

Directors' Report

The Directors present their report together with the financial report of Parklands Foundation Limited and the consolidated financial report of the consolidated entity being the Parklands Foundation Limited for the financial year ended 30 June 2008

Directors

The names and particulars of Parklands Foundation Limited Directors during or since the end of the financial year are:

Name	Particulars
Lucio Di Bartolomeo	Chairman, appointed 17 April 2007 Non-Executive
Peter J. Duncan	Director, appointed 16 May 2005 Non-Executive. (former Chairman)
Penelope J. Figgis AO	Director, appointed 16 May 2005 Non-Executive
Andrew Beatty	Director, appointed 27 June 2007 Non-Executive
Hon Michael S. Knight AO	Director, appointed 17 August 2007 Non-Executive
Peter Mayers	Director, appointed 14 March 2008 Non-Executive
Alan Marsh	Director, appointed 2 June 2008 Non-Executive

Principal Activities

The principal activities of Parklands Foundation Limited ('the Foundation') and its controlled entities, during the year consisted of:

- (a) help protect and enhance the diversity of distinctly Australian and natural settings forming the natural environment of the 432 hectares of pristine woodlands, rare saltmarshes and mangroves, of Aboriginal significance and of historic naval importance forming the Parklands at Sydney Olympic Park;
- (b) help protect, maintain and improve the Parklands and promote their environmental, recreational, historical, scientific, educational and cultural value;

- (c) provide information and education, and support research, about the Parklands and their environmental, recreational, historical, scientific, educational and cultural values;
- (d) establish and maintain a public fund to be called the Parklands Fund for the specific purpose of supporting the environmental objects of the Foundation;
- (e) encourage and promote charitable, educational and cultural purposes and to assist any public hospital and any medical or scientific research;
- (f) assist the underprivileged and disadvantaged; and
- (g) assist any community service purpose.

Independence Declaration by Auditor

The auditor's independence declaration is attached.

Review of Result of Operations

The consolidated revenue for the financial year was \$899,000

Net Deficit

The consolidated net deficit was \$214,000

Changes in State of Affairs

There was no change in the state of affairs for the financial year

Meeting of Directors

The number of Directors Board meetings held during the year and the number of meetings attended by each Director during the year were:

Board Meetings	Number Eligible	Number attended
Lucio Di Bartolomeo	4	4
Hon Michael Knight AO	4	1
Peter J. Duncan	4	1
Penelope J. Figgis AO	4	4
Andrew R. Beatty	4	4
Peter Mayers	1	1

Events Subsequent to Balance Date

There has been no matter or circumstance other than that referred to above or in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected the operations, or the state of the entity in future financial years.

Future Developments

In the opinion of the Directors there are no likely developments in the operations of the entity, which will adversely affect the results of the entity in future financial years.

Indemnification of Office and Auditors

Parklands Foundation Limited pays a premium in respect of a contract insuring the Directors of the Foundation and executive officers of the Foundation against liabilities incurred as a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the liability and the amount of the premium.

The Foundation has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Foundation, or of any related body corporate against a liability incurred as such an officer or auditor.

Signed in accordance with a resolution of the Directors made pursuant to Section 298 (2) of the Corporations Act 2001.

On behalf of the Directors



Lucio Di Bartolomeo
Chairman
Sydney, 26 September 2008



Peter J. Duncan
Director
Sydney, 26 September 2008

Directors' Declaration

The Directors declare that:

- (a) the attached financial statements and notes thereto comply with Accounting Standards and Corporations Regulations 2001; and
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position as at 30 June 2008 and performance for the period ended on that date of the Parklands Foundation; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, the Public Finance and Audit Act 1993, the Public Finance and Audit Regulation and the Treasury's directions; and
- (d) in the directors' opinion, there are reasonable grounds to believe that the Parklands Foundation will be able to pay its debts as and when they become due and payable; and
- (e) as at the date of this Declaration, we are not aware of any circumstance that would render any particulars included in the financial report misleading or inaccurate.

Signed in accordance with a resolution of the Directors made pursuant to Section 295 (5) of the Corporations Act 2001.

On behalf of the Directors



Lucio Di Bartolomeo

Chairman

Sydney, 26 September 2008



Alan Marsh

Director

Sydney, 26 September 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Parklands Foundation Limited

To Members of the New South Wales Parliament and Members of Parklands Foundation Limited

I have audited the accompanying financial report of Parklands Foundation Limited (the Foundation), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report of the Foundation:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Foundation's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Report

The directors of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Foundation,
- about the effectiveness of its internal controls, or
- that it has carried out its activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the *Corporations Act 2001*. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Foundation on 26 September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

P J Boulous, CA
Director, Financial Audit Services

2 October 2008
SYDNEY

Operating Statement

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Expenses excluding losses			
Operating expenses			
Employee related	2(a)	720	556
Other operating expenses	2(b)	393	279
Total Expenses excluding losses		1,113	835
Revenue			
Sale of goods and services	3(a)	19	0
Investment revenue	3(b)	160	106
Grants and contributions	3(c)	720	2,160
Total Revenue		899	2,266
SURPLUS/(DEFICIT) FOR THE YEAR	8	(214)	1,431

The accompanying notes form part of these statements.

Statement of Recognised Income and Expense

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Surplus/(deficit) for the year	8	(214)	1,431
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR		(214)	1,431

The accompanying notes form part of these statements.

Balance Sheet

as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,788	3,079
Receivables	5	25	6
Total Assets		2,813	3,085
LIABILITIES			
Current Liabilities			
Payables	6	34	127
Provisions	7	65	30
Total Liabilities		99	157
Net Assets		2,714	2,928
EQUITY			
Accumulated funds	8	2,714	2,928
Total Equity		2,714	2,928

The accompanying notes form part of these statements.

Cash Flow Statement

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(701)	(509)
Other		(484)	(169)
Total Payments		(1,185)	(678)
Receipts			
Sale of goods and services		14	0
Interest received		160	106
Grants and Contributions		720	2,160
Total Receipts		894	2,266
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	(291)	1,588
NET INCREASE/(DECREASE) IN CASH		(291)	1,588
Opening cash and cash equivalents		3,079	1,491
CLOSING CASH AND CASH EQUIVALENTS	4	2,788	3,079

The accompanying notes form part of these statements.

Notes to the Financial Statements

for the year ending 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Parklands Foundation Limited (the Foundation), a public company limited by guarantee, was incorporated in New South Wales under the Corporations Act 2001 on 16 May 2005. Sydney Olympic Park Authority is the only member of the Foundation.

The financial statements have been authorised for issue by the Board of Directors on 26 September 2008.

(b) Parklands Fund

Parklands Fund (the Fund) was established with the objective of supporting the environmental objects of the Foundation and to invite and receive all gifts of money or property to the Fund for the environmental objects of the Foundation. The Fund must be operated on a not-for-profit basis. There were no transactions for the Fund for the year.

(c) Basis of Preparation

This is a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983, and specific directions issued by the Treasurer.

As mandated by the Treasurer, the Foundation has not early-adopted the following new/revised Accounting Standards/Interpretations:

- AASB 3 (Mar 2008), AASB 127 and AASB 2008-3 regarding business combinations
- AASB 8 & AASB 2007-3 regarding operating segments
- AASB 101 (Sep 2007) regarding presentation of financial statements
- AASB 123 (June 2007) and AASB 2007-06 regarding borrowing costs
- AASB 1004 (Dec 2007) regarding contributions
- AASB 1049 (Oct 2007) regarding the whole of government and general government sector financial reporting

- AASB 1050 (Dec 2007) regarding administered assets
- AASB 1051 (Dec 2007) regarding land under roads
- AASB 1052 (Dec 2007) regarding disaggregated disclosures
- AASB 2007-9 regarding amendments arising from the review of AASs 27, 29 and 31
- AASB 2008-1 regarding share based payments
- AASB 2008-2 regarding puttable financial instruments
- Interpretation 1 (Jun 2007) regarding restoration and similar liabilities
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements
- Interpretation 13 on customer loyalty programs
- Interpretation 14 regarding the limit on a defined benefit assets
- Interpretation 129 (Feb 2007) regarding service concession disclosures
- Interpretation 1038 (Dec 2007) regarding contributions by owners.

It is expected that the impact of the application of the new Standards on the Foundation's financial report in the period of initial application will not be significant.

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimations are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(e) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

(i) Grants and Contributions

Grants and Contributions are generally recognised as revenue when the Foundation obtains control over the assets comprising the contributions. Control is normally obtained upon receipt of cash.

(ii) Investment Revenue

Interest revenue is recognised using the effective interest method set out in AASB 139 Financial Instruments: Recognition and Measurement.

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(g) Payables

These amounts represent liabilities for goods and services provided to the Foundation and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Notes to the Financial Statements

for the year ending 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee Benefits

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance

premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long Service Leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

(iii) Superannuation

The defined superannuation expense for the financial year is the defined contribution superannuation, calculated as a multiple percentage of the employees' salaries.

(i) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the amount of GST incurred by the Foundation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

(j) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

	2008 \$'000	2007 \$'000
2. EXPENSES EXCLUDING LOSSES		
(a) Employee Related Expenses		
Salaries and wages (including recreation leave)	634	502
Superannuation – defined contribution plans	48	21
Payroll tax and fringe benefit tax	38	33
	720	556
(b) Other Operating Expenses		
Insurance	2	2
Operating lease rental expense – minimum lease payments	10	42
Administration	258	128
Advertising and promotion	73	40
Activity and entertainment	15	0
Site services	7	0
Consultancies	1	6
Information technology	18	57
Other	9	4
	393	279

Notes to the Financial Statements

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
3. REVENUE			
(a) Sale of Goods and Services			
Education tours		19	0
		19	0
(b) Investment Revenue			
Interest on bank		160	106
		160	106
(c) Grants and Contributions			
Sydney Olympic Park Authority		720	2,160
		720	2,160
4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		2,788	3,079
		2,788	3,079
Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:			
Cash and cash equivalents (per Balance Sheet)		2,788	3,079
Closing cash and cash equivalents (per Cash Flow Statement)		2,788	3,079
5. CURRENT ASSETS – RECEIVABLES			
Current Receivables			
Trade debtors		8	0
GST receivable		17	6
		25	6
6. CURRENT LIABILITIES – PAYABLES			
Creditors and accrued expenses			
Accrued salaries, wages and on-costs	7	31	107
		3	20
		34	127
7. CURRENT LIABILITIES – PROVISIONS			
Employee Benefits and Related On-costs			
Annual leave			
Other		60	28
		5	2
		65	30
Aggregate employee benefits and related on-costs			
Provisions – current			
Accrued salaries, wages and on-costs	6	65	30
		3	20
		68	50

Notes to the Financial Statements

for the year ending 30 June 2008

Category	Notes	2008 \$'000	2007 \$'000
8. CHANGES IN EQUITY			
Balance at the beginning of the financial year		2,928	1,497
Changes in Equity			
Surplus/(deficit) for the year		(214)	1,431
Balance at the end of financial year		2,714	2,928

9. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT FOR THE YEAR)

Net Cash Used on Operating Activities		(291)	1,588
Increase/(decrease) in receivables		16	(3)
Decrease/(increase) in payables		97	(124)
Decrease/(increase) in employee provisions		(36)	(30)
Surplus/(Deficit) for the year		(214)	1,431

10. FINANCIAL INSTRUMENTS

The Foundation's principal financial instruments are outlined below. These financial instruments arise directly from the Foundation's operations or are required to finance the Foundation's operations. The Foundation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Executive Manager has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Foundation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors on a continuous basis.

(a) Financial Instrument Category

Financial Assets

Cash and cash equivalents	N/A	4	2,788	3,079
Receivables 1.	Receivables (at amortised cost)	5	8	0
			2,796	3,079

Financial Liabilities

Payables 2.	Financial liabilities measured at amortised cost	6	28	109
			28	109

Notes

1. Excludes statutory receivables and prepayments (not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

(b) Credit Risk

Credit risk arises when there is the possibility of the Foundation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Foundation.

There are no financial assets that are past due or impaired in the balance sheet.

Exposure to credit risk is considered minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to meet its payment obligations when they fall due.

Liquidity risk is represented by the Foundation's payables owing to other parties. This is expected to be settled within normal trading terms: that is 28 days.

The Foundation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Notes to the Financial Statements

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
10. FINANCIAL INSTRUMENTS (continued)			
(d) Market risk			
The Foundation is not subject to any interest rate, foreign currency or other price risk.			
(e) Fair Value			
The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of the financial instruments.			
11. CONTINGENT LIABILITIES			
There are no contingent liabilities.			
12. RELATED PARTY DISCLOSURE			
(a) Directors			
The director named in the attached directors' report each held office as a director of the Parklands during the year ended 2008.			
Remuneration			
No remuneration was paid to the Directors.			
(b) Related Party Transactions			
Grants received from Sydney Olympic Park Authority	3(c)	720	2,160

13. AFTER BALANCE DATE EVENTS

There are no events after Balance Sheet date that would have a material impact on the financial report.

End of Audited Financial Statements