



MELBOURNE FRIENDS

ROYAL BOTANIC
GARDENS VICTORIA

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INC.

ANNUAL REPORT 2017



NOTICE is hereby given that the thirty-first Annual General Meeting of the Friends of the Royal Botanic Gardens, Melbourne Incorporated (the 'Friends') will be held at 6pm on Monday, 20 November 2017, in the Mueller Hall, National Herbarium of Victoria, Birdwood Avenue, South Yarra.

BUSINESS

1. To confirm the minutes of the thirtieth Annual General Meeting held on 21 November 2016.
2. To receive from the Council a report of the activities of the Friends for the year ended 30 June 2017.
3. To elect members of the Council. The following, being eligible, have been duly nominated for election as stated:

Vice-President	Lynsey Poore
Secretary	Adnan Mansour
Ordinary Member	Richard Kirsner
	Margaret Miller
	Mali Wilson

4. To receive and consider the financial statements of the Friends for the year ended 30 June 2017, which have been duly audited.
5. To elect Trustees of the Friends of the Royal of the Royal Botanic Gardens, Melbourne Incorporated Trust Fund. The following, being eligible, have been duly nominated for election as stated:

Peter Griffin AM
Peter Kelly
William Mackay Philips Jones
6. To receive and consider the report and financial statements of the Friends' Trust Fund for the year ended 30 June 2017, which have been duly audited.
7. Nominations for Honorary life membership:
 - Irwin Newman
 - Maurice Castro
 - Richard Smith

By order of the Council
Adnan Mansour, Secretary
Dated this 12th day of October 2017

At the conclusion of the Annual General Meeting the President will present:-

- **VOLUNTEER SERVICE AWARDS TO MEMBERS WITH 10 OR MORE YEARS OF VOLUNTARY SERVICE**
- **FRIENDS' SCHOLARSHIP SCHEME FOR ROYAL BOTANIC GARDENS STAFF**
- **FRIENDS' HELEN MCLELLAN RESEARCH GRANT**

Guest speaker following the AGM: Michael McNabb, RBGV Manager Horticulture, will talk about the Landscape Succession Plan at Melbourne Gardens

ANNUAL REPORT OF THE FRIENDS FOR THE YEAR ENDED 30 JUNE 2017

Patron The Honourable Linda Dessau AC, Governor of Victoria

Council

President	Mary Ward #
Vice-President	Lynsey Poore *
Vice-President	Catherine Trinca #
Immediate Past President	Sally Hirst (resigned 15 May 2017)
Secretary	Adnan Mansour *
Treasurer	Mark Anderson #
Members	Professor Tim Entwisle †
	Peter Kelly †
	Richard Kirsner *
	Margaret (Meg) Miller * (appointed by Council on 9 December 2016 to fill a casual vacancy)
	Jan Rosenberg #
	Richard Smith #
	Robert Wright # (resigned 20 April 2017)

* Retires Annual General Meeting 2017

Retires Annual General Meeting 2018

† Ex-Officio Member of Council

Trustees of the Friends' Trust Fund

Peter Kelly (Chairman), Maurice Castro (Secretary), Peter Griffin AM and
Janet Thomson OAM

Friends' Staff

Manager, Administration	Virginia Henderson
Administrative Officer	Marguerite Hancock
Finance Officer	Karlene Taylor
Botanical Illustration Teachers	Dianne Emery, Mali Moir (contractor) and Helen Burrows (contractor)

Editor, *Botanic News* Meg Miller

Conveners of Committees at 30 June 2017

Art	Jan Rosenberg
Events	Robyn Robins
Executive/Finance	Adnan Mansour
Exhibitions	Andrew Carr
Gardening	Angela Mitchell
Grants	Mary Ward
Growing Friends	Michael Hare
IT & Equipment	Richard Kirsner
Membership and Marketing	Lee Tregloan
Operations	Lynsey Poore
Photo Group	John Harrison
Plant Craft Cottage	Phyl Knaggs & Heather Schroeder
Publications & Editorial	Robert Wright
Volunteers	Jacqui Hawkins

From the President

Some aspects of the last 12 months have continued on from the previous year. An ongoing feature has been the change in our visual identity, which started with the decision in 2016 to adopt a new logo for the Friends of the Royal Botanic Gardens, Melbourne Incorporated. Both the Melbourne Friends and Cranbourne Friends will have part of the RBGV's new logo. The Melbourne Friends, as that is how we will be known, will use the leaves of the Oak and Moreton Bay Fig, whereas Cranbourne Friends will use the leaves of the Eucalyptus and Acacia. It is a significant change from our logo of the past 30-odd years, but our core purpose of providing support to the RBGV remains unaltered.

A new look for the future has also encouraged us to look back to our past, with the instigation of an oral history project to capture the memories of some of our very first members. This will be a valuable resource for the Friends and one that we can build on in the future. Another new look is in the production of this Annual Report, with the introduction of photographs to enliven the content.

Our overall membership numbers unfortunately remain static at around the 2,500 mark and much of the focus this past year has been on looking at ways to encourage new members while also retaining current members. The Photography Group has been an exciting introduction which has gone from strength to strength. Several new members have joined so that they can be part of it and we look forward to seeing more of their work. Meanwhile, other enthusiastic members continue to provide a rich variety of classes, workshops, events and gardening skills, from botanical art to indigo dyeing, from walks to talks, gardening groups and plant sales. Members of the Friends are able to come together on these occasions, but success relies on the many hours of voluntary work put in by those members involved in producing each event. We also greatly value the work of our members who volunteer their time in the Friends' Office throughout the year. We thank you all for your time and commitment.

The commitment of one particular member over many years to the Melbourne Gardens, and to the Friends, was recognised in the Australia Day Honours List with Jenny Happell being awarded an OAM for her work with the Garden's Camellia collection. Special thanks for years of voluntary service go to Janet Moritz and Lee Tregloan, who have both recently retired from long-held positions.

With sadness though, we record the deaths of two long-time members in recent months, Golda Isaac and Diana Plant, both of whom devoted much time and energy to the Friends. Golda was a founding member who delighted everyone with her enthusiasm and was instrumental in establishing the direction of the Friends from the outset.

A first-time event held last October was the inaugural Botanic & Rare Plant Fair, where the Melbourne Friends combined with RBGV and the Diggers Club to stage a showcase of rare plants for sale. This included the plants propagated by the Growing Friends for their Spring Plant Sale, which was a major feature of the weekend. The Growing Friends had an excellent result but the weekend generally was not helped by a burst of atrocious weather. The event is to be staged again this spring, so an even better result for the Growing Friends will be hoped for.

Our financial support towards the RBGV continues via our Trust Fund and we look forward to the completion of the refurbishment of the Visitor Centre, towards which we have provided a donation of \$70,000. Support for the aims and objectives of the Royal Botanic Gardens Victoria, Melbourne Gardens, remains the driving force behind the Friends of the Royal Botanic Gardens, Melbourne Inc., and we look forward to sharing more exciting projects together.

The Council of the Friends

Six Council meetings were held during the year on alternate months commencing August 2016. Regular reports presented to Council included reports from the Director and Chief Executive of the Royal Botanic Gardens Victoria covering key developments in the Melbourne and Cranbourne Gardens, and reports from the Executive and Finance Committee and Operations Committee.

At the Annual General Meeting held on 21 November 2016, Mary Ward was elected President. Lynsey Poore and Cathy Trinca were elected Vice-Presidents, Mark Anderson re-elected Treasurer and Jan Rosenberg, Richard Smith and Robert Wright ordinary members of Council.

Council members form the committee of management of the Friends, which is charged with controlling and managing the Friends' business and affairs. The powers of Council are defined by the Rules and the Act. These give Council the authority to exercise all the powers and functions of the Friends, except those reserved for general meetings.

Executive and Finance Committee

The Committee, comprising the Council's office bearers, is usually convened in the period leading up to Council meetings. The primary role of the Committee is to examine and consider the financial and business affairs of the Friends and report to Council as appropriate.

Administration

The past year has been a busy one for the Friends' office staff and volunteers. The office employs three staff members, all on a part-time basis, who manage various roles.

We are very grateful for the untiring support of the volunteers who come to assist every week. They have filled the role of receptionist as well as carrying out general office and banking procedures. With their help, the office provides a wonderful team environment. Our thanks must go to all those who contribute to the success of the tasks undertaken in the office.

Appointment of Auditors

The firm of DFK Kidsons was appointed for the 2016/17 financial year to audit both the Friends of the Royal Botanic Gardens, Melbourne Incorporated and Friends of the Royal Botanic Gardens, Melbourne Trust Fund.

The reports are included in this Annual Report.

Financial Results

The financial position for the financial year ending 30 June 2017 was an operating surplus of \$51,380 which is \$21,695 ahead of budget. The revenue was \$487,632 which \$20,727 ahead of budget. Expenditure was \$436,252 which is marginally better than budget.

There are no major concerns with the financial performance of the individual activities.

There were a number of non-budgeted activities undertaken in the second half of the financial year, e.g. the History of the Friends project and improvements to the Whirling Room Studio.

The total assets of the Friends as at 30 June 2017 were \$502,817, an increase of \$54,007 over the 2016 value of \$448,810. This increase is mostly represented by an increase in cash held. Cash and term deposits totalled \$471,642. Liabilities were stable at \$156,847, resulting in net assets of \$345,970.

Expenditure on capital items was \$10,963 which purchased a heating and cooling system for the Plant Craft Cottage, as planned and agreed in the previous year.

At the conclusion of the 2016/17 financial year, the Friends are in a sustainable financial position. The objective for 2018 is to maintain revenue and manage costs in order to achieve a conservative (\$20,000) surplus on an ongoing basis.

Grants to the Gardens

Grants totalling \$59,212 were allocated to the Royal Botanic Gardens Victoria, Melbourne Gardens in the past financial year. This amount comprises grants paid by both the Friends and the Trust Fund. The grants have contributed to the Visitor Centre refurbishment, scholarships, the purchase of artworks from the Art of Botanical Illustration 2016, the Helen McLellan Research Grant and general purpose, including maintenance.

The following table shows the grants made in 2016/17 from the Friends' Operating Funds and the Trust Fund.

	<u>Friends' Operating Funds</u>	<u>Trust Fund</u>	<u>Total</u>
Visitor Centre Refurbishment 2 of 2		\$7,207.00	
Scholarship: Philip Bowyer-Smyth		\$3,566.00	
To purchase Artworks from <i>Art of Botanical Illustration</i> Exhibition 2016		\$5,000.00	
General Purpose Grant		\$6,000.00	
Bathroom refurbishment		\$10,000.00	
Gutter cleaning	\$1,063.64		
Scholarship: Niels Klazenga		\$6,434.00	
Helen McLellan Research Grant - awarded to Megan Hirst		\$19,942.00	
Totals	\$1,063.64	\$58,149.00	\$59,212.64

The total value of Grants from the Friends to the Gardens since 1985 exceeds \$2,519,000.

Grants Committee

The Grants Committee works to coordinate the funding of the Friends to the Gardens across all sources. The Committee comprises the President, Vice-Presidents, Secretary and Treasurer, and the four Trustees of the Trust Fund.

The Committee meets throughout the year to evaluate the applications and to determine the source of funding of the grants. Significant grant proposals are discussed with the Director and Chief Executives of the RBGV prior to a decision being made.

Friends of the Royal Botanic Gardens, Melbourne Trust Fund

The annual report and audited financial statements for the Trust Fund are on pages 12 to 24 of this document. The Chairman of Trustees, an ex-officio member of Council, regularly reports to Council on the Trust Fund performance and other related issues.

Friends' Scholarship Scheme

From 2007/08, the Trust has funded scholarships for RBGV staff members to enable them to further their professional development. To date, \$108,090 has been awarded to successful applicants.

Friends' Helen McLellan Research Grant

A grant of \$19,942 was made available from funds in 2016/17 to facilitate ongoing research. This brings the total of grants funded under this scheme to \$112,732.

Operations Committee

The Operations Committee has met bi-monthly on alternate months to the Council. It has been decided that from 2018, the committee will meet four times a year.

The committee membership includes the conveners of all the Friends' committees, the Vice-President, Secretary and Treasurer, the Editor of *Botanic News*, the Director Melbourne Gardens and a representative of the RBGV Public Programs Volunteers.

The Operations Committee provides a forum in which the conveners report and discuss their programs, activities and events. It also provides time for discussion of new ideas, and to that end a 'think tank' was held in May under the direction of a facilitator. It was a valuable exercise as new ideas that engage both long-serving and new members were put forward. Some of these ideas have been implemented. Thanks must go to all the conveners for their continuing dedication to their groups and in trying to recruit new members and to have meaningful activities and events for all members of the Friends.

Botanical Illustrators



In October 2016, the Friends' major biennial art exhibition 'The Art of Botanical Illustration' was held in Domain House. Organised by the Botanical Illustrators Group, this was the most successful exhibition in terms of percentage of paintings sold since 2006. Seventy-five framed paintings and a further 125 unframed works were sold. It is only through the efforts of the Friends' volunteers and office staff that such an important exhibition is possible.

The exhibition was opened by Anthony Howard QC, standing in for the Governor who was unwell. Once again, Celia Rosser was on hand to award the medals named in her honour to Dianne Emery, Paul Rovis and Marta Salamon. Honourable Mentions went to Vicki Philipson, Sandra Sanger, Jennifer Taranto and Merle McIntyre. Works by Dianne

Emery, Terry Napier and Jennifer Taranto were selected for the State Botanical Collection, and Jennifer Taranto's exquisite painting of an eggplant won the People's Choice Award.

The exhibition reached a wider audience with the theme of 'A New Direction'. Whilst traditional botanical illustration will still be the bedrock of future exhibitions, there was certainly interest in the more unconventional works.

Jo Brownell has stepped down as Convener of the Friends' Botanical Illustrators after being involved with the exhibition (and on the Committee) since its inception in 1992. The new Convener is Andrew Carr who curated the Friends' natural history exhibition in 2015.

Botanical Art Classes:

The Friends continue to hold classes in botanical illustration in the Whirling Room Studio seven days a week. The teaching year is divided into four eight-week terms, with seven classes held on weekdays, one in the evening and two at the weekend. Our three tutors, Dianne Emery, Mali Moir and Helen Burrows, all have a devoted following due to their fine teaching and excellent rapport with their students.

Workshops:

Students new to botanical illustration are always encouraged to start with a four-day Beginners' Workshop. These are held regularly during term breaks and are usually fully booked. Beginners' Workshops are taught by the Friends' three tutors. Many of their students go on to enrol for term classes.

A series of workshops on subjects of special interest are also taught during term breaks. Visiting tutors are often engaged to teach these workshops. The following were conducted during the year:

2016	July	'Ongoing Beginners' Workshop—The Next Step' with Dianne Emery
	Sept.	'Cyanotype Workshop' with Christine Johnson
	Sept.	'A Journey through Pen and Ink' with Pauline Dewar
2017	Jan.	'Translucence, Highlights and Bloom' with Dianne Emery
	Jan.	'Perception, Visual Thinking, Design and Composition: A Process of Perceiving' with Helen Burrows
	April	'Glorifying the Mundane: Grasses as a Botanical Artwork' with Kate Nolan

Events

The 2016-2017 year saw many sold-out events which is a demonstration that the Events Committee is providing activities that our members enjoy and find stimulating.

A second-hand gardening book sale was a great success, netting \$2,200. Our thanks go to all who contributed books and for the tireless efforts of the committee and Friends who pitched in to sort, price and sell the books.

Much interest is being expressed in the trip to Singapore planned for 2018. Our tour already has 20 confirmed bookings



Our Insider Walks continue to gain momentum with one of the most memorable being the Chocolate and Spice walk, which started with hot spicy chocolate in Mueller Hall before the group was taken on a fascinating adventure into the spicy curiosities of the Gardens.

A review of the year would not be complete without mention of our day trips. On Valentine's Day, Friends and guests who travelled by bus to Coriyule on the Bellarine Peninsula were treated to a house and garden tour and talk by the owners, followed

by a picnic lunch in the garden. The surprise stop on the return journey was the astonishing Roraima Nursery at Lara, which delighted everyone. It is a 'must do' for gardeners with an interest in arid landscape plants.

The day of our autumn self-drive to the Dandenongs was wet and cold with a chill wind that subdued even the hardest traveller. Hot scones and coffee started us off, followed by guided visits to several different gardens and a sit-down lunch at the Ferny Creek Horticultural Society made sure our day was utterly memorable.

One of our most fascinating illustrated talks of the year was about Coombe – The Melba Estate. A beautifully illustrated and presented story filled with unknown facts and anecdotes.

Our annual Christmas cocktail party was held once again at Gardens House and was a very enjoyable and convivial evening in a beautiful and peaceful setting.

The Ramble to the Blue Lotus Garden in Warburton was a surprise for all who attended with the sheer beauty and size of these magnificent flowers.



Growing Friends

As always, the plant sales to the public in Autumn and Spring were the focus of the Growing Friends efforts throughout the year. This was especially so this year as both events were departures from the traditional format. The Spring Sale was held in conjunction with the Botanic & Rare Plant Fair, which was organised jointly by Royal Botanic Gardens Victoria, Melbourne Gardens, Diggers Club and the Melbourne Friends of Royal Botanic Gardens Victoria and took place on the Observatory Lawn. The numerous willing staff and volunteers ensured that the event was well prepared and planned except that there was of course no control of the weather, which was atrocious. On Saturday there were continual heavy rain showers and a cold wind and Sunday was not much better, but still a steady stream of hardy gardeners attended each day. In the long run, despite the weather, the event proved very successful not only for the Growing Friends, who achieved an all-time record income, but also for most of the 20 or so other stall holders/exhibitors. The Autumn Sale was in the usual location, on the Acmena Lawn. However



the revised layout of the lawn and the garden beds around it allowed the Growing Friends to rearrange the plant sale area to create more open space. This continued and heightened the "fair like" effect of the previous sales.

Attendance and income from the Nursery Sale Days, on the first Friday of each month, have continued to increase, possibly due to the fact that they have become established events. As with previous years the individual results have varied dramatically due largely to

the weather conditions of the day.

The membership of the group has remained steady at 35 throughout the year.

Helping Hands



The team of volunteer gardeners continued to maintain E Gate and Eastern Lodges with support from RBGV coordinators.

Geoffrey Kneebone, who led the group since late 2014, retired during the year and is greatly missed. Renowned for his encyclopaedic knowledge of gardening and his dry humour, Geoffrey also looked after the garden at Gate Lodge for more than fifteen years.

Information Technology and Equipment

A review of Information systems, in particular the current system iMIS, was carried out by Mali Wilson. In summary it was recommended that:

1. An ICT (Information and Communication Technology) specialist is needed to provide technical support on an on-going basis.
2. The Internet speed provided by the current Telstra ADSL is not sufficient to support what is intended to be an on-line application. The only potential solution to this issue is transferring to a 4G mobile Internet connection from Telstra.
3. It is recommended that the Friends' Council spend some time viewing other application alternatives available to provide an on-line solution together with a computerised solution to the existing business processes. Several such systems are available, but it should be noted that none of these applications will be precisely what is needed to manage the Friends' offerings, and it will be a matter of identifying those with the least issues. In carrying out this review it may be found that the issues found in the current iMIS solution are indeed the least problematic.

While deciding on these recommendations, it was suggested that more work can be done identifying how iMIS might be better used in its current form.

Council endorsed the above recommendations aimed at improving productivity.

Membership and Marketing

Member numbers have remained fairly steady over the last year with new membership applications maintaining overall numbers. We have introduced a range of unique opportunities for new members to become engaged with the Melbourne Gardens and increase their interest and sense of belonging, including free behind the scenes tours.

In addition to the many and varied benefits which members can access within the Gardens, we very much appreciate those organisations and businesses who so generously continue to provide members with discounts and services. More details of these benefits and opportunities are shown on the Friends' website.

We wish to thank Lee Tregloan for her service as Convener of the committee and editor of *eNews*. Lee has retired from these roles, and we shall miss her enthusiastic support.

More than 1500 household members receive *eNews*. Content includes membership updates and benefits, reminders of upcoming events, news items and topics of special interest.

The committee maintains the Friends' website, keeping it up to date and topical. Publicity for Friends' events is provided to the general and online media, and the Friends maintain a Facebook page with almost 1900 likes and followers.

With the retirement of Lee Tregloan as Convener of the committee and editor of *eNews*, we have welcomed Ingrid Casson to the role of editor of *eNews*.

Photo Group

The new Photo Group was established in December 2016 and attracted 35 members. A survey was created to discover areas of interest and when people could attend. A meeting was held in April when the results of the survey were discussed and from this the 2017 program was developed.

The first photographic activity was the 'Camellia Walk' held on 21 June. This was most successful with 15 members attending and the results may be viewed on the Photo Group's FRBGM Flickr page

The Photo Group FRBGM Flickr page was established in January 2017 and has 16 members with some 640 photographs of the gardens.

The 2017 activity program will alternate between a meeting in Mueller Hall and a photo walk through the Gardens. The walks will start from the Rose Pavilion near Gardens House.

Plant Craft Cottage



In the 35 years of its life as a craft centre, Plant Craft Cottage has achieved an international reputation for its innovative use of plants. Some of the original members who have been loyal to their craft groups for many years now find it increasingly difficult to visit the Gardens, or spend a day doing roster duty. Several groups have closed and it has been necessary to reduce the opening hours. A concerted effort is being made to attract new volunteers to overcome these issues.

In spite of retirements, the regular scheduled program of events throughout the year has been maintained. A two-day shibori workshop was held by the Natural Dye group in February; a Basketry workshop in May

and School Holiday workshops in April, July and October were well attended.

Record numbers attended the Melbourne Open House weekend when the heritage listed cottage was once again part of this event.

Several guided walks have finished with morning tea at PCC and a New Members Welcome was held in the courtyard on a sunny autumn day in May.

Plans are in hand to encourage Friends to make wider use of the cottage – to visit, browse, enjoy the garden, or participate in a workshop.



Publications and Editorial Advisory Committee

Our quarterly magazine, *Botanic News*, is the only form of regular communication which can reach all members of the Friends, as a significant proportion have not yet advised us of an email address.

During the year both the computer hardware and software were upgraded. This made the job of the editor of *Botanic News*, Meg Miller, less stressful by enabling her to work either at Gate Lodge or at home. It also ensured that the system was compatible with other programs.

The year also saw the number of pages in each issue of *Botanic News* increased from 20 to 24 with no significant increase in cost for printing or mailing. As quite a proportion of the magazine is taken up with information about future events, the increase enabled more substantial articles to be published as well. We are grateful for all the authors from both within and outside the Gardens for the wide range of topics covered.

Meg Miller is also responsible for the production of the annual calendar, the Christmas card and all the other cards sold by the Friends, using images painted by our members. We are very appreciative of the enormous amount of time and expertise Meg puts into all these tasks.

Volunteers

This year we were called upon to find volunteers to help staff Jeannie Baker's *Circle* exhibition, which ran for three months in Domain House. In conjunction with the RBGV Volunteer Coordinator, Jane Griffin, enough people were recruited to cover the 430 hours of the exhibition's duration. Many volunteers found out about this through our advertisements placed with Glen Eira and Boroondara volunteer organisations. We are using these organisations for other volunteering vacancies that are unusually difficult to fill. *eNews* is also an excellent vehicle for letting Friends know about opportunities.

Our volunteering handbook states that 'while volunteering provides substantial benefits to society, importantly it also provides significant benefits to the volunteers themselves. We believe that the personal benefits of volunteering need to be recognised and fostered.' We have many and varied volunteering opportunities and do encourage our members to become more involved by volunteering.

Volunteers are highly valued by the Friends. The contribution of all those who have helped us during the past year is acknowledged with much gratitude.

We congratulate the following volunteers who received their Volunteer Service Awards in 2016:

10 years	Rosemarie Cerny (Plant Craft Cottage) Jennifer Le Plastrier (Events Committee) Keiko Yurisich (Plant Craft Cottage)
20 years	Janet Thomson (Council – President 2006 – 2010, Future Directions Sub-Committee, Volunteers – previous Convener, Editorial Advisory – previous Convener, Trustee, FRBGM Trust Fund)
25 years	Jean Walker (Plant Craft Cottage – previous Convener)
35 years	Glenys Clissold (Plant Craft Cottage) Nessie Henshaw (Plant Craft Cottage) Mary Jost (Plant Craft Cottage) Vida Videon (Plant Craft Cottage) Lyn Zeevaarder (Plant Craft Cottage)

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED

Opinion

We have audited the financial report of the Friends of the Royal Botanic Gardens, Melbourne Inc., which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by Council members.

In our opinion, the accompanying financial report of Friends of the Royal Botanic Gardens, Melbourne Inc. is in accordance with the *Associations Incorporation Reform Act (Vic) 2012*, including:

- (a) giving a true and fair view of the financial position of the Association as at 30 June 2017, and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council members are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Council Members

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Council members are responsible for overseeing the Association's financial reporting process.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED (CONT'D)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DFK Kidsons Partnership
Chartered Accountants



M L Port
Partner

12 October 2017
Melbourne

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

DECLARATION BY COUNCIL

In the opinion of the Council:

1. the attached financial statements and notes thereto comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
2. the financial statements and notes thereto give a true and fair view of the financial position of the Friends of the Royal Botanic Gardens, Melbourne Inc. as at 30 June 2017 and its performance for the year ended on that date; and
3. at the date of this statement, there are reasonable grounds to believe the Friends of the Royal Botanic Gardens, Melbourne Inc. 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 Council, and is signed for and on behalf of the Council by:



Adnan Mansour
Secretary

Dated this 12th day of October 2017.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Income			
Membership subscriptions		102,078	95,599
Botanical art classes and workshops		173,250	181,907
Growing friends		73,986	62,279
Sale of merchandise		18,186	21,580
Functions and excursions		27,358	22,764
Exhibition revenue		61,213	18,387
Plant craft cottage		12,670	10,622
Interest income		12,225	10,564
Botanic news production		4,063	5,215
Other revenue		2,603	4,302
		<u>487,632</u>	<u>433,219</u>
Expenditure			
Employment expenses		143,184	142,545
Botanical art classes & workshops		123,051	113,536
Growing friends		16,601	22,804
Cost of merchandise		7,992	12,471
Membership expenses		10,089	13,813
Functions and excursions expense		17,951	12,928
Botanic news production		22,261	20,991
Exhibition expenses		25,491	7,542
Garden Festival		-	921
Printing, stationery and postage		6,615	9,848
Communications		4,040	3,436
Computer software and consulting		9,575	16,532
Audit & accounting fees		6,300	6,250
Bank charges		529	236
Depreciation	6(a)	4,654	4,022
Repairs and maintenance		3,720	1,333
Insurance		1,331	1,606
Plant craft cottage activities		7,958	7,182
Plant craft cottage activities-depreciation	6(a)	2,448	2,447
History of friends project		12,500	-
Other expenses		9,962	10,477
		<u>436,252</u>	<u>410,920</u>
Profit before income tax		51,380	22,299
Income tax expense	1(a)	-	-
Comprehensive Profit		<u>51,380</u>	<u>22,299</u>

The accompanying notes form part of these financial statements.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**BALANCE SHEET
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash assets	4	126,642	98,219
Term deposits		345,000	325,000
Receivables	5	4,585	3,261
Prepayments		8,495	8,096
TOTAL CURRENT ASSETS		484,722	434,576
NON-CURRENT ASSETS			
Property, plant and equipment	6	18,095	14,234
TOTAL NON-CURRENT ASSETS		18,095	14,234
TOTAL ASSETS		502,817	448,810
CURRENT LIABILITIES			
Payables	7	112,716	115,143
Provisions	8	44,131	39,077
TOTAL CURRENT LIABILITIES		156,847	154,220
TOTAL LIABILITIES		156,847	154,220
NET ASSETS		345,970	294,590
MEMBERS' FUNDS			
Accumulated funds		345,970	294,590
MEMBERS' FUNDS		345,970	294,590

The accompanying notes form part of these financial statements.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		521,491	419,335
Payments to suppliers and employees		(474,331)	(396,084)
Interest received		12,225	10,564
Net cash provided by operating activities	9(a)	59,385	33,815
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		(10,962)	(7,109)
Transfer to term deposits		(20,000)	-
Net Cash used in investing activities		(30,962)	(7,109)
Net increase in cash held		28,423	26,706
Cash at the beginning of the financial year		98,219	71,513
Cash at the end of the financial year	4	126,642	98,219

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Funds \$	Members' Funds \$
Balance as at 1 July 2015	272,291	272,291
Comprehensive income/(loss) for the year	22,299	22,299
Balance as at 30 June 2016	294,590	294,590
Comprehensive income/(loss) for the year	51,380	51,380
Balance as at 30 June 2017	345,970	345,970

The accompanying notes form part of these financial statements.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act (Vic) 2012.

The Friends of the Royal Botanic Gardens Melbourne Inc (the Friends) is a Not for Profit Association and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting standards. The Association has adopted Accounting Standard AASB 1053 "Application of Tiers of Australian Accounting Standards". Under this Accounting Standard, the Association is classified as a Tier 2 entity and required to apply the recognition and measurement requirements of all Accounting Standards but substantially reduced disclosure requirements. The disclosure requirements of Accounting Standard AASB 7 on financial instruments are not disclosed in the financial report.

The Council has determined that the accounting policies adopted are appropriate to meet the needs of the members. These financial statements do not conform with International Financial Reporting Standards.

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

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

(a) Income tax

The Friends is a non-profit association exempt from income tax under Section 50-10 of the Income Tax Assessment Act 1997.

(b) Property, plant and equipment

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

The depreciable amount of all fixed assets is depreciated over the useful life of the asset to the Friends commencing from the time the asset is held ready for use.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee entitlements

Provision is made for the Friends' liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave that will be settled after one year have been measured at the nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Friends to an employee superannuation fund and are charged as an expense when incurred. The Friends have no legal obligation to provide benefits to employees on retirement.

(d) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the service to customers and members.

Membership revenue is recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Other revenue is brought to account as income on an accrual basis.

(e) Unearned revenue

Membership revenue received before balance date in relation to subsequent financial years is brought to account as a liability.

(f) Cash

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

(g) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(h) 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 Balance Sheet are shown inclusive of GST.

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
NOTE 2: PROFIT BEFORE INCOME TAX		
Profit before income tax has been determined after:		
iMIS implementation costs incurred:		
- Computer software and consulting	5,105	13,519
	<u>5,105</u>	<u>13,519</u>
Remuneration of auditor		
- audit of the financial report	6,300	6,100
	<u>6,300</u>	<u>6,100</u>

NOTE 3: KEY MANAGEMENT PERSONNEL

The amount received or due and receivable by Council Members is \$nil (2016: \$nil).
Aggregate compensation paid or payable to key management personnel (other than Council Members):

Short-term employment benefits	125,685	125,088
Post-employment benefits	11,940	11,751
	<u>137,625</u>	<u>136,839</u>

The names of all the Council Members who have held office during all or part of the year are:

Adnan Mansour	Peter Kelly (ex officio)
Andrew Brookes	Dr Richard Kirsner
Catherine Trinca	Richard Smith
Jan Rosenberg	Robert Wright
Lynsey Poore	
Margaret Miller	Sally Hirst
Mark Anderson	Prof. Tim Entwisle (ex officio)
Mary Ward	

NOTE 4: CASH ASSETS

Cash on hand	330	330
Cash at bank	126,312	97,889
	<u>126,642</u>	<u>98,219</u>

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 5: RECEIVABLES		
Accrued income	3,707	2,080
Sundry debtors	878	1,181
	<u>4,585</u>	<u>3,261</u>

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment at cost	47,148	40,141
Less: Accumulated depreciation	<u>(29,053)</u>	<u>(25,907)</u>
	<u>18,095</u>	<u>14,234</u>

(a) Movements in carrying amounts

Movements in the carrying amounts of plant and equipment between the beginning and the end of the financial year are detailed below:

Balance at beginning of year	14,234	13,594
Additions	10,963	7,109
Depreciation expense	<u>(7,102)</u>	<u>(6,469)</u>
Carrying amount at the end of the year	<u>18,095</u>	<u>14,234</u>

NOTE 7: PAYABLES

CURRENT

Subscriptions received in advance	28,608	39,290
Functions & events paid in advance	3,550	4,310
Botanical art classes paid in advance	32,355	33,082
Botanical workshops paid in advance	6,856	8,664
Sundry creditors and accruals	41,167	29,697
PCC Workshops paid in advance	180	100
	<u>112,716</u>	<u>115,143</u>

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 8: PROVISIONS		
CURRENT		
Provision for employee annual leave	17,135	15,621
Provision for long service leave	26,996	23,456
	<hr/>	<hr/>
Total provision for employee entitlements	44,131	39,077
	<hr/>	<hr/>

NOTE 9: CASH FLOW INFORMATION

(a) Reconciliation of result after income tax to net cash from operating activities:

Profit/(loss) after income tax for the year	51,380	22,299
Adjustments for:		
Depreciation	7,102	6,469
Change in operating assets and liabilities:		
Decrease/(increase) in prepayments and receivables	(1,723)	(3,320)
Increase/(decrease) in sundry creditors and accruals	11,470	2,183
Increase/(decrease) in other payables	(13,897)	1,499
Increase/(decrease) in provisions	5,053	4,685
	<hr/>	<hr/>
Net cash from operating activities	59,385	33,815
	<hr/>	<hr/>

(b) The Friends have no credit stand-by or financing facilities in place.

(c) There were no non-cash financing or investing activities during the period.

NOTE 10: ASSOCIATION DETAILS

The Friends is incorporated under the Associations Incorporation Reform Act (Vic) 2012 and is domiciled in Australia. The registered office and principal place of business is:

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INC.
Gate Lodge, 100 Birdwood Avenue
MELBOURNE VIC 3004

Schedule 1

Regulation 15

Form 1

Associations Incorporation Reform Act 2012

Sections 94(2)(b), 97(2)(b) and 100(2)(b)

page

Annual statements give true and fair view of financial performance and position of incorporated association

We, Adnan Mansour and Mark Anderson, being members of the Finance and Executive Committee of the Council of the Friends of the Royal Botanic Gardens, Melbourne Inc., certify that—

The statements attached to this certificate give a true and fair view of the financial performance and position of the Friends of the Royal Botanic Gardens, Melbourne Inc. during and at the end of the financial year of the Association ending on 30 June 2017.

Signed:



Dated: 12 October 2017

Signed:



Dated: 12 October 2017

FRIENDS OF THE ROYAL BOTANIC GARDENS MELBOURNE TRUST FUND

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Introduction

The Friends of the Royal Botanic Gardens Melbourne Trust Fund (the Fund) is an endorsed tax concession charity and deductible gift recipient body under taxation legislation. It was established in 1986 to conserve, protect and foster the development of the Royal Botanic Gardens Melbourne and the National Herbarium of Victoria (RBG).

Originally, the Fund sought to encourage tax-deductible donations; and until 2008, save for a couple of small size bequests, the Fund's income was mostly generated by ad hoc donations. In 2008, however, following receipt of the late Helen McLellan bequest of some \$2.5 million, the Trustees, after consultation with the major stakeholders, decided to create a "corpus" from that bequest, which prudently invested, would become a continuing source of distributable funds to support RBG.

Grants to RBG from the Fund since 2009 have totalled nearly \$980,000, and they are expected to reach \$140,000 in 2017/18. In recent years, the Fund has been the major source of grants to RBG, and is expected to continue in this role.

The Fund's financial objectives are to maintain the value of the corpus in real terms while generating a level of income consistent with the legally mandated minimum annual distributions to RBG.

Government Regulation

The Fund is subject to the legislated guidelines for public ancillary funds that came into force on 1 January 2012. Government oversight of the Fund's activities is undertaken through the Australian Taxation Office and the Australian Charities and Not for Profit Commission to whom annual returns are submitted. The Fund complies with all regulatory requirements, which, among other things, require it to distribute 4% of the value of its Opening Net Assets to RBG each year.

Stakeholder co-ordination framework

As one of the stakeholders in the financial support of RBG, the Fund is part of a framework designed to ensure effective co-ordination between stakeholders. That framework is comprised of the Friends' Council, the Trustees of the Trust Fund and the RBG; all are legally independent, but their joint endeavours are closely and continuingly co-ordinated to achieve optimal benefit for the Gardens.

The Director/CEO of the RBG and the Chairman of Trustees are both ex-officio members of the Friends' Council and attend meetings of Council. In addition, the Grants Committee, which is comprised of the President, Vice President, Secretary and Treasurer of the Friends and of the four Trustees of the Trust Fund, meet, as required, to align grant making policies, which also benefit from scheduled face to face meetings with the Director of the RBG.

Investment Strategy

A steady, sustainable annual income flow to fund grants to the RBG is a primary requirement. Accordingly, the Fund's investment policy aims for as high a level of distributable sums as is prudently achievable consistent with maintaining, in the longer term, the real value and capacity of the corpus.

Strategically, the Fund is targeting a return from income and capital, but before annual drawings and costs, of 4% above the Consumer Price Index (CPI) over a market cycle. The guidelines for asset allocation are broadly, 30% for Cash and fixed interest assets, and 70% for equities, both Australian and International.

Prudent diversification across asset classes and securities is employed to mitigate negative outcomes; and investments are selected with a view to avoiding a negative return after costs more than once in any five-year period. However, market conditions vary from year to year, and deviations from the strategic targets may occur from time to time.

Wealth Management Advice and related activities

Since 2009, the Trustees have been assisted by UBS, and more recently, by Crestone Wealth Management, and particularly by Mr Tim James, who has been the same Client Advisor over the entire period, including the transition from UBS to Crestone. The Trustees wish to record their appreciation of Mr James' support and thoughtful management of the portfolio.

The transition to Crestone occurred when UBS withdrew from the field in 2016, following, in effect, a management buy-out.

In 2017, the Trustees undertook a review of the wealth management advice function. They called for expressions of interest to service the needs of the Fund from reputable wealth management advisors as well as Crestone. The offers, including the relative performance of all involved were carefully considered. In the end, however, the Trustees did not find any compelling reasons to change advisors.

Financial statements

Audited detailed financial statements are at pages 30 to 37 of this report.

Total Revenue in 2016/17 totalled \$316,875 compared to \$181,107 the previous year. This was a rise of \$135,768 or about 75%. This was largely due both to a bequest of \$57,500 from the late Professor Robyn Sharwood – a long time chair of the Fund, and a turn around in Realised Profit on investments of nearly \$88,000 (from a loss in 2015/16 to a profit in 2016/17). Except for a reduction of some \$6,000 in Interest received, the other components were largely unchanged from the previous year.

Total expenditure in 2016/17 totalled \$56,986 – about \$8,000 higher than the year before, and was due mainly to a corresponding rise in management fees. That rise in management fees reflects the increase in the portfolio between the years.

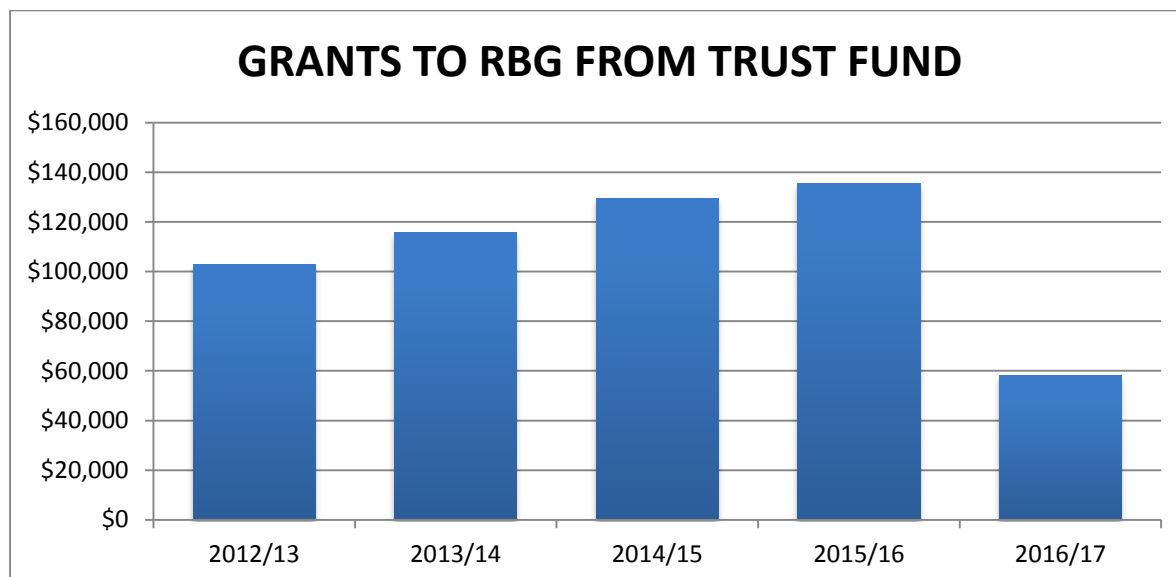
Grants paid to RBG for the 2016/17 years totalled \$58,149 compared to \$135,700 in the previous year. The decline in grants paid resulted from delays in getting the Fern Gully Rest House Restoration project ready to be undertaken on time.

The Comprehensive income of the Fund for the 2016/17 year rose strongly from a loss of \$118,103 in the previous year to a positive \$401,780 in the current year. This strong turnaround reflects, in addition to the rise in revenue mentioned earlier, a strong Unrealised Increase in investments as well as a reduction in grants made to the RBG.

At 30 June 2017, the value of the Fund's net assets was \$3,675,220 compared to \$3,272,440 at the same time, in the previous financial year.

Grants to RBG

The chart below shows the grants made to RBG in each of the five years from 2012/13 to 2016/17.



Total grants to RBG paid from the Trust Fund over the five years have totalled \$541,675.

Performance of the Fund

Some indicators of the Fund's performance for the five financial years, 2012/13 to 2016/17 are shown in the following table:

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Net Income	3.09%	3.03%	3.16%	3.44%	3.53%
Imputation Credits	1.22%	0.88%	0.91%	0.95%	0.97%
Gross Income	4.31%	3.91%	4.07%	4.39%	4.50%
Capital Growth	11.10%	11.53%	4.72%	-5.04%	7.02%
Total Return	15.41%	15.44%	8.80%	-0.65%	11.52%
S&P/ASX200 Accumulation Index	22.75%	17.43%	5.68%	0.56%	14.09%
Portfolio value end FY	\$2.87m	\$3.21m	\$3.37m	\$3.32m	\$3.67m
Corpus in constant (inflation adjusted) terms, in \$ million (*)	\$2.95m	\$3.04m	\$ 3.09m	\$3.13m	\$3.24m

(*)The "real value" of the corpus is expressed at (constant) June 2008 prices. It was estimated using the CPI. The growth in the real value series reflects the slow growth in the CPI in recent years.

The S&P/ASX200 is used as a broad indicator only given that the Fund's assets include significant components in fixed interest securities and international equities.

As both a store of value and a source of income, the Fund has performed well given the growth in the value of the portfolio, the maintenance of the "real value of the corpus" and the trend in grants to RBG.

Trustees

Four Trustees are currently administering the Fund with Mr Peter Kelly as Chairman. The other three Trustees are Mr Maurice Castro, Secretary, Mr Peter Griffin and Mrs Janet Thomson.

Currently, the terms of appointment of Mr Kelly, Mr Griffin and Mr Castro are due to expire in the current year, while, Mrs Thomson's term expires next year.

The AGM is to vote on nominations received for service as Trustees, and the profile of the Trustees team will be determined then.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
ABN: 78 402 826 907

SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

**INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF
FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND**

Opinion

We have audited the special purpose financial report of Friends of the Royal Botanic Gardens, Melbourne Trust Fund, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by Trustees.

In our opinion, the accompanying financial report of Friends of the Royal Botanic Gardens, Melbourne Trust Fund, is in accordance with the accounting policies described in Note 1 to the financial statements, including:

- (c) gives a true and fair view of the financial position of the Trust Fund as at 30 June 2017, and of its financial performance and its cash flows for the year then ended; and
- (d) complying with Australian Accounting Standards to the extent as described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the requirements of the Trustees. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Trustees

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Fund's financial reporting process.

INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DFK Kidsons Partnership
Chartered Accountants



M L Port
Partner

02 October 2017
Melbourne

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

DECLARATION BY TRUSTEES

The Trustees have determined that the Friends of the Royal Botanic Gardens, Melbourne Trust Fund is not a reporting Fund as those to whom the Trustees are required to report pursuant to the Trust Deed can obtain information they require without examining general purpose financial reports. The Trustees have also determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Trustees:

1.the financial report set out on the following pages, presents a true and fair view of the financial position of the Friends of the Royal Botanic Gardens, Melbourne Trust Fund as at 30 June 2017 and its performance for the year ended on that date and;

2.at the date of this declaration, there are reasonable grounds to believe the Friends of the Royal Botanic Gardens, Melbourne Trust Fund 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 Trustees.



Peter Kelly
Chairman



Maurice Castro
Secretary

Dated this 2nd day of October 2017

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<u>Revenue</u>			
Distributions and Distributions		139,888	140,230
Franking Credits		27,143	27,143
Donations/Bequests		74,856	20,700
Realised Profit/(Loss) on Investments		60,250	(27,697)
Interest		14,738	20,731
		<u>316,875</u>	<u>181,107</u>
<u>Expenditure</u>			
Audit Fees		4,350	4,235
Accounting Fees		1,920	1,870
Depreciation		345	345
Management Fees		48,077	40,896
Other Administration Costs		1,713	1,169
Foreign Exchange Loss		353	-
Secretarial Services		228	367
Total Expenses		<u>56,986</u>	<u>48,882</u>
Profit before income tax and distributions to RBG		<u>259,889</u>	<u>132,225</u>
Income tax expense		-	-
Profit after income tax		<u>259,889</u>	<u>132,225</u>
Unrealised increase/(decrease) in investments		200,040	(114,628)
Less grants to the Royal Botanic Gardens Melbourne		(58,149)	(135,700)
COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		<u>401,780</u>	<u>(118,103)</u>

The accompanying notes form part of these financial statements.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**BALANCE SHEET
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	193,939	276,702
Receivables	3	27,133	36,489
Other Financial Assets	4	<u>3,497,057</u>	<u>3,040,907</u>
TOTAL CURRENT ASSETS		<u>3,718,129</u>	<u>3,354,098</u>
NON-CURRENT ASSETS			
Furniture & Fixtures	5	365	710
TOTAL NON-CURRENT ASSETS		<u>365</u>	<u>710</u>
TOTAL ASSETS		<u>3,718,494</u>	<u>3,354,808</u>
CURRENT LIABILITIES			
Creditors and accruals		43,274	81,368
TOTAL LIABILITIES		<u>43,274</u>	<u>81,368</u>
NET ASSETS		<u>3,675,220</u>	<u>3,273,440</u>
TRUST FUNDS			
Accumulated Reserves	6	<u>3,675,220</u>	<u>3,273,440</u>
TRUST FUNDS		<u><u>3,675,220</u></u>	<u><u>3,273,440</u></u>

The accompanying notes form part of these financial statements.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations/Bequests		84,212	11,804
Net cash provided by operating activities		<u>84,212</u>	<u>11,804</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer from Investment Portfolio		97,602	-
Dividends and Distributions Received		139,888	140,230
Interest Received		14,738	20,731
Franking Credits		27,143	27,143
Management Fees		(48,077)	(40,896)
Share Purchases		(1,568,990)	(968,962)
Consideration on Sale of Shares		1,275,175	855,525
Secretarial Services		(245)	(376)
Office Supplies		(1,138)	(1,169)
Accounts and Audit Fees		(6,105)	(5,940)
Grants to the Royal Botanic Gardens Melbourne		<u>(96,966)</u>	<u>(60,507)</u>
Net Cash provided by investing activities		<u>(166,975)</u>	<u>(34,221)</u>
Net increase/(decrease) in cash held		(82,763)	(22,417)
Cash at the beginning of the financial year		<u>276,702</u>	<u>299,119</u>
Cash at the end of the financial year	2	<u><u>193,939</u></u>	<u><u>276,702</u></u>

The accompanying notes form part of these financial statements.

**FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Trustees. The Trustees have determined that the Friends of the Royal Botanic Gardens Melbourne Trust Fund is not a reporting Fund.

The financial report has been prepared in accordance with the following Australian Standards:

AASB 101: Presentation of Financial Statements
AASB 107: Statement of Cash Flows
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110: Events after the Balance Sheet Date
AASB 112: Income Taxes
AASB 116: Property, Plant and Equipment
AASB 118: Revenue
AASB 1031: Materiality

No other applicable Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. These financial statements do not conform with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

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

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

(a) Income Tax

The Friends of the Royal Botanic Gardens Melbourne Trust Fund is a non-profit organisation and exempt from income tax under Section 50-10 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets is depreciated over the useful life of the asset to the Trust Fund commencing from the time the asset is held ready for use.

(c) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Other revenue is brought to account as income on an accrual basis.

(d) Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand, at bank and on deposit.

(e) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
NOTE 2: CASH ASSETS		
003011434 Cash	30,893	80,778
003007416 Cash	53,966	195,924
CBA cash	11,831	-
USD cash	97,249	-
	<u>193,939</u>	<u>276,702</u>
NOTE 3: RECEIVABLES		
Franking Credits Refundable	27,133	27,133
Sundry Debtors	-	9,356
	<u>27,133</u>	<u>36,489</u>
NOTE 4: FINANCIAL ASSETS		
Crestone 003011434 Portfolio		
- at Cost	1,575,422	1,502,875
Change in Market Value	51,398	(40,401)
	<u>1,626,820</u>	<u>1,462,474</u>
Crestone 003007416Portfolio		
- at Cost	1,647,003	1,463,440
Change in Market Value	223,234	114,993
	<u>1,870,237</u>	<u>1,578,433</u>
	<u>3,497,057</u>	<u>3,040,907</u>
NOTE 5: FURNITURES & FITTINGS		
Furniture and Fittings at Cost	3,450	3,450
Less Accumulated Depreciation	(3,085)	(2,740)
	<u>365</u>	<u>710</u>
NOTE 6: ACCUMULATED FUNDS		
Accumulated funds at the beginning of the financial year	3,273,440	3,391,543
Comprehensive (Loss)/Profit	401,780	(118,103)
Accumulated funds at the end of the financial year	<u>3,675,220</u>	<u>3,273,440</u>