PROTECTING TROPICAL RAINFORESTS THROUGH RESEARCH AND EDUCATION

2008/09 Annual Report
# 2008/09 Annual Report

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Our vision

The protection of tropical rainforests worldwide through sound management, understanding and appreciation through research and education.

Our objectives

The objectives of the Skyrail Rainforest Foundation are:

1. To establish, conduct and carry on research and education programmes to assist the community in understanding and appreciating the value of tropical rainforests throughout the world.

2. To solicit and to receive contributions and to use such funds and any income from them for:
   a. The purposes of research, study and investigation of:
      i. rare and endangered rainforest flora and fauna;
      ii. biology and ecology of rainforest canopies;
      iii. the interdependence between species;
      iv. effective management to minimise the impact of rainforest tourism;
      v. human benefit from rainforest biological resources;
      vi. the downstream impacts of rainforests;
      vii. biodiversity.
   b. Supporting better education of the wider community and communicating the results of research through:
      i. the production of management guides and best practice literature for rainforest managers;
      ii. educational resources, computer websites and lesson kits for schools;
      iii. translations of existing educational material for non-English speakers;
      iv. seminars, publications and conferences for the general community.
   c. Tropical rainforest research purposes.
   d. Assisting with projects where the primary objectives are to protect, present, conserve or rehabilitate tropical rainforest, its flora or fauna.

Skyrail Rainforest Foundation Limited (ABN 95 109 592 814) and its public fund, Skyrail Rainforest Research Fund, was entered into the Register of Environmental Organisations on 26th August 2005. It is entitled under the Income Tax Assessment Act 1997 item 6.1.1 of subsection 30-55(1) to receive tax deductible donations.
Tropical Rainforests around the world are under tremendous pressure from clearing, exploitation, poor management and more recently, climate change. At the Skyrail Rainforest Foundation, we seek to help to alleviate some of these pressures by promoting improved management, understanding and appreciation, underpinned by sound, practical scientific research and education.

Since its commencement in 2005, the Foundation has been funding and supporting research, particularly in the Wet Tropics Bioregion of Tropical North Queensland, Australia, and in doing so, is helping to build scientific and management capacity locally, to underpin the protection and management of the Wet Tropics of Queensland World Heritage Area.

As we look back on this, the fourth year of the Foundation's operation, it is fair to say that progress has been good. A total of $58,655 was paid out in 2008/09, to support a wide variety of research projects and to encourage the next generation of rainforest scientists and managers, through post-graduate student support.

Projects funded include research into:

- Conservation of the Northern Bettong
- Frog species decline
- Climate change effects on rainforest
- Native timber plantations as habitat in New Guinea
- Impacts of roads
- Insects in the rainforest canopy
- Southern Cassowary
- Insects in the rainforest canopy

Most pleasingly, this year we have seen some very tangible results from projects funded by the Foundation. The mid-2008 edition of *Austral Ecology* was devoted to the results of the Skyrail Rainforest Foundation Cyclone Larry Project. The Foundation was able to step quickly to support the Tropical Landscapes Joint Venture and fund research in the immediate aftermath of severe tropical cyclone Larry, which impacted tropical rainforests from Mission Beach to Milla Milla. In addition to providing good science, this project has already changed the way we understand and manage such events in the future, so as to mitigate the quite serious impacts on the endangered Southern Cassowary and other large herbivores. This is a great example of how good research can achieve tangible benefits for the rainforest management and protection for the future.

We were also delighted in 2008/09 to see Robert Puschendorf, one of our PhD students, rediscover the Armoured Mist Frog, which was previously thought to be extinct. The Foundation has funded this work for the last three years.

The Foundation is underpinned by sponsorship and administrative support from Skyrail Rainforest Cableway, as well as donations from visitors and other tourist organisations in the area. In particular, Kuranda Scenic Railway has been a great supporter and we thank them for their contribution.

Thanks also to the members of the Foundation’s Public Fund Management Committee, who give their time freely to ensure the Foundation’s funds are diverted towards where they can do the most good. They are Clive Cook from the Environmental Protection Agency, Professor Chris Margules from Conservation International and CSIRO and Professor Steve Turton of the Australian Tropical Forest Institute and James Cook University, as well as Max Shepherd from Skyrail Rainforest Cableway. Ably supporting us is the Foundation’s Administrator, Kelly Epong, who really is responsible for making it all happen as planned.

Thank you to all the members and supporters of the Foundation. This is your Foundation and I hope that together, we can continue its good work and benefits in the years to come.

Kenneth George Chapman
Chairman
Board of management

Appointments to the Board of Management are for a term of one year, commencing at the Annual General Meeting and concluding at the Annual General Meeting the following year.

The Board of Management shall comprise no more than five members of the company. At each Annual General Meeting of the Company, Skyrail Rainforest Foundation Board of Management appointments are made as follows: one appointment by the Members, up to two appointments by the Public Fund Management Committee and up to two Members by Skyrail Pty Ltd.

The Board of Management for 2008/09 was:

Kenneth George Chapman  
Chairman
FAICD  
Bachelor of Medicine and Bachelor of Surgery  
Director of various public and private companies & government corporations for 20 years.

Karen Anne Hawkins  
Director
Bachelor of Science  
Director of various private companies for 20 years.

Max Shepherd  
Director
Associate Diploma in Business  
Director of various public and private companies & government corporations for nine years.

Barrie Collins  
Secretary

During 2008/09, four meetings of the Skyrail Rainforest Foundation Board of Management were held.

Public Fund management committee

The Public Fund Management Committee oversees the dispersal of the Skyrail Rainforest Foundation's resources to projects satisfying its core objectives; namely those which support tropical rainforest research and education.

The Committee consists of members from various educational, environmental, scientific, government and private companies. Committee members are listed on the next page.
The Public Fund Management Committee for 2008/09 was:

**Dr Ken Chapman**
Ken is passionate about tropical rainforests, their protection, preservation and value to the international community as a scientific, recreational and educational resource. He is Managing Director of Skyrail Rainforest Cableway and Chief Executive Officer of Skyrail-ITM, and was a Director of the Co-operative Research Centre for Tropical Rainforest Ecology and Management for many years. Ken was the driving force behind the establishment of the Skyrail Rainforest Foundation.

**Mr Clive Cook**
Clive has a long association with Australia’s Tropical Rainforests and is both personally and professionally active in their preservation and interpretation. Clive was the Director of the Queensland Parks and Wildlife Service in the Northern (Queensland) Region until July 2008 and is now the Senior Director of the Conservation, Strategy and Planning branch at QPWS, Central Office in Brisbane. He believes there is a very strong linkage between our amazing protected areas. As a member of the Foundation, Clive is enthusiastic in working with the committee, to present and learn about our very special tropical forests.

**Professor Chris Margules AM**
Chris is internationally recognised for his work in conservation biology and conservation planning. He leads the Indonesia-Pacific Field Division of the NGO Conservation International; he directs multi-disciplinary research and implementation teams towards 'whole' of landscape and seascape management solutions that will strengthen the protection of biodiversity while fostering community and business growth in Indonesia, the countries of Melanesia and the Pacific Islands. He retains a part-time position with CSIRO where his roles are science business development and mentoring the next generation of CSIRO ecologists.

**Mr Max Shepherd**
Max recognises the value of Australia's Tropical Rainforests and is pleased to be able to support research and education projects contributing to its protection, through his involvement with the Foundation. Max is General Manager of Skyrail Rainforest Cableway, a founding member of the Alliance for Sustainable Tourism, a past member of the Wet Tropics Community Consultative Committee and a director of the Reef and Rainforest Research Centre.

**Professor Steve Turton**
Australian Tropical Forest Institute, James Cook University/CSIRO Tropical Landscapes Joint Venture. Prior to his current position, Steve was Director of Research for the Rainforest Cooperative Research Centre, based at James Cook University. Steve’s research and teaching interests include tropical climatology, rainforest ecology and natural resource management. Steve has published over 100 scientific papers in these fields of study, comprising refereed journal articles, book chapters and research monographs. He has also supervised over 50 honours and graduate research students during his time at JCU.

During 2008/09, four meetings of the Skyrail Rainforest Foundation Public Fund Management Committee were held.
Thank you to Skyrail Rainforest Cableway's guests, who donated a total of $5,592 for the financial year ending 2008/2009.

The Skyrail Rainforest Foundation has contributed $140,000 towards tropical rainforest research and education projects since its inception in 2005.

This support was made possible thanks to the generosity of the tourism industry and Skyrail Rainforest Foundation members.

To help raise funds for the Skyrail Rainforest Foundation, Skyrail Rainforest Cableway developed an exclusive range of branded Foundation merchandise.

This exciting range, which includes t-shirts, polo shirts, caps, backpacks, key-rings and assorted other paraphernalia, was designed to incorporate the iconography of the Foundation's corporate logo.

A percentage from the sale of all merchandise sold in Skyrail Rainforest Cableway's gift shops is donated to the Foundation, to assist it meet its vision of supporting tropical rainforest research and education projects. In 2008/09 Skyrail donated $24,631 in royalties to the Skyrail Rainforest Foundation.

Kuranda Scenic Railway is a proud member and supporter of the Skyrail Rainforest Foundation and on 8th April 2009, they extended their commitment by installing donation boxes at each of their stations.

The boxes, proudly branded with Skyrail Rainforest Foundation colours, logo and vision, provide Kuranda Scenic Railway patrons with the opportunity to contribute to the Foundation's objectives, to support tropical rainforest research and education projects.

Andrew Kennedy, General Manager Tourist Trains, said the boxes were a continuing commitment to the preservation of the Wet Tropics Rainforests.

Foundation donation boxes are displayed at each Kuranda Scenic Railway station and include membership application forms. The historic Kuranda Scenic Railway takes guests on a pioneering journey through the Barron Gorge National Park, passing by tumbling waterfalls and through hand-carved tunnels.
Skyrail Rainforest Foundation

membership

As at the 1st January 2009, the Skyrail Rainforest Foundation extended its member benefits to include the following personal benefits:

• 50% member only discount on Skyrail Rainforest Cableway
• 20% discount on Skyrail for member's spouse and children, when travelling with the member
• 10% discount on Skyrail for visiting friends and relatives, when travelling with the member
• Exclusive Skyrail Rainforest Foundation Membership Card
• 20% member only discount at Skyrail's Gift Shops
• Skyrail Rainforest Foundation E-Newsletters (bi-annually)

Additional, exclusive Member Only Bonus Benefits are also available, as negotiated by the Foundation with Skyrail and its package partners. Current Bonus Personal Benefits include:

• 50% discount on entry to Tjapukai Aboriginal Cultural Park
• 50% discount on travel on Kuranda Scenic Railway
• 50% discount on the Kuranda Wildlife Experience: includes Australian Butterfly Sanctuary, Kuranda Koala Gardens and Birdworld Kuranda.

Skyrail Rainforest Foundation

membership promotion

On 1st January 2009 the Skyrail Rainforest Foundation launched a free six-month membership promotion, to approved local residents. Designed to introduce new members to the Foundation, the promotion was conducted at Skyrail Rainforest Cableway and was open to all local residents of the Cairns, Tablelands and Cassowary Coast Regional Council Areas who travelled on Skyrail.

At the end of the initial six-month membership, local residents were invited to become full members of the Foundation.

This promotion has been very successful, increasing Foundation membership 706%. It will be continued in 2009/10.
In September 2008, the Skyrail Rainforest Foundation was pleased to announce a $30,000 commitment to support several PhD, masters and honours projects being undertaken by James Cook University students. Funding was allocated to projects with a specific focus on tropical rainforest critical conservation issues and endangered species. The successful projects were:

- **Brooke Bateman**: Conservation of the Northern Bettong (*Bettongia tropica*): limits to current distribution, and a model for predicting effects of climate change.
- **Carl Wardhaugh**: Microhabitat utilisation and the spatial temporal distribution of rainforest canopy insects.
- **Robert Puschendorf**: Is the dry forest a refuge from disease related to amphibian declines?
- **Elizabeth Pryde**: Does a native timber plantation in Papua New Guinea, and its surrounding rainforest matrix, provide sustainable habitat for local avifauna?
- **Dr Mike Liddell**: Tropical Lowland Rainforest Phenology - searching for climatically driven changes in reproductive phenology.
- **Peter Byrnes**: Impact of roads on medium-sized, ground-dwelling rainforest mammals in the Wet Tropics World Heritage Area.
- **Andres Viteri**: Physiological tolerances of Microhylid frogs of the Wet Tropics rainforest - the potential impact of climate change.

In May 2009, the Foundation called for students to submit applications to receive funding for their research. Up to $5,000 was available for PhD and masters projects, and up to $2,000 for honours projects.

The funding favoured projects with a focus on research with outcomes that add to environmental management and consequent protection of rare, threatened and vulnerable species and biodiversity. Applications were reviewed and assessed by the Foundation’s Public Fund Management Committee, which has representatives from Skyrail Rainforest Cableway, James Cook University, the Environmental Protection Agency, the Commonwealth Scientific and Industrial Research Organisation and Conservation International. Successful applicants were announced in August 2009: details are available on the Foundation’s website at http://www.skyrailfoundation.org/news050809.html

Each year students are invited to submit funding applications, which are assessed by the Foundation’s Public Fund Management Committee. Timing and details are promoted on the Foundation’s website and directly to educational institutions.
1. **Tropical Lowland Rainforest Phenology - searching for climatically driven changes in reproductive phenology.** Dr Mike Liddell

This James Cook University (JCU) project aims to decipher whether fruiting and flowering activity corresponds with seasonal variation in climate at the community level in the lowland rainforest, and determine if plants of varying sexual systems demonstrate different sensitivity to climatic functions.

The research is being conducted in the Barron Gorge National Park, along the Skyrail Rainforest Cableway transect. Researchers are utilising the Skyrail cableway to monitor and record over 7km of rainforest canopy. Photographic records will be collected over a 10-year period and collated with the flowering and fruiting patterns already recorded by Skyrail’s Environment Department since 1995, making this one of Australia's longest running phenology studies.

Foundation funding has been used to assist with the set-up costs for this project, including the purchase of necessary technical equipment such as a digital camera, tripod and accessories crucial to collecting the best quality data. Skyrail Rainforest Cableway will also provide 10 years of historic data to be used in the research.

Funding for the operational expenses of this project has been provided by the MTRSF.

2. **Mechanisms of resistance to chytridiomycosis in recovered and recolonised amphibian populations.** Robert Puschendorf

Each year the Foundation makes funding available to students conducting and participating in relevant PhD and masters research projects. JCU PhD student Robert Puschendorf, was one of the first students to be awarded this funding in 2007, with additional grants given in 2008 and 2009.

Foundation funding supported Robert's research "Mechanisms of resistance to chytridiomycosis in recovered and recolonised amphibian populations" and led to the rediscovery of a frog species not seen for 17 years and thought to be extinct.

Robert was working in conjunction with JCU's Amphibian Disease Ecology Group, and Professor Ross Alford, when the Armoured Mist Frog (*Litoria lorica*) [pictured] was found on the Carbine Tablelands, in Tropical North Queensland, Australia.

It had been feared the Armoured Mist Frog was lost in the devastating outbreaks of amphibian chytrid fungus, which started in the Wet Tropics of Queensland World Heritage Area 20 years ago and was thought to have caused the extinction of all known high elevation populations of seven frog species in the Wet Tropics between the late 1980s and early 1990's.

The identification of this species was confirmed by Dr. Conrad Hoskin of the Australian National University.

This project was also supported by the Federal Department of Environment, Heritage, Water, and the Arts, Australian Geographic and the Queensland Parks and Wildlife Service.
3. Does a native timber plantation in Papua New Guinea, and its surrounding rainforest matrix, provide sustainable habitat for local avifauna? Elizabeth Pryde

JCU PhD student Elizabeth Pryde has received Foundation funding for the last two years to support her project, as listed above. She also receives support from JCU, Australian and Pacific Science Foundation (APSF) and the Oregon Zoo Foundation (Future for Wildlife Conservation).

Her research forms part of an Australian Postgraduate Award (APA) scholarship, which is awarded to students of exceptional research potential undertaking a Higher Degree by Research (HDR).

The project, which is the first to be funded by the Foundation outside of the Wet Tropics of Queensland World Heritage Area, aims to:

- Assess the occurrence of forest-interior and generalist bird species in primary and secondary (logged-over) rainforest, native timber (E.deglupta) plantations and buffer zones, at a timber operation and its surrounding landscape in East New Britian.
- Determine how species assemblages differ with respect to different habitat indexes.
- Assess the extent to which each habitat type is utilised by different bird species. (e.g. breeding and foraging).
- Communicate the results to the local landowners and discuss the impacts of native timber plantations and logging on wildlife and vegetation.
- Use this data to prescribe preliminary guidelines for native timber plantation certification Papua New Guinea, with an emphasis on preserving many rare, endemic rainforest species on New Britain Island.

The project is expected to yield highly original results which will feed into current CSIRO work on biodiversity monitoring and planning in Papua New Guinea, and is expected to produce several high quality publications. The Skyrail Rainforest Foundation looks forward to seeing project outcomes, in the future.
Skyrail Rainforest Foundation Limited
ACN 109 592 814

Financial Report
For the Year Ended 30 June 2009
## Financial Statements

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<td>Income Statement</td>
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<tr>
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</table>
Skyrail Rainforest Foundation Limited  
ACN 109 592 814  

Directors’ Report

Your directors present their report on the company for the financial year ended 30 June 2009.

1. General information

   a  Principal Activities

   The principal activity of the company continued to be the raising and distributing of funds to support tropical rainforest research and education projects.

   No significant change in the nature of these activities occurred during the year.

   b  Directors

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

   Ken Chapman
   Karen Hawkins
   Max Shepherd

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

   c  Company Secretary

   Mr Barrie Collins held the position of company secretary at the end of the financial year.

   Mr Barrie Collins is a Chartered Accountant and held the position since the establishment of the company on 18 June 2004.

   d  Information on Directors

   Director  Kenneth George Chapman  
   Qualifications  Bachelor of Medicine and Bachelor of Surgery  
   Experience  Director of various public and private companies and government corporations for over 20 years.

   Director  Karen Anne Hawkins  
   Qualifications  Bachelor of Science  
   Experience  Director of various private companies for over 20 years.

   Director  Max Shepherd  
   Qualifications  Associate Diploma in Business  
   Experience  Director of various public companies and government corporations for 9 years.
Meetings of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Directors' Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number eligible to attend</td>
</tr>
<tr>
<td>Ken Chapman</td>
<td>4</td>
</tr>
<tr>
<td>Karen Hawkins</td>
<td>4</td>
</tr>
<tr>
<td>Max Shepherd</td>
<td>4</td>
</tr>
</tbody>
</table>

2. Business review

a  Dividends paid or declared

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

b  Operating Results

The deficit of Skyrail Rainforest Foundation Limited after providing for income tax amounted to $26,721.

c  Review of operations

The company has continued to develop strategies for fundraising and funding activities and to identify suitable projects for funding.

3. Other items

a  Auditors Independence Declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

b  Significant Changes in State of Affairs

No significant change in the nature of the company’s activities occurred during the financial year.

c  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.

d  Likely developments

The company expects to raise funds and distribute them to support tropical rainforest research and education projects in accordance with its objectives.

e  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.
4. Indemnifying officers or auditors

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

During the financial year the Company paid a premium of $1,306 to insure the Company and the Directors, Secretary and members of the Public Fund Management Committee. The policy provides protection to the Company officers and the Company for costs that may be incurred due to a claim for any Management Liability.

5. Options

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

6. 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.

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

Director: ........................................
Ken Chapman

Director: ........................................
Max Shepherd

Dated this 17 day of September 2009
DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF SKYRAIL RAINFOREST FOUNDATION LIMITED

As lead auditor of Skyrail Rainforest Foundation limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, the only contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Greg Mitchell
Director

BDO Kendalls (Nth QLD)
Chartered Accountants

Cairns, 17 September 2009
Skylral Rainforest Foundation Limited  
ACN 109 592 814

Income Statement  
For the Year Ended 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from ordinary activities</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Donations Received</td>
<td>7,250</td>
<td>10,862</td>
</tr>
<tr>
<td>Royalties Received</td>
<td>24,897</td>
<td>25,523</td>
</tr>
<tr>
<td>Interest Received</td>
<td>6,224</td>
<td>8,877</td>
</tr>
<tr>
<td>Other Income</td>
<td>300</td>
<td>1,080</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,671</strong></td>
<td><strong>46,342</strong></td>
</tr>
</tbody>
</table>

| Expenses from ordinary activities | $     | $    |
| Audit Fees | (2,640) | (2,453) |
| Design Work | (1,699) | (1,200) |
| Grants | (58,655) | (30,076) |
| Other expenses | (2,398) | (7,055) |
| **Total** | **(65,392)** | **(40,784)** |

| Profit (loss) before income tax expense | $     | $    |
| Profit attributable to members of the parent entity | (26,721) | 5,558 |

Statement of Changes in Equity  
For the Year Ended 30 June 2009

<table>
<thead>
<tr>
<th>Retained Earnings</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance at 1 July 2008</td>
<td>146,963</td>
<td>141,405</td>
</tr>
<tr>
<td>Profit attributable to members</td>
<td>(26,721)</td>
<td>5,558</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120,242</strong></td>
<td><strong>146,963</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
<table>
<thead>
<tr>
<th>Note</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3</td>
<td>120,113</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4</td>
<td>129</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>120,242</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>120,242</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
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<td>120,242</td>
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<tr>
<td><strong>EQUITY</strong></td>
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<tr>
<td>Retained Earnings</td>
<td></td>
<td>120,242</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>120,242</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements
## Cash Flow Statement
For the Year Ended 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>2009 $</th>
<th>2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations received</td>
<td>5,199</td>
<td>5,092</td>
</tr>
<tr>
<td>Royalties received</td>
<td>24,897</td>
<td>25,524</td>
</tr>
<tr>
<td>Other receipts</td>
<td>300</td>
<td>1,080</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(4,686)</td>
<td>(4,939)</td>
</tr>
<tr>
<td>Donations</td>
<td>(58,655)</td>
<td>(30,076)</td>
</tr>
<tr>
<td>Interest received</td>
<td>6,971</td>
<td>8,601</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td><strong>(25,974)</strong></td>
<td><strong>5,282</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in cash held</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>146,087</td>
<td>140,805</td>
</tr>
<tr>
<td><strong>Cash at end of financial year</strong></td>
<td><strong>120,113</strong></td>
<td><strong>146,087</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements
1 Statement of Significant Accounting Policies

General Information

The 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 Skyrail Rainforest Foundation Limited as an individual entity. Skyrail Rainforest Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following Australian equivalents to International Financial Reporting Standards (AIFRS):

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

No other Australian equivalents to International Financial Reporting Standards and authoritative pronouncements of the Australian Accounting Standards Board have been applied.

New Accounting Standards and Interpretations

There are a number of standards, amendments to standards and interpretations available for early adoptions at 30 June 2009 but which have not been applied in preparing these financial statements. Although a full review of the potential impact on the company has not yet been carried out, preliminary indications are that they are not expected to have an impact on the financial results of the company as they are either not applicable, or if applicable, are only concerned with disclosures.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical cost. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements are presented in Australian Dollars

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.
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. The company received a tax exempt status from the Australian Taxation Office.

(b) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Cash and Cash Equivalents

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 two months and net of bank overdrafts.

(c) Revenue Recognition

Donations revenue is recognised when amounts have been received.

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).

(d) 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(e) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.
2 Key Management Personnel Compensation

Directors act on an honorary basis and receive no remuneration.

3 Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>$120,113</td>
<td>$146,087</td>
</tr>
</tbody>
</table>

4 Trade and Other Receivables

CURRENT

<table>
<thead>
<tr>
<th>Other receivables</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$129</td>
<td>$876</td>
</tr>
</tbody>
</table>

5 Members Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that every member of the company who was a member at the date of incorporation is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the company. At the date of incorporation there were five members, all of whom remain current members of the Foundation as at 30 June 2009.

6 Financial instruments

The company’s financial instruments consist mainly of deposits with banks, accounts receivable.

(a) Financial Risk Management

The company’s financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable.

Financial Risks
The company is not exposed to any significant risks through its financial instruments.
Skyrail Rainforest Foundation Limited  
ACN 109 592 814

Notes to the Financial Statements  
For the Year Ended 30 June 2009

6 Financial Instruments (continued)

(b) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Weighted Average Effective Interest Rate</th>
<th>Floating Interest Rate</th>
<th>Non Interest Bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2.97</td>
<td>7.26</td>
<td>$120,113</td>
<td>$146,087</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td>$129</td>
<td>876</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>120,113</td>
<td>146,087</td>
</tr>
</tbody>
</table>

7 Cash Flow Information

A Reconciliation of Cash Flow from Operations with Profit after Income Tax

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income/(loss) for the period</td>
<td>$(26,721)</td>
<td>5,558</td>
</tr>
<tr>
<td>Changes in assets and liabilities (Increase)/decrease in trade and term receivables</td>
<td>747</td>
<td>$(276)</td>
</tr>
<tr>
<td></td>
<td>$(25,974)</td>
<td>5,282</td>
</tr>
</tbody>
</table>

8 Related Party Transactions

Ken Chapman, Karen Hawkins, and Max Shepherd are joint directors of Skyrail Rainforest Foundation Ltd and Skyrail Pty Ltd. The company has received donations from Skyrail Pty Ltd.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Cash Donations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Royalties</td>
<td>24,897</td>
<td>25,523</td>
</tr>
<tr>
<td>c) In Kind Donations</td>
<td>2,051</td>
<td>5,769</td>
</tr>
</tbody>
</table>

9 Company Details

The registered office of the company is:

Skyrail Rainforest Foundation Limited  
Chapman Court  
36 Grafton Street  
Cairns Queensland 4870
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.

The directors of the company declare that:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
   a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
   b) give a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director: ........................................... Ken Chapman

Director: ........................................... Max Shepherd

Dated this 14 day of September 2009
INDEPENDENT AUDITOR’S REPORT

To the members of Skyrail Rainforest Foundation Limited

We have audited the accompanying financial report, being a special purpose financial report, of Skyrail Rainforest Foundation Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s 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 entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 would be in the same terms if it had been given to the directors at the time that this auditor’s report was made.

Auditor’s Opinion

In our opinion the financial report of Skyrail Rainforest Foundation Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company’s financial position as at 30 June 2009 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

BDO Kendalls (Nth Qld)

G.Mitchell
Partner

Cairns, 17 September 2009
17 September 2009

BDO Kendalls
27 Aplin Street
PO Box 6771
Cairns
QLD 4870

Dear Sirs

This representation letter is provided in connection with your audit of the financial report of Skyrail Rainforest Foundation Limited for the year ended 30 June 2009 for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of Skyrail Rainforest Foundation Limited’s financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the Corporations Regulations 2001.

We acknowledge our responsibility for ensuring that the financial report is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of Skyrail Rainforest Foundation Limited’s financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the Corporations Regulations 2001,

and confirm that the financial report is free of material misstatements, including omissions.

We confirm to the best of our knowledge and belief, the following representations made to you during your audit.

INTERNAL CONTROLS

1. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained.

2. All material transactions have been properly recorded in the accounting records underlying the financial report.

ACCOUNTING POLICIES

3. We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.
BALANCE SHEET

Assets - General

4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

Receivables

6. Adequate allowance has been made, in the opinion of the directors, against receivables owing to the company at balance date. Such allowance has been made in accordance with AASB 139.

Cash

7. There are no arrangements including restrictions on cash balances, compensating balances and line-of-credit or similar arrangements.

Liabilities

8. All liabilities have been taken up in the financial report.

INCOME STATEMENT

Revenue

9. Revenue has been recognised in accordance with AASB 118.

GENERAL

Related Party Transactions

10. We have provided you with details of the identity of all related party relationships and transactions.

11. Details of all material related party transactions have been properly recorded and disclosed in the notes to the financial report.

Contingent Liabilities

12. We are not aware of any pending litigation involving this company, other than the matters disclosed in the notes to the financial report.

13. There are no contingent liabilities that would require disclosure in the financial report.

14. We did not engage the services of a solicitor during the year ended 30 June 2009.

Commitments

15. There are no other commitments other than as disclosed in the notes to the financial report.
Environmental Issues

16. There are no asset impairments, liabilities, commitments or contingencies arising from environmental matters that have not already been disclosed in the notes to the financial report.

Books, Records and Documentation

17. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.

Minutes

18. All minutes of meetings held by the Board of Directors, Committees and shareholders since the previous balance date have been given to you for your inspection. The most recent meetings held were 22 June 2009.

Compliance with Laws and Regulations

19. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

20. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.

21. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Events Subsequent to Balance Date

22. No events have occurred subsequent to the balance date that would require adjustment to, or disclosure in, the financial report.

23. No events have occurred subsequent to balance date that are not sufficiently material to require disclosure in the notes to the financial report, but should be disclosed to shareholders through some other medium.

Fraud

24. We acknowledge our responsibility for the design, implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

25. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

26. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the [group] company and which involved management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial report.

27. We have disclosed to you any knowledge we have of allegations of fraud or suspected fraud which has been communicated to us by employees, former employees, analysts, regulators etc, and which may have affected the entity's financial report.
Uncorrected Misstatements

28. We acknowledge that you have brought to our attention uncorrected misstatements detected during the course of your audit (Schedule attached). We have considered the effect of any uncorrected misstatements on the financial report. We consider the effect of the misstatements to be immaterial, individually and in aggregate, to the financial report taken as a whole.

Yours faithfully,

[Signatures]

Ken Chapman
Director

Barrie Collins
Chief Financial Officer