

ANNUAL REPORT

FRIENDS OF THE ROYAL BOTANIC GARDENS MELBOURNE INC.

FOR YEAR ENDED 30 JUNE 2019



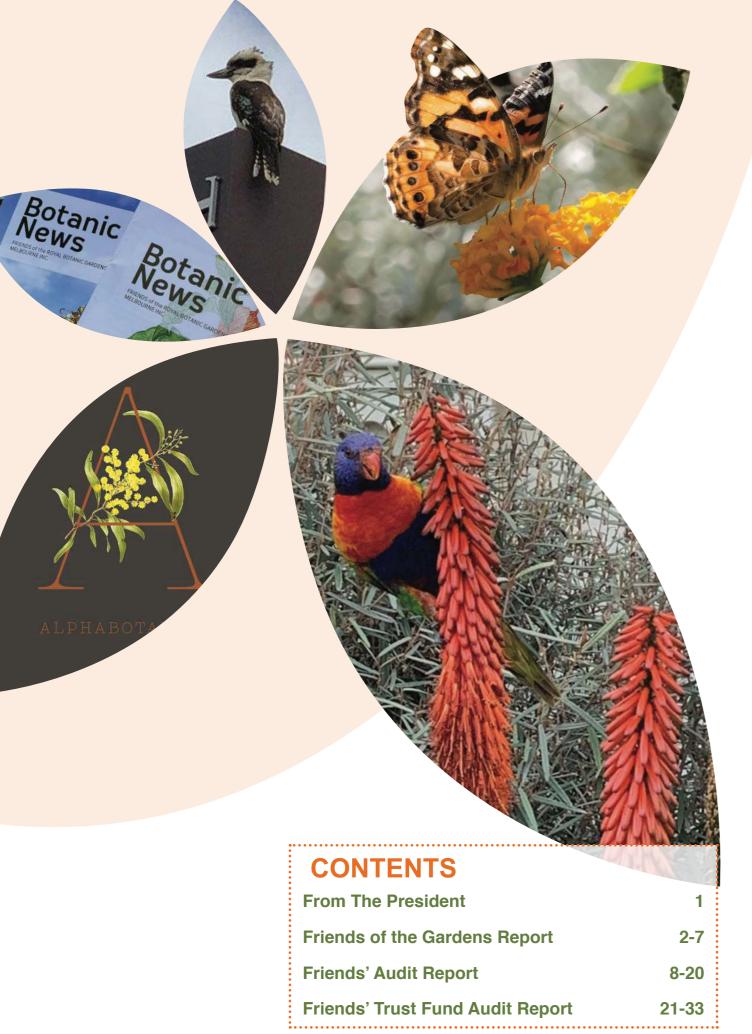


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NOTICE is hereby given that the thirty-third Annual General Meeting of the Friends of the Royal Botanic Gardens, Melbourne Incorporated (the 'Friends') will be held at 6pm Monday, 18 November 2019, in the Mueller Hall, National Herbarium of Victoria, Birdwood Avenue, South Yarra.

BUSINESS

- 1. To confirm the minutes of the thirty-second Annual General Meeting held on 19 November 2018.
- 2. To receive from the Council a report of the activities of the Friends for the year ended 30 June 2019.
- 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 Margaret (Meg) Miller

- 4. To receive and consider the financial statements of the Friends for the year ended 30 June 2019, which have been duly audited.
- 5. To elect a Trustee of the Friends of the Royal Botanic Gardens, Melbourne Incorporated Trust Fund. The following, being eligible, has been duly nominated for election as stated:

Mr Mark Calder

6. To receive and consider the report and financial statements of the Friends' Trust Fund for the year ended 30 June 2019, which have been duly audited.

By order of the Council

Adnan Mansour, Secretary

Dated: 10 October 2019

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

Guest speakers following the AGM: Professor Tim Entwisle, Director and Chief Executive of the Royal Botanic Gardens Victoria, and Chris Cole, Executive Director Melbourne Gardens, will present on the 'Nature and Science Precinct' which is a significant element of the Melbourne Gardens 20 year Master Plan.

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ANNUAL REPORT OF THE FRIENDS OF THE ROYAL BOTANIC GARDENS MELBOURNE INC. FOR THE YEAR ENDED 30 JUNE 2019

Patron The Honourable Linda Dessau AC, Governor of Victoria

Council

President	Mary Ward #
Vice-President	Lynsey Poore *
Vice-President	Catherine Trinca #
Secretary	Adnan Mansour *
Treasurer	Mark Anderson #
Members	Professor Tim Entwisle †

Peter Kelly †

Richard Kirsner *

Margaret (Meg) Miller *

Mali Wilson (resigned 26/5/2019)

Nicola Rollerson #

Sue Foran #

* Retires Annual General Meeting 2019 # Retires Annual General Meeting 2020

† Ex-Officio Member of Council

Trustees of the Friends' Trust Fund

Peter Kelly (Chairman), Peter Griffin AM, William Mackay Philip Jones, Janet Thomson OAM and Catherine Trinca

Friends' Staff

Marketing and Relationship Manager Jill Scown
Finance and Business Process Manager Karlene Taylor

Office Support and Technology Manager Georgina Ponce de Leon

Graphic Designer

Administration Support

Botanical Illustration Teachers

Andrea Gualteros

Victoria English

Dianne Emery

Mali Moir (contractor) and Helen Burrows (contractor)

Conveners of Committees at 30 June 2019

Botanic Illustrators Sue Foran
Editor, Botanic News Meg Miller

Events Catherine Trinca
Executive Adnan Mansour

Grants Mary Ward
Growing Friends Michael Hare
Helping Hands Sue Goodluck
Membership and Marketing Nicola Rollerson
Operations Lynsey Poore

Photo Group John Harrison

Plant Craft Cottage Phyl Knaggs & Christina Gebhardt

Volunteers Jennifer Ure



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FROM THE PRESIDENT

Last year we spoke of changes and consolidation. The 2018/2019 Financial Year has seen further consolidation of new and existing processes along with expansion by way of new initiatives. We are particularly indebted to our Marketing & Relationships Manager, Jill Scown who, with the assistance of everyone in our Gate Lodge office, has been instrumental in driving most of these new projects.

Some notable achievements this past year have included a concerted push to boost memberships, the refurbishment of the Plant Craft Cottage, the move to weekly plant sales at the Growing Friends Nursery and the consolidation of art classes and workshops in Domain House.

To help with growing the membership, and also retaining current members, our systems have been streamlined and incentives introduced to encourage prompt renewals. New members have been welcomed at the Plant Craft Cottage, where we can utilise different days and times to allow more scope for attendance. The Passionate Friends category is starting to grow and so too is the awareness of Gift Memberships.

The Growing Friends plant sales were initially expanded from the regular autumn and spring weekend sales to include the first Friday of the month and then from November 2018 they were increased to every Friday morning, except around major sale times. Both members and the public are able to take advantage of these opportunities to purchase plants, with Friends' members benefitting from their 10% discount. The Autumn and Spring sales continued to flourish, generating gross revenue in excess of \$60,000 across the weekends involved.

The annual art exhibition was opened in October 2018 by our Patron, the Governor of Victoria, Her Excellency the Hon. Linda Dessau, AC. The exhibition featured The Art of Botanical Illustration (TABI), and although overall income was slightly lower than usual at a little over \$40,000, the people attending were treated to a very high standard of botanic art. We were delighted that Celia Rosser was able to attend the opening night to present the Celia Rosser medals and other awards in person. During TABI, \$5,000 is donated by the Friends to purchase works for the State Botanical Collection.

Events are an important way of engaging with current members and encouraging new members to join. Once again the variety of walks, talks, excursions and workshops has provided something for everyone, from children's workshops in school holidays to talks that have taken us from Melbourne to the Mediterranean and beyond. A particularly popular talk was the one given in February by Prof. Rob Adams, AM, on Central Melbourne's Changing Urban Landscapes. Basketry workshops at the Plant Craft Cottage have become increasingly popular and Talking Plants always draws a crowd.

The Friends' Photo Group has continued to expand and their work provides a ready source of illustration for our *Botanic News*. The Plant Craft Cottage continues to offer visitors an opportunity to observe and participate in plant-based crafts and we are proud that the Cottage has taken part in Open House Melbourne since its inception in 2008, drawing hundreds of visitors over the weekend.

Support from the Friends for the RBGV comes in many forms and this year included nearly \$20,000 for the refurbishment of the Plant Craft Cottage, which involved a new kitchen, furniture, plus electrical and painting work. The Friends' Trust Fund however, continues to support projects in the Melbourne Gardens through grants, staff scholarships and the Helen McLellan Research Grant. During 2018/19, the available allocation of grants towards the new Sensory Garden was held over until 2019/20, as detailed in the Trust Fund Report, due to delays in approvals from Heritage Victoria. In addition to the \$5,000 for purchasing artworks for the State Botanical Collection, \$10,000 was awarded through scholarships for RBGV staff and \$6,000 for a general purpose grant.

These achievements would not be possible without the time and commitment of so many of our members who volunteer in so many ways. We are indebted to you and we thank you; you are the lifeblood of our organisation.

FRIENDS OF THE GARDENS REPORT

The Council of the Friends

Six Council meetings were held during the year on alternate months commencing August 2018. 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 Committee and Operations Committee.

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 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.

Appointment of Auditors

The firm of DFK Kidsons was appointed at the 2018 AGM for the 2018/19 financial year to audit both the Friends of the Royal Botanic Gardens, Melbourne Incorporated and The Friends of the Royal Botanic Gardens, Melbourne Trust Fund. Their audit opinions are included in this Annual Report.

Financial Results

The financial result for the year ending 30 June 2019 was an operating loss of \$16,722, which is \$9,785 better than the budget for the year (loss of \$26,507). This is the first since 2014 and was expected following the implementation of the office restructure in 2018, the appointment in June 2018 of a Marketing and Relationships Manager to focus on membership expansion and retention, and the refurbishment of the Plant Craft Cottage. After allowing for the Plant Cottage refurbishment cost, the "real" trading result is a loss of \$5,654 (see paragraph 5 below for further details), which is comparatively modest given the range of rejuvenation initiatives implemented during the financial year.

Total Income on the Statement of Profit and Loss is \$504,216, which is \$8,914 below budget. The below budget income is primarily due to receipts from the TABI art exhibition being \$19,102 lower than expected. Other income variances are Growing Friends (positive \$2,076), Functions and Events (positive \$2,735) and Plant Craft Cottage (under \$3,416).

Membership subscriptions is \$93,337, which is an increase of \$3,511 (4%). This is the first increase in a number of years and was a key target for management.

Total Expenditure on the Statement of Profit and Loss is \$520,938, which is \$18,698 better than budget. Expenses in most areas were contained and in line with or better than budget.

In April, the renovation of the Plant Craft Cottage was undertaken. The Budget for 2018/19 allocated \$20,000 to this project as a capital item. However, the actual nature of the expenditure was repairs and maintenance, rather than capital, so \$11,068 of the costs are accounted in the Statement of Profit and Loss. The balance of the work \$8,346 was capitalised. Overall, the cost of the renovation was \$19,414.

The total assets of the Friends as at 30 June 2019 was \$461,743, compared with \$483,152 in 2018, a decrease of \$21,409 over the financial year. This decrease can largely be attributed to the operating loss and is reflected in a decrease of \$14,713 in cash and term deposits held and a reduction in prepayments of \$7,731. Liabilities

remained relatively stable at \$122,127, although there was a decrease in payables of \$9,980, offset by an increase in staff provisions of \$4,844. The level of accumulated staff leave is being managed more closely.

The financial position of the Friends is very good, with just over \$425,000 in cash and financial investments. The strong result from the Autumn plant sale assisted the final result. Over the year, Membership subscriptions improved, Botanic Illustrators provided a solid contribution and the refurbishment of the Plant Craft Cottage has created opportunities for improvement.

At the conclusion of the 2018/19 year, the Friends are in a sustainable financial position and able to pay all debts as they fall due.

Grants to the Gardens

The total monetary commitment set aside by the Friends' Trust Fund for the Sensory Garden was set at \$200,000, which was expected to be paid by two instalments of \$100,000 (or payments totalling \$100,000) in each of the 2017/18 and 2018/19 years (In the 2017/18 year an initial grant of \$36,000 was made.)

However, no grant payments were made in the 2018/19 in respect of this project because of delays caused to the RBGV in obtaining the necessary approvals for the project from Heritage Victoria. The Trustees expect this backlog in distributions to the Sensory Garden, as at the end of the 2018/19 year to be made up in the 2019/20 year, in addition to the annual mandated minimum distribution for that and other projects in that year.

The Friends Trust Fund Scholarships continued to be funded this year with \$10,000 supporting the professional development of RBGV staff.

A further \$5,000 for the purchase of artworks from The Art of Botanical Illustration, the Friends biennial art exhibition for the State Art Collection and a \$6,000 general purpose grant was also provided to the Gardens.

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 as required 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 Executive of the RBGV prior to a decision being made. The Friends of the Royal Botanic Gardens, Melbourne Trust Fund annual report and audited financial statements for the Trust Fund are provided following the Annual Report of the Friends. 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, just over \$133,000 has been awarded to successful applicants. RBGV staff allocated scholarships in 2018/19 are:

- Bret Pritchard, Horticulturalist, for a tour of arid gardens and natural environments throughout California and Arizona, USA
- Kate Roud, Horticulturalist, for safeguarding the New Zealand Collection at RBGV Melbourne Gardens
- Kimberly Colman, Learning Facilitator, to attend a Therapeutic Garden and Horticulture Therapy Workshop.

Operations Committee

The Operations Committee provides a forum in which the convenors report and discuss their programs, activities and events. It also provides time for discussions of new ideas and more in-depth reports, and to this end, one group is the focus for each of the meetings. Thanks go to all the convenors for their continued dedication to their groups, and for their efforts in recruiting new members and in organising meaningful activities and events throughout the year.

Botanical Illustrators

The Art of Botanical Illustrators (TABI) - Exhibition

The Friends' biennial TABI exhibition was held at the Domain House Gallery over two weeks during October 2018. A wide range of beautiful and scientifically accurate botanical paintings and drawings were displayed at the Exhibition. Over 260 artworks were submitted from every state of Australia and of these 160 artworks were selected for the exhibition.

The Exhibition was opened by The Governor of Victoria, the Hon. Linda Dessau, AC who congratulated the exhibitors and organisers and acknowledged the work of Celia Rosser, who has painted all 77 known Banksia species and is one of our greatest living botanical illustrators. Professor David Cantrill, Executive Director of Science at the National Herbarium, gave an informative presentation on the State Botanical Collection which is housed at the Herbarium. He explained that the Collection is comprised of an invaluable collection of over 1.5 million preserved plants, algae and fungi, and Australia's most comprehensive botanical library which includes the work of some of Australia's best-known botanical artists.

This year the Celia Rosser Medal, awarded for an artwork exhibiting both scientific accuracy and artistic excellence, was awarded to two recipients: Simon Deere for his exquisite drawing of *Datura ferox* and to Jessie Ford for her painting of *Barringtonia asiatica*. Honourable mentions were awarded to Deb Chirnside, Angela Lober, Pam McDiarmid, Mali Moir, Vicki Philipson, Paul Rovis and Marta Salamon. Art works by Paul Rovis and Rochelle Caligiuri were purchased for the State Botanical Collection.

Mary Ward, President of the Friends of the Botanic Gardens, officially launched the book Alphabotanical and thanked all who had contributed toward the success of the exhibition.

Overall TABI 2018 proved once again to be both a popular and successful event, rewarding the hard work of Andrew Carr, Convenor, the Organising Committee and many volunteers and staff of the Friends of the Botanic Gardens as well as the contributing artists

Alphabotanical

The Botanical Illustrators of the Friends of the Botanic Gardens (previously called the Whirlybirds) are a group of accomplished botanical artists who have come together each week for the past 30 years in a collaborative and friendly environment to paint and support each other in Botanical Illustration. This group initiated the first TABI exhibition in 1992 and have been involved, in many ways, with the staging of the exhibitions and undertaking special programs ever since.

Throughout 2018 the Botanical Illustrators undertook a project, co-ordinated by Joan Mason and Pam McDiarmid, to create Alphabotanical. Alphabotanical is an "Alphabet Book" of botanical illustrations of Australian plants featuring an A–Z of Australian Flora. All illustrations were sourced and painted by members of the Whirlybirds and the book was published in Australia. The project was inspired by a little Irish alphabet book sent as a gift to one of the Botanical Illustrators. Plants unique to Ireland had been painted to illustrate the Irish alphabet. The Botanical Illustrators thought that this format was a beautiful way to display the variety of attractive Australian flora. The first print run of Alphabotanical was a "sell out success" and has now been reprinted to meet ongoing demand. In addition, a poster depicting the centrefold spread of the book will be available for sale.

Acacia Project

The Botanical Illustrators are currently undertaking a project to depict the Rare, Endangered and Unusual Acacias of the RBGM. When completed in 2020, all paintings will be donated to the RBGM Herbarium library.

Botanical Art Classes

Botanical Illustration combines art and science accurately in an aesthetically unique and personal way. It has an ability to create beauty and individual expression as well as to educate, promote ecological awareness and to communicate the importance of plants in the world today. For many, this art practice is a meditative process and supports personal wellbeing.

The Friends continue to hold classes in botanical illustration in the Art Studio at Domain House 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 three at the weekend, a current total of 12. 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.

In addition, the Friends hold specialist workshops, inviting international and interstate artists, as well as our own tutors. This year we were fortunate to have Jess Shepherd a world renowned British Botanical Artist visit and hold two workshops. Jess, a talented and creative artist, trained as a botanist and has brought these scientific skills into her unique, contemporary botanical art. She is particularly interested in creating large works and capturing the beauty of a specimen from interesting perspectives.



Helping Hands

The team of volunteer gardeners continued to maintain E Gate and Eastern Lodges and Gate Lodge with support from RBGV coordinators. Each of the helping hands groups are committed to their roles, providing beautiful surroundings for all visitors to enjoy.

Membership

There has been much activity in membership this year. We have hosted three new members' welcomes, which were well attended. The first in August was held in Mueller Hall and included a visit to the National Herbarium of Victoria. The second in October was held at the TABI exhibition, where new members were able to view the wonderful artwork on show. The third was held on a warm March day at Plant Craft Cottage, after which members were taken on a guided tour of the Gardens. New members are now being encouraged to bring a friend to the welcomes, which in turn has prompted some of the new members to 'Refer a Friend' thereby further increasing membership of the Friends.

New membership initiatives were launched during the year, including Refer a Friend and Mother's Day Gift memberships, which offered additional benefits.

Membership renewal letters have been refreshed, with an emphasis placed on the Passionate Friend membership and an incentive offered for members to renew promptly. Member retention is considered a vital component of our membership strategy.

Photo Group

The Photo Group has a monthly activity third Wednesday of the month at 11am with a photo walk leaving from The Terrace.

We have 24 members with currently 3.6K photographs of the Gardens on our Flickr website. Results of the photo walks can be viewed at www.flickr.com/groups/photo_group_frbgm/. A number of these images are used in marketing material, Botanic News, the Friends' website and to produce merchandise for sale which raises additional funds for the Friends.

Plant Craft Cottage

Historic Plant Craft Cottage, which has been operating as a craft centre for 38 years, has recently undergone an extensive refurbishment. The newly painted light-filled rooms provide a perfect background to colourful displays of hand-crafted items. The updated facilities will also provide an attractive and well-equipped venue for a range of events.

Staffed entirely by volunteers in a number of roles, the cottage is open from Tuesday to Friday each week and on the third Sunday of the month, to the many visitors it attracts, both local and overseas. A recent influx of new volunteers to greet visitors, to explain the history of the building and its current use, has been warmly welcomed. There is also an opportunity for volunteers to work on the maintenance of the charming garden which surrounds the building.

An extensive program of craft workshops including, dyeing, basketmaking, and school holiday workshops for children, has been held throughout the year. Demonstrations by craft groups on scheduled monthly meeting days are open to the public, as is the resource centre – a plant/ craft/garden related library collection where visitors are welcome to come and browse.



A large number of volunteers, who give their time willingly have worked with the Friends this year. More than 15,000 volunteer hours were estimated to have been worked in many significant roles, big and small, with the Friends this year. Many volunteers were recruited for Friends' major events as follows:

- October 2018 The Art of Botanical Illustration (TABI) 29 volunteers worked 210 hours over 16 days at the cash sales desk. All sales desk volunteers attended cash sale training conducted by Office staff.
- Growing Friends 2018 and 2019 Plant Sales a total of 44 volunteers worked approximately 230 hours at the Spring and Autumn 2-day sales: cash sales and trollies, membership tent, volunteer lunches, and totalling till money.
- Plant Craft Cottage Open House: Eight volunteers were recruited for Open House on 28 and 29 July 2018 at the Plant Craft Cottage.

Promotion about volunteering opportunities in the Botanic News and eNews bulletins has resulted in successful recruitment of new volunteers to the Plant Craft Cottage, Events Committee, Friends' Gate Lodge Office and Helping Hands.

Two volunteer profiles have been published in the Botanic News with more in the pipeline. The purpose is to raise the profile of volunteers and to illustrate the satisfaction that volunteers get from being involved in Friends' activities in the Gardens.

We congratulate the following volunteers who received their Volunteer Service Awards in 2019:

10 years	15 years	20 years	25 years	30 years
Helen Heath	Judy Hadju	Pam Borchardt	Marg Goodall	Jan Cheyne
Rosia Pasteur	Juliana Horsfall		Wendy Henderson	Sandra Edlin
Sue Hoare	Estelle Redlich		Sally Buckner	Sharon Beaman
Judy Firkin	Ruth Flett		Elaine Gatford	Lyn Brown
Richard Horsfall	Jennifer Marshall			Phyl Knaggs
Susan Crowe	Ian Alexander			
Rosemary Edwards	Christina Gebhard	dt		35 years
Peter Griffin				Marge Watson







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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 2019, 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 2019, 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 2019, 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 Council Members

Council members are 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 Council 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, Council members are 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 the Council 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.



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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 the Council.
- Conclude on the appropriateness of Council'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

DFK Kiolsons Partnership

10 October 2019 Melbourne M L Port Partner

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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 2019 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

Mark Anderson

Secretary

Treasurer

M Anderson

Dated this 10th day of October 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
Income		\$	\$
Membership subscriptions		93,337	89,826
Botanical art classes and workshops		204,685	191,347
Growing friends		72,776	69,962
Sale of merchandise		30,550	17,928
Functions and excursions		31,335	26,140
Exhibition revenue		43,063	17,995
Plant craft cottage		13,524	11,808
Interest income		10,487	9,410
Botanic news advertising		1,385	3,438
Other revenue		3,074	4,748
		504,216	442,602
Expenditure			
Employment expenses		198,444	145,813
Botanical art classes & workshops		133,006	120,266
Growing friends		20,154	16,779
Growing friends - depreciation	6(a)	1,520	986
Cost of merchandise		16,326	9,776
Membership expenses		12,124	10,816
Functions and excursions expense		19,780	15,660
Botanic news production		24,266	23,664
Exhibition expenses		17,060	11,517
Printing, stationery and postage		4,279	3,773
Communications		5,520	3,952
Computer software and consulting		10,107	10,456
Audit & accounting fees		6,650	6,500
Bank charges		325	109
Depreciation	6(a)	3,478	5,614
Repairs and maintenance		1,648	5,541
Insurance		554	618
Plant craft cottage activities		12,640	9,424
Plant craft cottage - depreciation	6(a)	2,602	2,193
Plant craft cottage - repairs and maintenance		11,068	911
History of friends project		5,000	-
Consultants		2,386	12,474
Other expenses		12,001	15,392
		520,938	432,234
(Loss)/Profit before income tax		(16,722)	10,368
Income tax expense	1(a)	<u> </u>	
Total comprehensive (loss)/income		(16,722)	10,368

The accompanying notes form part of these financial statements.







FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED

BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS		•	•
Cash assets	4	50,491	25,204
Term deposits		375,000	415,000
Receivables	5	7,114	7,709
Prepayments		9,322	17,053
TOTAL CURRENT ASSETS		441,927	464,966
NON-CURRENT ASSETS			
Property, plant and equipment	6	19,816	18,186
TOTAL NON OURDENT ASSETS		40.040	40.400
TOTAL NON-CURRENT ASSETS		19,816	18,186
TOTAL ASSETS		461,743	483,152
CURRENT LIABILITIES			
Payables	7	94,176	104,156
Provisions	8	27,502	22,658
TOTAL CURRENT LIABILITIES		121,678	126,814
NON-CURRENT LIABILITIES			
Provisions	8	449	- _
TOTAL NON-CURRENT LIABILITIES		449	
TOTAL LIABILITIES		122,127	126,814
NET ASSETS		339,616	356,338
			<u> </u>
MEMBERS' FUNDS			
Accumulated funds		339,616	356,338
MEMBERS' FUNDS		339,616	356,338

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 2019

	Note	2019	2018
OAGU ELOMO EDOM ODEDATIMO AGTIVITIES		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		507.004	470.075
Receipts from members and customers		537,331	473,075
Payments to suppliers and employees		(553,301)	(505,039)
Interest received		10,487	9,410
Net cash used in operating activities	9(a) _	(5,483)	(22,554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		(9,230)	(8,884)
Transfer from/(to) term deposits		40,000	(70,000)
Net Cash used in investing activities	_	30,770	(78,884)
Net increase/(decrease) in cash held		25,287	(101,438)
Cash at the beginning of the financial year		25,204	126,642
Cash at the end of the financial year	4	50,491	25,204

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Funds \$	Members' Funds \$
Balance as at 1 July 2017	345,970	345,970
Comprehensive income for the year Balance as at 30 June 2018	10,368 356,338	10,368 356,338
Comprehensive loss for the year Balance as at 30 June 2019	(16,722) 339,616	(16,722) 339,616

The accompanying notes form part of these financial statements.



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FRIENDS OF THE ROYAL BOTANIC GARDENS,

MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE

YEAR ENDED 30 JUNE 2019

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 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.

All new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant and effective for the annual reporting period, beginning on 1 July 2018, have been adopted by the Association. Council members have given due consideration to other new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material impact on the financial report.

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. During the year the following range of depreciation rates were used:

Rate 10% - 33%

Plant and equipment





FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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, functions, classes and workshops 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 2019

	2019 \$	2018 \$
NOTE 2: RESULT BEFORE INCOME TAX		
Result before income tax has been determined after:		
iMIS costs incurred:	0.470	0.047
 Computer software and consulting 	6,470	6,047
	6,470	6,047
Remuneration of auditor		_
 Audit of the financial report 	6,650	6,500
	6,650	6,500

NOTE 3: KEY MANANGEMENT PERSONNEL

The amount received or due and receivable by Council Members is \$nil (2018: \$nil). Aggregate compensation paid or payable to key management personnel (other than Council Members):

Short-term employment benefits	172,493	128,500
Post-employment benefits	16,387	14,342
	188,880	142,842

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

Adnan Mansour

Nicola Rollerson

Catherine Trinca

Jan Rosenberg

Lynsey Poore

Mark Anderson

Mary Ward

Peter Kelly (ex officio)

Dr Richard Kirsner

Richard Smith

Mali Wilson

Margaret (Meg) Miller

Prof Tim Entwisle (ex officio)

NOTE 4: CASH ASSETS

Cash on hand	330	330
Cash at bank	50,161	24,874
	50,491	25,204



FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 5: RECEIVABLES		
Accrued income Sundry debtors	3,537 3,577 7,114	4,436 3,273 7,709
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment at cost Less: Accumulated depreciation	54,339 (34,523) 19,816	50,174 (31,988) 18,186
(a) Movements in carrying amounts Movements in the carrying amounts of plant and equiper and the end of the financial year are detailed below:	ment between the begin	ning
Balance at beginning of year Additions Depreciation expense Carrying amount at the end of the year	18,186 9,230 (7,600) 19,816	18,095 8,884 (8,793) 18,186
NOTE 7: PAYABLES		
Subscriptions received in advance Functions & events paid in advance Botanical art classes paid in advance Botanical workshops paid in advance Sundry creditors and accruals PCC workshops paid in advance	17,648 2,385 28,671 13,454 29,648 2,370 94,176	19,544 3,790 30,044 11,812 37,966 1,000 104,156







FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 8: PROVISIONS		
CURRENT		
Provision for employee annual leave	21,840	17,321
Provision for long service leave	5,662	5,337
	27,502	22,658
NON-CURRENT		
Provision for long service leave	449	
Total provision for employee entitlements	27,951	22,658
NOTE 9: CASH FLOW INFORMATION (a) Reconciliation of result after income tax to net ca	ash from operating activi	ties:
(Loss)/Profit after income tax for the year	(16,722)	10,368
(====, ================================	(**,**==)	12,222
Adjustments for:		
Depreciation	7,600	8,793
Change in operating assets and liabilities: Decrease/(increase) in prepayments and		
receivables	8,326	(11,682)
Increase/(decrease) in sundry creditors and	,	, , ,
accruals	(9,980)	(8,560)
Increase/(decrease) in provisions	5,293	(21,473)

- (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 current or prior financial year.

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)

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 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 2019.

Signed:

Dated: 10 October 2019

Signed:

Dated: 10 October 2019

Anderson

Γ





ABN 43 438 335 331
Friends of the Royal Botanic Gardens Melbourne
Gate Lodge, 100 Birdwood Avenue,
Melbourne Vic 3004

ANNUAL REPORT FRIENDS OF THE ROYAL BOTANIC **GARDENS MELBOURNE TRUST FUND INC.** FOR YEAR ENDED 30 JUNE 2019



THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

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 which are known collectively as the Royal Botanic Gardens Victoria (RBGV).

Originally, the Fund sought to encourage tax-deductible donations. In 2008 however, following receipt of the late Helen McLellan bequest of some \$2.5 million and, after consultation with the major stakeholders the Trustees decided to maintain a permanent corpus from that bequest, which prudently invested, would become a continuing source of distributable funds to support RBGV.

Grants to RBGV from the Fund since 2009 have totalled \$1,148,000, and they are expected to be in in excess of \$200,000 in 2019/20. Over recent years, the Fund has been a major recurrent source of grants to RBGV 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 RBGV.

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, requires it to distribute 4% of the value of its Opening Net Assets to RBGV each year. For the 2018/19 year this minimum was \$155,180.

Stakeholder co-ordination framework

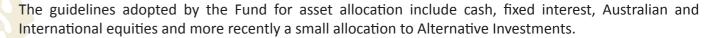
As one of the stakeholders in the financial support of RBGV, the Fund is part of a framework designed to ensure effective co-ordination between stakeholders. That framework is comprised of the Friends' Council, the Trustees of the Fund and the RBGV; all are legally independent, but their joint endeavours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

The Director/CEO of the RBGV and the Chairman of Trustees of the Fund 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 the Trustees of the Fund, meet as required, to align grant making policies.

Investment Strategy

A steady, sustainable annual income flow to fund grants to the RBGV 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 Fund has achieved this objective to date.



Prudent diversification across asset classes and securities is intended 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, both local and global market conditions vary from year to year, and deviations from the strategic targets may occur from time to time. The market outlook is significantly uncertain, both for equites and interest-bearing securities.

Wealth Management Advice and related activities

Since 2009, the Trustees have been assisted by UBS Wealth Management, and more recently, by its successor, 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 record their appreciation of the support and thoughtful management of the portfolio by Mr James and his team.

Financial statements

Total Revenue in 2018/19 was \$306,947 compared to \$243,365 in the previous year. This arose principally from a strong uplift in dividends and distributions and a concomitant increase in franking credits together amounting to \$197,400 which comfortably offset a decline in interest of about \$4000, and a realised loss on investments of \$81,000.

Expenditure in 2018/19 totalled \$51,806, about the same as \$51,685 the year before.

Grants paid to RBGV for the 2018/19 only amounted to \$21,000 for reasons outlined later in this report compared to \$147,052 in the previous year. The Comprehensive Profit of the Fund for the 2018/19 year of \$295,354 was approximately \$91,000 higher than the previous year, due to a combination of increases in dividends, distributions and franking credits, lower grants to the RBGV and a reduced value of unrealised gains in investments.

At 30 June 2019, the value of the Fund's net assets was \$4,174,861 compared to \$3,879,507 at the same time in the previous financial year - an increase of 7.6%.

Grants to RBGV

In accordance with the decision of the Grant's Committee made on 15 February 2018, the Trustees and the Friends approved in principle to fund the development by the RBGV of a sensory garden. The Sensory Garden would be created in the area formerly holding the bamboo collection, located between the Rest House and the Central Lake. It would be designed to exploit the varying colours, textures, sounds and fragrances of plants and provide all abilities access and seating.

The total monetary commitment was set at \$200,000, which was expected to be paid by two instalments of \$100,000 (or payments totalling \$100,000) in each of the 2017/18 and 2018/19 years (In the 2017/18 year an initial grant of \$36,000 was made).

However, no grant payments were made in 2018/19 in respect of this project because of delays caused to the RBGV in obtaining the necessary approvals for the project from Heritage Victoria.

Accordingly, the Fund sought from the Australian Taxation Office and obtained, an exemption from its obligation to make its minimum distribution in the 2018/19 year of \$155,180.





The Trustees expect this backlog in distributions to the Sensory Garden, as at the end of the 2018/19 year, to be made up in the 2019/20 year, in addition to the annual mandated minimum distribution for that and other projects in that year.

Performance of the Fund

Some indicators of the Fund's performance for the five financial years, 2014/15 to 2018/19 are shown in the following table.

	FY	FY	FY	FY	FY
	2014/15	2015/16	2016/17	2017/18	2018/19
Net Income	3.16%	3.44%	3.53%	3.38%	6.39%
Imputation Credits	0.91%	0.95%	0.97%	0.81%	2.6%
Gross Income	4.07%	4.39%	4.50%	4.19%	7.52%
Capital Growth	4.72%	-5.04%	7.02%	6.18%	-2.25%
Total Return	8.80%	-0.65%	11.52%	8.47%	5.27%
S&P/ASX200 Accumulation Index	5.68%	0.56%	14.09%	13.01%	11.55%
Portfolio value end FY	\$3.37m	\$3.32m	\$3.67m	\$3.85m	\$4.07m
Corpus in constant (inflation adjusted) terms, in \$ million (*)	\$ 3.09m	\$3.13m	\$3.24m	\$3.37m	\$3.31m

(*) The nominal "real value" of the corpus is expressed at (constant) June 2008 prices. It was estimated using the CPI. The growth in the nominal 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 continued to perform well given the growth in the value of the portfolio, the maintenance of the "real value of the corpus" and on-going grants to RBGV. Markets permitting, it should be able to continue to be a reliable source of significant financial support by the Friends to the RBGV well into the future.

Trustees

The current trustees and their respective terms of office are as follows:

- Mr Peter Kelly, Chairman from November 2017 to December 2019.
- Mr Peter Griffin from November 2017 to November 2019.
- Mrs Janet Thomson from November 2018 to November 2022; (Mrs Thomson has indicated her intention to retire in November 2020).
- Mr William Jones from November 2017 to November 2021.
- Mrs Catherine Trinca from November 2018 to November 2022.

The Trustees have introduced a succession planning process which includes the following elements:

- an appointment* of a further trustee at the forthcoming 2019 Annual General Meeting of the Friends. Mr Mark Calder has been nominated.
- the appointment* of an additional trustee at the AGM in November 2020 to replace a retiring trustee at or about that AGM.
- * appointments are dependent on a candidate being duly nominated, the candidate accepting the nomination and the motion for appointment being duly passed by members of the Friends attending and voting at the meeting.



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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 2019, 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:

- (a) gives a true and fair view of the financial position of the Trust Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended; and
- (b) 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.





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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

DFK Kidsons Partnership

Chartered Accountants

M L Port Partner 16 October 2019 Melbourne



FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

DÈCLARATION 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 2019 and its performance for the year ended on that date and;
- 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

Dated: 16 October 2019

Trustee

Peter Griffin

Dated: 16 October 2019







FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue		Ψ	Ψ
Dividends and Distributions		267,292	141,555
Franking Credits		100.772	29,110
Donations/Bequests		20,459	23,385
Realised Profit/(Loss) on Investments		(88,237)	38,967
Interest		6,661	10,348
		306,947	243,365
Expenditure			
Audit Fees		4,650	4,500
Accounting Fees		2,060	1,990
Depreciation		-	365
Management Fees		43,406	42,973
Other Administration Costs		640	516
Foreign Exchange Loss		(1)	806
Secretarial Services		1,051	535
Total Expenses		51,806	51,685
Profit before income tax and distributions to RBG		255,141	191,680
Income tax expense			
Profit after income tax		255,141	191,680
Unrealised increase/(decrease) in investments		61,213	159,659
Less grants to the Royal Botanic Gardens Melbourne		(21,000)	(147,052)
COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		205 254	204 207
ICAK		295,354	204,287

The accompanying notes form part of these financial statements.



FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019	2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	2	336,247	167,566
Receivables	3	99,938	29,100
Other Financial Assets	4	3,745,509	3,759,088
TOTAL CURRENT ASSETS	_	4,181,694	3,955,754
TOTAL ASSETS	_	4,181,694	3,955,754
CURRENT LIABILITIES Creditors and accruals	_	6,833	76,247
TOTAL LIABILITIES	_	6,833	76,247
NET ASSETS	=	4,174,861	3,879,507
TRUST FUNDS			
Accumulated Reserves	5	4,174,861	3,879,507
TRUST FUNDS	=	4,174,861	3,879,507

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 2019

No	ote	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations/Bequests	_	20,459	23,385
Net cash provided by operating activities	_	20,459	23,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer from Investment Portfolio		-	(63,487)
Dividends and Distributions Received		267,292	141,555
Interest Received		6,661	10,348
Franking Credits		29,934	27,143
Management Fees		(43,406)	(42,973)
Share Purchases		(2,958,394)	(938,952)
Consideration on Sale of Shares		2,944,950	938,228
Secretarial Services		(1,147)	(369)
Office Supplies		(1,156)	(575)
Accounts and Audit Fees		(6,490)	(6,270)
Grants to the Royal Botanic Gardens Melbourne	_	(90,022)	(114,406)
Net Cash provided by investing activities	_	148,222	(49,758)
Net increase/(decrease) in cash held		168,681	(26,373)
Cash at the beginning of the financial year		167,566	193,939
	2	336,247	167,566

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 2019

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

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.





NOTES TO THE FINANCIAL STATEMENTS

		2019	2018
		\$	\$
NOTE 2: CASH ASSETS			
003011434 Cash		12,251	14,223
003011434 Cash		19,079	-
003007416 Cash		296,031	75,841
CBA	cash	8,863	77,480
USD cash		23	22
		336,247	167,566
NOTE 3: RECEIVABLES			
Franking Credits Refundable		99,938	29,100
NOTE 4: FINANCIAL ASSETS			
003011434 Portfolio			
- at Cost		776,492	1,452,094
Change in Market Value		3,164	71,281
		779,656	1,523,375
003011434 Portfolio		754,941	-
 at Cost Change in Market Value 		(3,375)	-
		751,566	
003007416 Portfolio		1,745,715	1,899,846
 at Cost Change in Market Value 		468,572	335,867
onango in mainor valuo		2,214,287	2,235,713
		3,745,509	3,759,088
NOTE 5: ACCUMULATED FUNDS			
Accumulated funds at the beginning of the fir			3,675,220
Comprehensive (Loss)/Profit			204,287
Accumulated funds at the end of the financial	year	295,354 4,174,861	3,879,507





