

**AUSTRALIAN RAINFOREST FOUNDATION**

**ABN 44 073 434 563**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2007**

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**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2007.

**DIRECTORS**

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

|                                      |  |
|--------------------------------------|--|
| Victoria Gordon (Chairperson)        | Robert Foord                           |
| John Blake (Treasurer)               | Warwick Nelson                         |
| John Darling                         | John McIntyre                          |
| David Butler                         | Angus Love (appointed 17/2/2007)       |
| Roger Phillips (appointed 17/2/07)   | George Mansfield (resigned 17/11/2006) |
| Lester Manning (resigned 17/11/2006) |  |

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

**PRINCIPAL ACTIVITY**

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

**OPERATING RESULT**

The results of operations was a net profit after tax for the financial year ended 30 June 2007 of \$1,091,013 (2006: Profit \$2,537,490).

**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 THE STATE OF AFFAIRS**

No significant changes in the company's state of affairs occurred during the year

**AFTER BALANCE DATE EVENTS**

No matters or circumstances have arisen since the end of the financial year that have 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.

**FUTURE DEVELOPMENTS**

There are no future developments that are likely to impact on the operations of the company.

**DIRECTORS' REPORT**

**ENVIRONMENTAL ISSUES**

The company's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

**INFORMATION ON DIRECTORS**

| <b>Name</b>     | <b>Responsibility</b> |
|-----------------|-----------------------|
| Victoria Gordon | Chairperson           |
| John Blake      | Treasurer             |
| David Butler    | Director              |
| John Darling    | Director              |
| Robert Foord    | Director              |
| Warwick Nelson  | Director              |
| John McIntyre   | Director              |
| Angus Love      | Director              |
| Roger Phillips  | Director              |

**DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the cooperative, or a related body corporate with a director, a firm of which the director is a member, or an entity in which the director has a substantial financial interest, other than the benefits as disclosed in Note 16 of the financial report.

**MEETINGS OF DIRECTORS**

| <b>Name</b>     | <b>Board Meeting Eligible to Attend</b> | <b>Board Meeting Number Attended</b> |
|-----------------|---|--------------------------------------|
| Victoria Gordon | 5                                       | 5                                    |
| John Blake      | 5                                       | 5                                    |
| David Butler    | 5                                       | 4                                    |
| John Darling    | 5                                       | 5                                    |
| Robert Foord    | 5                                       | 1                                    |
| Warwick Nelson  | 5                                       | 4                                    |
| John McIntyre   | 5                                       | 5                                    |
| Angus Love      | 2                                       | 1                                    |
| Roger Phillips  | 2                                       | 2                                    |

**DIRECTORS' REPORT**

**INDEMNIFYING OFFICERS OR AUDITOR**

During or since the end of the financial year the company, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

**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.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 4 and forms part of the Director's Report.

Signed in accordance with a resolution of the Board of Directors on this 25th day of September 2007.

**Chairperson**

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

To the directors of Australian Rainforest Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Rainforest Foundation for the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed on this 25th day of September 2007

*WHK Greenwoods*

WHK GREENWOODS (CAIRNS)  
Chartered Accountants



**JASON TAYLOR**  
Partner

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|  | NOTE | 2007             | 2006             |
|--|------|------------------|------------------|
| Revenue  | 2    | 2,370,596        | 3,036,910        |
| Commission Paid  |      | (7,631)          | (5,869)          |
| Depreciation and Amortisation  |      | (11,244)         | (3,535)          |
| Employee Benefits Expense  |      | (117,754)        | (42,893)         |
| Freight and Couriers   |      | (2,773)          | (2,568)          |
| Management Fees  |      | (125,800)        | (103,505)        |
| Marketing  |      | (381,310)        | (79,633)         |
| Feral Animal Control   |      | (86,508)         | -                |
| Postage and Stationary   |      | (17,582)         | (14,192)         |
| Professional Fees  |      | (69,936)         | (58,379)         |
| Repairs and Maintenance  |      | (199,621)        | (6,495)          |
| Research & development   |      | (78,289)         | (90,969)         |
| Travel and Accommodation   |      | (63,166)         | (37,610)         |
| Other Costs  |      | (117,968)        | (53,773)         |
| Profit before income tax   |      | 1,091,014        | 2,537,490        |
| Income tax expense relating to ordinary activities                               | 1(a) | -                | -                |
| <b>Net Profit from Ordinary Activities after Income Tax</b>                      |      | <u>1,091,014</u> | <u>2,537,490</u> |
| Other revenues, expenses and valuation adjustments recognised directly in equity |      | -                | -                |
| <b>Total Changes in Equity</b>   | 12   | <u>1,091,014</u> | <u>2,537,490</u> |

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**BALANCE SHEET**  
**AS AT 30 JUNE 2007**

|                                  | NOTE | 2007             | 2006             |
|----------------------------------|------|------------------|------------------|
| <b>CURRENT ASSETS</b>            |      |                  |                  |
| Cash and cash equivalents        | 4    | 904,567          | 3,189,095        |
| Trade and other receivables      | 5    | 23,756           | 13,522           |
| Inventories                      | 6    | 55,069           | 19,763           |
| Financial assets                 | 7    | 2,010,833        | 1,446,692        |
| <b>TOTAL CURRENT ASSETS</b>      |      | <u>2,994,225</u> | <u>4,669,072</u> |
| <b>NON-CURRENT ASSETS</b>        |      |                  |                  |
| Property, Plant and Equipment    | 8    | 4,829,324        | 2,012,914        |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | <u>4,829,324</u> | <u>2,012,914</u> |
| <b>TOTAL ASSETS</b>              |      | <u>7,823,549</u> | <u>6,681,986</u> |
| <b>CURRENT LIABILITIES</b>       |      |                  |                  |
| Trade and other payables         | 9    | 28,196           | 3,493            |
| Short term borrowings            | 10   | 17,743           | -                |
| Short term provisions            | 11   | 10,460           | 2,355            |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <u>56,399</u>    | <u>5,848</u>     |
| <b>TOTAL LIABILITIES</b>         |      | <u>56,399</u>    | <u>5,848</u>     |
| <b>NET ASSETS</b>                |      | <u>7,767,150</u> | <u>6,676,137</u> |
| <b>EQUITY</b>                    |      |                  |                  |
| Reserves                         | 13   | 948,537          | 3,133,227        |
| Retained Profits                 | 14   | 6,818,613        | 3,542,910        |
| <b>TOTAL EQUITY</b>              | 12   | <u>7,767,150</u> | <u>6,676,137</u> |

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

|   | NOTE | 2007<br>Inflows<br>(Outflows) | 2006<br>Inflows<br>(Outflows) |
|---|------|-------------------------------|-------------------------------|
| <b>Cash Flows From Operating Activities</b>       |      |                               |                               |
| Receipts from customers                           |      | 405,086                       | 55,407                        |
| Operating grant receipts                          |      | 1,884,575                     | 3,026,945                     |
| Payments to Suppliers and Employees               |      | <u>(1,474,918)</u>            | <u>(925,446)</u>              |
| Interest and Investment Income Received           |      | 279,782                       | 227,907                       |
| <b>Net Cash from Operating Activities</b>         | 15   | <u>1,094,526</u>              | <u>2,384,812</u>              |
| <b>Cash Flows from Investing Activities</b>       |      |                               |                               |
| Payment for Property, Plant & Equipment           |      | (2,859,911)                   | (1,196,181)                   |
| Payments for Investments                          |      | (564,141)                     | (1,446,692)                   |
| Proceeds from Sale of Property, Plant & Equipment |      | 45,000                        | -                             |
| <b>Net Cash Flows from Investing Activities</b>   |      | <u>(3,379,052)</u>            | <u>(2,642,873)</u>            |
| Increase/(decrease) in Cash Held                  |      | (2,284,527)                   | (258,061)                     |
| Cash at the Beginning of the Financial Year       |      | <u>3,189,095</u>              | <u>3,447,156</u>              |
| <b>Cash at the End of the Year</b>                | 4    | <u>904,567</u>                | <u>3,189,095</u>              |

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**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.

Australian Rainforest Foundation Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Urgent Issues Group Interpretations.

AASB 101: Presentation of Financial Statements;  
AASB 107: Cash Flow Statements;  
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;  
AASB 110: Events after the Balance Sheet Date;  
AASB 1031: Materiality;  
AASB 1048: Interpretation and Application of Standards.

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

**Reporting Basis and Conventions**

This report has been prepared on an accrual basis using the historical cost convention and, therefore does not take into account changing money values or, except where stated, the current value of non-monetary assets.

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

**Accounting Policies**

**(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.

**Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(c) Property, Plant and Equipment (cont.)**

**Plant and equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

| <b>Class of Asset</b>      | <b>Depreciation Rate</b> |
|----------------------------|--------------------------|
| Property Plant & Equipment | 20.25%                   |
| Leasehold Improvements     | 18%                      |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Classification of Cash in the Statement of Cashflows**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

**(e) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from funding bodies is recognised on receipt of the grant. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(f) 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 Tax 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

| <b>NOTE 2 - REVENUE</b>  | <b>2007</b>      | <b>2006</b>      |
|--|------------------|------------------|
| Operating activities   |                  |                  |
| - Grants:  |                  |                  |
| - Daintree V2 Project  | 1,500,000        | 2,751,769        |
| - Myna Bird  | 28,250           | -                |
| - Operation Big Bird   | 185,000          | 5,522            |
| - Trees For Life   | 28,039           | 39,790           |
| - Donations  | 274,438          | 1,143            |
| - Land Squares Sales   | 39,868           | -                |
| - Merchandise Sales  | 22,334           | 2,313            |
| - Membership Subscriptions   | 6,017            | 6,200            |
| Non-operating activities   |                  |                  |
| - Interest and Investment Income   | 279,782          | 227,907          |
| - Sundry   | 6,868            | 2,266            |
| Total revenue  | <u>2,370,596</u> | <u>3,036,910</u> |
| <br><b>NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES</b>                                  |                  |                  |
| Profit from ordinary activities before income tax expense has been determined after: |                  |                  |
| Depreciation of property, plant & equipment  | 11,244           | 3,535            |
| Remuneration of auditor  | 7,100            | 7,250            |
| <br><b>NOTE 4 - CASH AND CASH EQUIVALENTS</b>  |                  |                  |
| Cash on hand   | 1,000            | 500              |
| Cash at bank   | 903,567          | 3,188,595        |
|  | <u>904,567</u>   | <u>3,189,095</u> |
| <br><b>NOTE 5 - TRADE AND OTHER RECEIVABLES</b>                                      |                  |                  |
| <b>CURRENT</b>   |                  |                  |
| Trade Debtors  | 5,616            | -                |
| GST Receivable   | 18,140           | 13,522           |
|  | <u>23,756</u>    | <u>13,522</u>    |
| <br><b>NOTE 6 - INVENTORIES</b>  |                  |                  |
| Merchandise  | <u>55,069</u>    | <u>19,763</u>    |
| <br><b>NOTE 7 - FINANCIAL ASSETS</b>   |                  |                  |
| Investments, at cost   | <u>2,010,833</u> | <u>1,446,692</u> |

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

| <b>NOTE 8 -PROPERTY PLANT &amp; EQUIPMENT</b>              | <b>2007</b>        | <b>2006</b>      |
|--|--------------------|------------------|
| <b>LAND AND BUILDINGS</b>                                  |                    |                  |
| Conservation Land, at independent valuation                | <u>4,781,295</u>   | <u>1,973,641</u> |
| <b>PLANT AND EQUIPMENT</b>                                 |                    |                  |
| Plant and Equipment, at cost                               | 28,677             | 18,327           |
| Less Accumulated Depreciation                              | <u>(7,194)</u>     | <u>(2,776)</u>   |
|  | <u>21,483</u>      | <u>15,551</u>    |
| Leasehold Improvements                                     | 35,148             | 25,497           |
| Less Accumulated Depreciation                              | <u>(8,601)</u>     | <u>(1,775)</u>   |
|  | <u>26,547</u>      | <u>23,722</u>    |
| Total Property, Plant and Equipment                        | <u>4,829,324</u>   | <u>2,012,914</u> |
| <b>NOTE 9 - TRADE AND OTHER PAYABLES</b>                   |                    |                  |
| Trade Creditors  | 28,196             | -                |
| Sundry payables and accrued expenses                       | -                  | 3,493            |
|  | <u>28,196</u>      | <u>3,493</u>     |
| <b>NOTE 10 - BORROWINGS</b>                                |                    |                  |
| Borrowings   | <u>17,743</u>      | <u>-</u>         |
| <b>NOTE 11 - PROVISIONS</b>                                |                    |                  |
| <b>CURRENT</b>   |                    |                  |
| Employee benefits  | <u>10,460</u>      | <u>2,355</u>     |
| <b>NOTE 12 - EQUITY</b>                                    |                    |                  |
| Total Equity at the beginning of the financial year        | 6,676,137          | 4,138,647        |
| Total changes in equity recognised in the income statement | <u>1,091,014</u>   | <u>2,537,490</u> |
| Total Equity at the end of the financial year              | <u>7,767,150</u>   | <u>6,676,137</u> |
| <b>NOTE 13 - RESERVES</b>                                  |                    |                  |
| Reserve for future land purchases                          | (a) 16,000         | 16,000           |
| Reserve for unexpended grant funding                       | (b) 780,653        | 2,965,343        |
| Asset Revaluation Reserve                                  | (c) <u>151,884</u> | <u>151,884</u>   |
|  | <u>948,537</u>     | <u>3,133,227</u> |
| (a) Reserve for future land purchases                      |                    |                  |
| Movements during the financial year:                       |                    |                  |
| Opening Balance  | 16,000             | 16,000           |
| Transfer from retained surplus                             | -                  | -                |
| Closing Balance  | <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.

**AUSTRALIAN RAINFOREST FOUNDATION**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

| <b>NOTE 13 - RESERVES (cont.)</b>        | <b>2007</b>        | <b>2006</b>      |
|--|--------------------|------------------|
| (b) Reserve for unexpended grant funding |                    |                  |
| Movements during financial year:         |                    |                  |
| Opening Balance                          | 2,965,343          | 1,711,001        |
| Transfer from retained profits           | -                  | 1,254,342        |
| Transfer to retained profits             | <u>(2,184,690)</u> | <u>-</u>         |
| Closing Balance                          | <u>780,653</u>     | <u>2,965,343</u> |

This reserve sets aside grant funding received during the year ended 30 June 2007 to be used over the next several years for specific purposes as per the funding agreement.

|                                  |                |                |
|----------------------------------|----------------|----------------|
| (c) Asset Revaluation Reserve    |                |                |
| Movements during financial year: |                |                |
| Opening Balance                  | 151,884        | 151,884        |
| Revaluation increment            | -              | -              |
| Closing Balance                  | <u>151,884</u> | <u>151,884</u> |

**NOTE 14 - RETAINED PROFITS**

|   |                  |                  |
|---|------------------|------------------|
| Retained Profits at the beginning of the financial year | 3,542,910        | 2,259,762        |
| Net profit attributable to the company                  | 1,091,014        | 2,537,490        |
| Transfers to reserves                                   | -                | (1,254,342)      |
| Transfers from reserves                                 | <u>2,184,690</u> | <u>-</u>         |
| Retained Profits at the end of the financial year       | <u>6,818,613</u> | <u>3,542,910</u> |

**NOTE 15 - NOTES TO THE STATEMENT OF CASH FLOWS**

|   |                  |                  |
|---|------------------|------------------|
| <b>Reconciliation of net cash from operating activities to operating surplus/ (deficit)</b> | 1,091,014        | 2,537,490        |
| <b>Adjust for non-cash/disclosure items</b>   |                  |                  |
| Depreciation  | 11,244           | 3,535            |
| Loss on sale of Property, Plant and Equipment   | 5,000            | -                |
| <b>Adjust for changes in assets and liabilities</b>   |                  |                  |
| <i>(Increase)/decrease in:</i>  |                  |                  |
| Trade Debtors   | (10,234)         | (13,522)         |
| Inventories   | (35,306)         | (19,763)         |
| <i>Increase/(decrease) in:</i>  |                  |                  |
| Other Creditors   | 24,703           | (125,282)        |
| Employee provisions   | 8,104            | 2,355            |
| <b>Net Cash from Operating Activities</b>   | <u>1,094,526</u> | <u>2,384,812</u> |

**NOTE 16 - REMUNERATION AND RETIREMENT BENEFITS**

**(a) Directors' Remuneration and Retirement Benefits**

The directors do not receive remuneration or retirement benefits.

**(b) Retirement and Superannuation Payments**

The directors do not receive retirement or superannuation payments.

**AUSTRALIAN RAINFOREST FOUNDATION**  
**ABN 44 073 434 563**

**DIRECTORS' DECLARATION**

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

This financial report has been prepared solely to meet the directors' reporting obligations.

The directors of the company declare that:

- (a) The financial statements and notes, as set out in pages 5 to 12 are in accordance with the Corporations Act 2001:
  - (i) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
  - (ii) give a true and fair view of the company's financial position as at 30 June 2007 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors on this 25th day of September 2007.

---

Chairperson

## INDEPENDENT AUDIT REPORT

To the Members of Australian Rainforest Foundation

### Scope

We have audited the financial report, being a special purpose financial report, of Australian Rainforest Foundation for the financial year ended 30 June 2007 as set out on pages 5 to 13. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company on their preparation and presentation. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of 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 policies described in Note 1, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as represented by the results of its operations and its cash flows (these policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia).

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

### Audit Opinion

In our opinion, the financial report of Australian Rainforest Foundation is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
  - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia to the extent described in Note 1.

Signed on this 25th day of September 2007



**JASON TAYLOR**  
Partner



**WHK GREENWOODS (CAIRNS)**  
Chartered Accountants