seventh day of March, 1996.



A handwritten signature in black ink, which appears to read "Alan Cameron".

Alan Cameron
Chairman


 Australian Taxation Office

Date of issue
 30 January 2001

Endorsement as a deductible gift recipient

Endorsement as a deductible gift recipient under Subdivision 30-BA of the *Income Tax Assessment Act 1997* is provided as detailed below:

Name	AUSTRALIAN RAINFOREST FOUNDATION
Australian Business Number	44 073 434 563
Endorsement date of effect	01 July 2000
Provision for gift deductibility	item 1 of the table in section 30-15 of the <i>Income Tax Assessment Act 1997</i>
Item(s) in Subdivision 30-B of the <i>Income Tax Assessment Act 1997</i>	6.1.1 public fund on the register of environmental organisations

The fact that you have been endorsed, together with the date or period of effect, is entered in the public register maintained by the Australian Business Registrar.


Endorsement imposes certain obligations on the endorsed entity. The obligations include the maintenance of a gift fund, advising the ATO when entitlement to endorsement ceases, and inclusion of certain details on receipts. Each of these is explained in the ATO publication *Giftpack*. These obligations are imposed by sections 30-125, 30-160 and 30-228 of the *Income Tax Assessment Act 1997*.



Michael Carmody
 Commissioner of Taxation and
 Registrar of the Australian Business Register

T_201330-000-000000

WCT2000



Australian Taxation Office

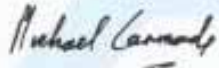
Date of issue
30 January 2001

Endorsement as an income tax exempt charitable entity

Endorsement as an income tax exempt charitable entity under Subdivision 50-B of the *Income Tax Assessment Act 1997* is provided as detailed below.

Name	AUSTRALIAN RAINFOREST FOUNDATION
Australian Business Number	44 073 434 563
Endorsement date of effect	01 July 2000
Item(s) in Subdivision 50-5 of the <i>Income Tax Assessment Act 1997</i>	Item 1.1 - charitable institution

You are required to notify the Commissioner of Taxation should you cease to be entitled to endorsement as an income tax exempt charitable entity. This is a requirement of section 50-145 of the *Income Tax Assessment Act 1997*.



Michael Carmody
Commissioner of Taxation and
Registrar of the Australian Business Register

4473241

C_AU/98-1ED-00008

Certificate



Queensland Government
Office of State Revenue

EXEMPT INSTITUTION

NOTICE OF REGISTRATION

Name of Institution - Australian Rainforest Foundation

Registration No. - 8 / 44 / 3087

In accordance with section 457 of the *Duties Act 2001*, the above institution is registered as an EXEMPT INSTITUTION from 1 March 2003.

Important to Note - The Exempt Institution is exempt from particular duties only if the use requirements are complied with. A detailed listing of the duties and their relevant use requirements (sections 414 and 415 of the *Duties Act 2001*) is attached.


John Cavanough
Revenue Officer
for Commissioner of State Revenue

THE AUSTRALIAN RAINFOREST FOUNDATION

Chair

Brigadier Geroge Mansford AM (Retired)

Directors

Lestar Manning - *Secretary*

John Morris

Darrell Bresnahan

Victoria Gordon

John Darling

David Butler

Warwick Nelson

Robert Foord

John Blake

Chief Executive Officer

Roger Phillips

Auditors

Horwaths

Accountants

AusBiz Accountants

Bankers

ANZ

Environmental Lawyers

P&E Law

Intellectual Property Consultants

The Darling Group

Surveyors and Town Planners

Brazier Motti