



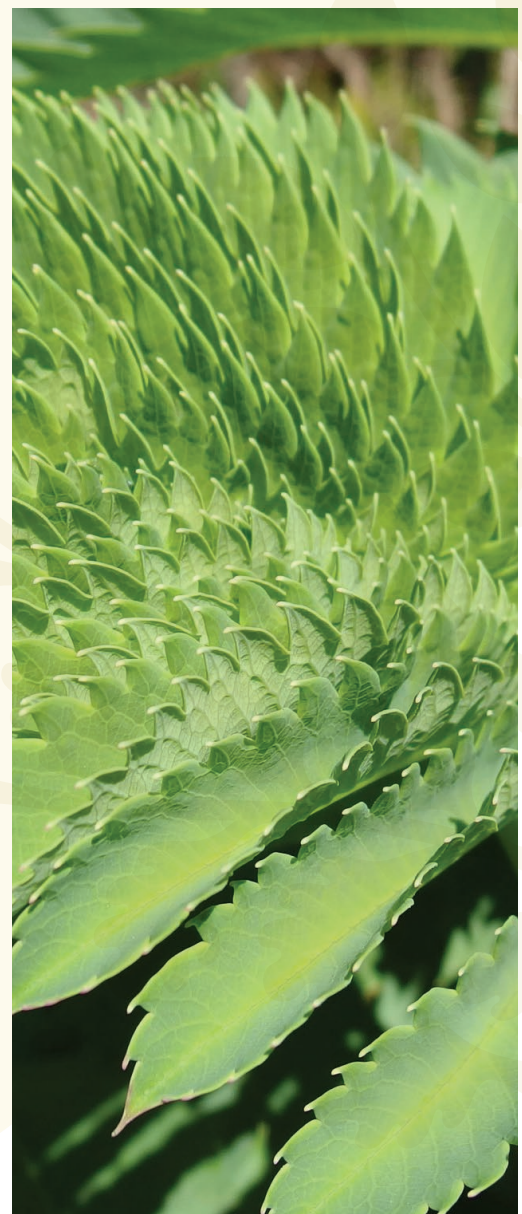
MELBOURNE FRIENDS

ROYAL BOTANIC GARDENS VICTORIA

FRIENDS OF THE ROYAL BOTANIC GARDENS MELBOURNE INC.

ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2020



NOTICE is hereby given that the thirty-fourth Annual General Meeting of the Friends of the Royal Botanic Gardens, Melbourne Incorporated (the 'Friends') will be held at 6pm Monday, 16 November 2020, via Zoom.

BUSINESS

1. To confirm the minutes of the thirty-third Annual General Meeting held on 18 November 2019.
2. To receive from the Council a report of the activities of the Friends for the year ended 30 June 2020.
3. To elect members of the Council. The following, being eligible, have been duly nominated for election as stated:

President	Lynsey Poore
Vice-President	Nicola Rollerson
Treasurer	Mark Anderson
Ordinary Member	Sue Broadbent
	Sue Foran
	Lisa Steven
	Catherine (Cathy) Trinca

4. To receive and consider the financial statements of the Friends for the year ended 30 June 2020, which have been duly audited.
5. To grant honorary life membership to:
Peter Kelly
Margaret (Meg) Miller
6. To pass a **Special Resolution** to approve amendments to Rules as outlined in the attached explanatory note (subject to Registrar approval)
7. To elect Trustees of The Friends of the Royal Botanic Gardens, Melbourne Trust Fund. The following, being eligible, have been duly nominated for election as stated:

Mary Ward
Jeremy Gibson

8. To receive and consider the report and financial statements of the Friends' Trust Fund for the year ended 30 June 2020, which have been duly audited.

By order of the Council

Adnan Mansour, Secretary

Dated: 19 October 2020

At the conclusion of the Annual General Meeting the President will announce the **Volunteer Service Awards to Members with 10 or more years of voluntary service.**

Guest speaker following the AGM: Chris Cole, Executive Director Melbourne Gardens, will present on 'Managing the Gardens Through COVID-19'.

Explanatory Note in support of a Special Resolution to amend the Rules

The Friends' Council determined that the Rules of the Friends required updating to improve their relevancy in line with the current and future operations of the Friends and to reflect proposed policy changes. The Rules were fine-tuned to make them less dated and easier to comprehend. Accordingly, members are asked to approve the special resolution as outlined.

Given the extensive nature of the changes, a copy of the old Rules and the proposed Rules will be posted on the website and marked "Old" & "New" for reference.

A summary of the key changes are listed below:

- Honorary life membership will cease following 2020 AGM. (New Rule 4 (1)(h) added and old Rule 4 (1) (g) deleted);
- The expansion of Rule 5 to allow Council, by resolution, to create or delete subcategories of membership;
- The removal of old Clause 26 and old Rule 6 (1A) in relation to the amalgamation of Plant Craft Cottage with the Friends. These are redundant due to the passage of time;
- The Entwisle Medal is created to replace Honorary Life membership. (New Rule 35);
- The use of technology to conduct meetings is expanded to formally encompass all aspects of the Friends operations and relevant activities. (Various Rules);
- The removal of the three months Grace period for payment of membership. (Old Rule 9 (4) removed and replaced with new Rule 10 (4));
- To mirror the Trust Deed in relation to the appointment and removal of Trustees from the Friends' Trust Fund. (New Rule 13 (3) (f)); and
- Indemnity Rule expanded to provide better clarity and protection to Council members acting in good faith and in the best interest of the Friends. (New Rule 44).

Special Resolution:

Members resolved to adopt the Rules as amended in the supporting document titled 'Rules' as amended November 2020 and in the manner as outlined in the notice of this meeting.

ANNUAL REPORT OF THE FRIENDS FOR THE YEAR ENDED 30 JUNE 2020

Patron The Honourable Linda Dessau AC, Governor of Victoria

Council

President	Mary Ward *
Vice-President	Lynsey Poore #
Vice-President	Catherine (Cathy) Trinca *
Secretary	Adnan Mansour #
Treasurer	Mark Anderson *
Members	Professor Tim Entwisle † Peter Kelly † (Retired 31/12/19) Will Jones † (Appointed 31/12/19) Margaret (Meg) Miller # Nicola Rollerson * Sue Foran * David Forbes (filled a casual vacancy on 13/2/20 until AGM 2020)* Susan Broadbent (filled a casual vacancy on 13/2/20 until AGM 2020)* Lisa Steven (filled a casual vacancy on 11/6/20 until AGM 2020)* * Retires Annual General Meeting 2020 # Retires Annual General Meeting 2021 † Ex-Officio Member of Council

Trustees of the Friends' Trust Fund

William Mackay Philip Jones (Chair), Janet Thomson OAM, Catherine Trinca and Mark Calder

Friends' Staff

Marketing and Relationship Manager	Jill Scown
Finance and Business Process Manager	Karlene Taylor
Office Support and Technology Manager	Georgina Ponce de Leon Huerta
Graphic Designer	Andrea Gualteros
Administration Support	Victoria English
Botanical Illustration Teachers	Dianne Emery, Mali Moir (contractor) and Helen Burrows (contractor)

Convenors of Committees at 30 June 2020

Botanic Illustrators	Sue Foran
Editor, Botanic News	Meg Miller
Events	Cathy Trinca (until 31/12/19) and Lisa Steven (from 1/1/20)
Executive	Adnan Mansour
Grants	Mary Ward
Growing Friends	Michael Hare
Membership and Marketing	Nicola Rollerson
Operations	Lynsey Poore
Photo Group	John Harrison (until 27/2/20) and David Forbes (from 1/4/20)
Plant Craft Cottage	Phyl Knaggs (until 30/9/19), Jeanette Carter (from 1/10/19 - 31/5/20) and Christina Gebhardt
Helping Hands	Vacant
Volunteers	Jennifer Ure (until 31/12/19), Diana Barrie (from 1/2/20)

FROM THE PRESIDENT

This last financial year has been very much one of two parts. The first half saw our Events programs continuing to attract, entertain and inform members and the public. The spring Growing Friends sale in October 2019 was its usual vibrant success, raising over \$38,800 from the sale of plants, merchandise and new memberships, and artists and viewers soaked up the natural world at the reFraming Nature Exhibition in September 2019. The exhibition results were down from previous years, but the artwork was of the usual excellent standard.

Plans were in place for more of the same in 2020 but, when COVID-19 struck in March, we had to take stock of a new reality. I would like to express our grateful appreciation to everyone in the Friends' office, particularly our Marketing & Relationships Manager, Jill Scown, for so quickly transforming our day-to-day activities to have everything running from home. We became masters of Zoom technology as our botanic art classes, events and all regular committee, Executive and Council meetings continued to take place, but online. It was a steep learning curve and we acknowledge the many hours spent by staff and volunteers in making everything run smoothly and efficiently.

There have been positives. A transition to a new web server, TidyHQ, was undertaken without too much disruption, thanks to our Information and Technology Manager, Georgina Ponce de Leon Huerta. We now have an efficient and streamlined membership renewal and event-booking capability along with a bright, intuitive website to highlight our purpose and our many volunteer groups. Our online Event presentations have been attracting wide audiences and it is heartening to see members who are normally unable to attend live presentations being able to participate as well. Thank you to everyone involved, particularly our Events Committee.

Online art classes have been enthusiastically received by the students, some of whom join us from interstate and overseas, and we thank everyone for adapting so readily. A selection of art classes and event presentations will continue to be offered online to maintain that accessibility even after on-site activities resume. The Photo Group has also been able to continue with online meetings, using local inspiration instead of the Gardens. We launched a new, fresh look to *Botanic News* in Spring 2019 and although recent issues have been produced as online publications to save costs during the COVID period, it continues to provide vital communication and information to members.

At the Plant Craft Cottage, the inaugural Artist-in-Residence program was a huge success and we were set to see further in-residence activities in 2020. There will no doubt be changes in the way many of our on-site activities are managed in the future, but this gives us an opportunity to approach everything with a new focus. Our many volunteers, who are essential to the running of the Friends, have missed the regular engagement with the Gardens and accompanying social contact within groups and we shall work closely with the RBGV to ensure that engagement resumes at a time and in a way that complies with any new boundaries.

The FRBGM Trust Fund has provided some \$167,000 to the RBGV in this last financial year, including staff scholarships and the Helen McLellan Research Grant. In addition, a grant was made to purchase and 'skin' two new Garden Explorer vehicles for the Melbourne Gardens and another to allow new drinking fountains to be installed. The Sensory Garden is underway, and we look forward to providing continued support for the RBGV in the future.

As I now complete my second term as President of the Melbourne Friends, I would like to thank you all for your support over the past four years. Particular thanks go to our Secretary, Adnan Mansour, and Treasurer, Mark Anderson, for their invaluable support and advice and for continuing to maintain the integrity of our organisation in difficult times. Our volunteers continue to assist in so many and varied ways, even when not present in person, and I look forward to seeing everyone back in the Gardens as soon as we are able.

The Council of the Friends

The Council of the Friends

Six Council meetings were held during the year on alternate months commencing August 2019. 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 has been appointed 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 2020 was an operating loss of \$66,309, which is \$52,375 below the budget for the year. Total Income on the Statement of Profit and Loss is \$461,553, which is \$50,207 below budget. The COVID-19 Pandemic contributed to reduced revenue through:

1. RBGV closed the garden to volunteers which meant that Growing Friends and Plant Craft Cottage had to close immediately;
2. Gate Lodge also closed within a few days;
3. Growing Friends Autumn Plant sale did not take place;
4. Plant Craft Cottage craft workshops were cancelled;
5. Events were cancelled;
6. No opportunity for sale of merchandise; and
7. Botanic Illustrators workshops were cancelled, although classes continued online.

The analysis of the lower than target revenue of \$50,207 indicates that membership was very close to budget at \$14,483 down, which may have been achieved had the Plant Sale taken place, Growing Friends \$32,373 down, Botanic Illustrators \$70,069 down and Plant Craft Cottage \$11,039 down. The "saving" factor was the Government Support funding of \$94,874.

JobKeeper is paid by the Federal Government at \$1,500 per fortnight per eligible employee, commencing 30 March 2020. Five employees were eligible to register to support the organisation, resulting in \$45,000 being received to cover the six fortnights from 31 March to 20 June (\$1,500 per fortnight x 5 staff x 6 fortnights).

Further announcements by the Federal Government regarding Job keeper and Cash Flow Boost payments has resulted in the Friends being eligible for a total "package" worth \$94,874.

Total Expenditure on the Statement of Profit and Loss is \$527,862 which is \$2,168 more than budget. Expenses in most areas were contained and in line with budget. Significant savings were in the areas of:

1. *Botanic News* – electronic mailout reduced printing and postage costs;
2. Botanic Illustrators – cancellation of workshops reduced tutor costs, no catering for classes;
3. History of Friends Project did not proceed;
4. Membership costs reduced – no mailouts, postage and printing costs;
5. Gate Lodge office was closed – no weekly cleaning; reduced heating and lighting costs; no printing and photocopying.

Some additional costs were incurred in the migration to a new and upgraded database and development of a new website. Certain contractors to the Friends obtained, on technical grounds, additional payment totalling approximately \$40,000 relating to prior years.

The total assets of the Friends as at 30 June 2020 was \$373,372, compared with \$461,743 in 2019, a decrease of \$88,371 over the financial year. This decrease can largely be attributed to a decrease of \$101,373 in cash and term deposits held due to the operating loss offset by a reduction in liabilities of \$22,062. The level of accumulated staff leave is being managed closely.

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts on the Friends. At the date of signing the financial report an estimate of the future effects of the COVID-19 pandemic cannot be made, as the impact will depend on the magnitude and duration of the economic downturn and the level of government support.

While some activities have been significantly affected by the COVID-19 pandemic, other opportunities have presented and are being implemented e.g. online art classes, new database and new website, reductions in expenditure and better use of online communications. The strong Balance Sheet and working capital position underpins this belief. Importantly there has been no sizeable impact on membership renewals which remain at full price.

The financial position of the Friends is satisfactory, with net assets of \$273,307 which are in the form of cash and financial investments. At the conclusion of the 2019/20 year, the Friends are in a sustainable financial position and able to pay all debts as they fall due.

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 meet 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 regularly reports to Council on the Trust Fund performance and other related issues.

Grants to the Gardens

The total monetary commitment by the Friends' Trust Fund for the 2019/20 year of \$167,562 (slightly greater than required) was paid in full to the RBGV for restoration, research, scholarships and development projects.

The grants provided include:

- Sensory Garden \$10,136 (expected commencement date in 2020/21).
- General purpose grant \$6,000
- Two garden explorers \$61,000
- Garden explorer skins \$8,500
- Drinking fountains \$36,000
- Plant Craft Cottage restoration \$10,030
- Nareeb Gates restoration \$4,000
- Helen McLellan Research Grant \$19,711
- Scholarships (3) \$10,185
- Sharwood Bursary \$2,000
- Total \$167,562

Helen McLellan Research Grant

The Helen McLellan Research Grant of \$19,711 was awarded to Alastair Robinson, Manager Biodiversity Services, National Herbarium of Victoria for his project which is investigating the Syndrome of Plant Carnivory in *Nepenthes*.

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 \$143,000 has been awarded to successful applicants. An additional \$2000 was provided for the first time through the new Sharwood Bursary to assist with travel expenses incurred when fulfilling awarded scholarships. RBGV staff allocated scholarships in 2019/20 are:

- Carry Lee, Visitor Experience Officer, to undertake an Ecotour Management Training Course
- Daniel Ohlsen, Flora Botanist, to visit Malesian herbaria to enable a revision of the fern family Aspleniaceae in Malesia
- Peter Symes, Curator, Horticulture, to explore the Melbourne Gardens landscape succession through climate change via engagement with European Botanic Gardens.

Operations Committee

The Operations Committee meets four times a year. The committee consists of the Vice President, the Secretary, the Director, Melbourne Gardens and the Volunteer and Friends Coordinator, the Editor of *Botanic News* and the convenors of the Friends' committees. By invitation, the head of the RBGV Visitor Experience and Tourism team may also attend.

The Committee provides a forum for the convenors to report on their programs, activities and events and to discuss new ideas and more in-depth reports. To this end, one group is the focus for each meeting.

Following the start of COVID-19 restrictions in March, meetings have been successfully conducted via Zoom. Thanks go to all the Convenors for their continued dedication, for continuing to work to recruit new members and for organising meaningful activities and events for all members of the Friends.

Botanical Art

This year has been a complex one for the Friends' Botanical Art Program. Regular art classes in Domain House during the second half of 2019 and for the first quarter of 2020, were well attended. However, with the emergence of COVID-19 we were forced to consider closing the Art Program for the remainder of the year.

With students expressing keen interest in continuing art classes whilst in isolation, the Friends and tutors rapidly adapted and upskilled to provide online classes with eleven classes running during term two with a participation rate of 97%. The online classes have been embraced by many existing students and they have also attracted country, interstate, and international students, with students from Dubai, Singapore, Indonesia, and Taiwan participating regularly. As a result of the positive feedback, this mode of teaching may be continued as a way to expand the Friends' Art Program in the future.

Classes have been run by talented and internationally recognised art tutors led by Dianne Emery.

Beginners' workshops were fully booked during the September 2019 term and Summer holiday breaks and specialist workshops were extremely popular with returning students. Unfortunately, due to COVID-19 restrictions, we have not been in a position to run further workshops.

The highlight this year was our biennial natural history exhibition, *reFraming Nature*, held at Domain House from 21 September to 6 October 2019. Over 300 original artworks were received from more than 100 artists and over 1,700 people visited the exhibition.

The Scientific award, judged by Gary Poore, was awarded to Vaun Monk for her detailed and colourful depiction of the "Eastern Red Lace Wing Butterfly". Karen Everett's work "Buchan Lichen" was selected for the Estelle Longfield award, and Janet Matthews' delightful painting of a parliament of magpies entitled "All Together Now" was the winner of the People's Choice Award. The organising committee thank Mary Ward, Jill Scown and all members of the Friends' office for their ongoing support, Terry Napier and his team for curating and hanging the art works and Norma Bathie for the floral displays. We also acknowledge the sponsorship and in-kind support received from Seniors Art Supplies, Metro Tunnel, The Terrace, Marshall White and Pukka Tea. The Exhibition Committee are now preparing for the 15th biennial TABI (The Art of Botanical Illustration) Exhibition which will be held in virtual form from 19 September to 31 December 2020.

During the second half of 2019, the Whirlies, a group of experienced non-tutored botanical artists, focused on the Acacia Project, to depict the Rare, Endangered and Unusual Acacias of the Royal Botanic Gardens Melbourne. An exhibition will be held when restrictions allow, and all artworks will be subsequently donated to the library at the National Herbarium of Victoria.



Image Credit: Audrey Ballie, *Acacia argyrophylla*

Botanic News, Calendars and cards

Production of these items is intended to showcase the Friends' groups and activities, including events, artists, photographers, plant crafters and Growing Friends. Contributions are voluntary and production involves the help of a large team of members and also Gardens' staff. Without this help, the publications would not be possible, and working with these contributors and learning about their areas of expertise is very rewarding. It is hoped that members also find much to appreciate. The magazine, *Botanic News*, is intended both as publicity for our organisation, and also as a source of information for members about the Gardens and their activities. The publication has been redesigned to reflect these interests and to suggest opportunities for members to become actively involved through stories about some of our volunteers. The calendars and cards were initially designed to reflect the work of our botanical illustrators but now also highlight the work of our Photo Group.

Events

January 2020 saw the retirement of past Convenor Cathy Trinca and committee members Virginia Morrison, Susan Blamey, Carolyn Renwick and Judy Trenberth. These wonderful volunteers have worked tirelessly and enthusiastically for many years, with Virginia being an integral supporter for well over 23 years, and we thank them wholeheartedly for their dedication.

The Spring and Summer Insider Walks in the Melbourne Gardens were well attended, and a number of fascinating illustrated talks were presented. There were also workshops and external trips before we ended the year with our annual Christmas Cocktail Party at The Terrace.

2020 has brought many challenges and we have continued to work together to create a calendar curated to best outcomes under COVID-19 restrictions. Unable to physically access the Gardens, events were converted into a digital stream – *Talking Online with* – which has allowed us to showcase our events to a wider audience.

Presentations have ranged from armchair travels to gardens locally and worldwide, to workshops on propagation and pruning. We thank all our presenters for their support, and it has been exciting to see our members respond so enthusiastically to these events. An expanding video Library will give members greater engagement with and through our website. Thank you to everyone for continuing to support our programs and for encouraging our efforts.

Online sessions will continue as part of the events program to allow more flexibility to engage presenters and offer a wider variety of topics to members. Despite our online successes, we look forward to enjoying personal connections onsite at the Melbourne Gardens as we plan celebrations around the Gardens' 175th Anniversary in 2021.

Growing Friends

The Spring Sale was a great success with near record takings of over \$35,500 and a good number of new memberships taken out. The weekly Nursery Open Days became firmly established and provided a source of steady income and stock turnover.

While the second half of 2019 followed the usual pattern, the arrival of COVID-19 dominated 2020. With restrictions in force, the Nursery was closed in late March, the Autumn Plant Sale cancelled, and weekly Open Days stopped. Fortunately, a significant number of plants in the Nursery were able to be used by RBGV staff for the development of the Arid and Sensory Gardens.

This year the Growing Friends Nursery was the venue for two demonstrations by Craig Castree of 'Edible Gardens': the first on plant grafting techniques, the second on 'Gardening in Small Spaces'. Both were enjoyed and appreciated by those who attended.

There have been a few resignations from the group during the year, but with new members joining as a result, the group now has 38 members.

Helping Hands

During 2019/20 the Helping Hands groups continued to support the work of the RBGV Horticultural staff at Eastern Lodge, E Gate Lodge, Gate Lodge and at Plant Craft Cottage. The Helping Hands members have maintained the gardens in these areas and provided functional and attractive garden settings to the historical buildings found within these gardens.

Membership

In May 2020 the Friends launched a new, fully integrated membership database system. The system is still being refined but will, once finalised, offer more functionality and will be easier to use by Members and staff alike. Thanks are due to Georgina Ponce de Leon Huerta for sourcing the system, customising it for the Friends' use and for carefully transferring member details from the old system to the new.

Membership initiatives started strongly at the beginning of the financial year but have been somewhat restricted since March owing to the impact of COVID-19. Opportunities to attract new members have been limited with the cancellation of the Autumn Plant Sale and of face-to-face activities such as the Botanic Art Classes and Events in the Gardens. Despite this, we have had a steady flow of new members and there has been a very good response to renewal reminders. As Membership Convener I would like to take the opportunity to thank our very loyal members who have stood by us so generously through these difficult times. Without you we would be unable to fulfill our mission to support the work of the Gardens.

Photo Group

The Friends Photo Group currently has 25 members. John Harrison, our inaugural Convener, retired early in 2020 and since then the group has been undergoing a process of review, reflection and restructure. The purpose of this is to enable the wide range of photographic interests among members to be catered for and, as a result, group members have become more active in its running.

The Group usually meets on the third Wednesday of each month for an Activity in the Melbourne Gardens but, in line with COVID-19 restrictions, this moved to become a Zoom meeting.

Members have a very active Flickr page at www.flickr.com/groups/photo_group_frbgm/ where they post their images and follow fellow members.

Plant Craft Cottage

Phyl Knaggs stood down as Co-Convenor in Spring 2019 passing the role on to Jeanette Carter, who shared the role with Christina Gebhardt. Unfortunately for us Jeanette had to resign in March 2020 after accepting a full-time work position. Our thanks goes to Phyl for her many contributions to Plant Craft Cottage whilst Convenor and also to Jeanette who, as a relatively new member of the Friends, worked with the Plant Craft Cottage team with so much enthusiasm.

This year the local, interstate and international visitors certainly appreciated and valued the garden and the craft work that has been continued over nearly 40 years.

Workshops were held in January including Kokedama for both adults and children, which were our most successful for the year.

Embracing the ethos of the Cottage, an Artist-in-Residence program was launched in September 2019. Local Melbourne artist Eddy Carroll was the first artist to be based at the Cottage for a period of three weeks, during which time Eddy continued to develop a body of work in stitching flowers symbolising her theme on the 'Body'.

Following the success of Eddy Carroll, the first Artist-in-Residence for 2020, Anna Dunhill, began working in the Cottage on 1 March. Anna shared ideas with the Dye Group, joining them for their first and only meeting this year before the Cottage was closed due to COVID-19 restrictions.

During the various periods of isolation, the PCC members have kept in touch by sharing their craft work and 'Life in Lockdown' news, the latter produced by a small group of committed women and much appreciated by all Friends' members affiliated with Plant Craft Cottage.

Volunteers

A large number of volunteers, who give their time willingly, have worked with the Friends this year. All roles, whether they are big or small, are significant. Many volunteers were recruited for Friends' major events including reFraming Nature, the Spring 2019 Plant Sale and Plant Craft Cottage Open House which was hosted in July 2019 in conjunction with Open House Melbourne activities.

Whilst the on-site activities of volunteers ceased in March 2020 due to COVID-19 restrictions, some volunteers continued to carry out duties from home where practicable.

It is important to celebrate the role played by our volunteers and to that end Volunteer Profiles are now being published in each issue of the *Botanic News*. These profiles highlight the varying roles of Friends' volunteers and the passion they share for the Gardens.

This year we congratulate the following volunteers who will receive their Volunteer Service Awards at the 2020 Annual General Meeting.

10 years

Eleanor (Elly) Brodie
Anne Day
Anne Dluzniak
Claire Hill
Peter Holbeach
Karlene Taylor
June Valentine

15 years

Joyce Cameron
Vanessa Payne

20 years

Richard Kirsner
Richard Smith

25 years

Margaret Allan
Muriel Cathcart

30 years

Nina MacGeorge

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 2020, 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 2020, 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 2020, 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.

**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

M L Port
Partner

15 October 2020
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 2020 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 15th day of October 2020

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Income			
Membership subscriptions		85,517	93,337
Botanical art classes and workshops		153,531	204,685
Growing friends		42,127	72,776
Sale of merchandise		22,881	30,550
Functions and excursions		28,336	31,335
Exhibition revenue		11,933	43,063
Plant craft cottage		9,631	13,524
Interest income		7,864	10,487
Botanic news production		3,455	1,385
Government COVID-19 assistance		94,874	-
Other revenue		1,404	3,074
		<u>461,553</u>	<u>504,216</u>
Expenditure			
Employment expenses		217,651	198,444
Botanical art classes & workshops		118,688	133,006
Growing friends		9,624	20,154
Growing friends - depreciation		1,803	1,520
Cost of merchandise		21,053	16,326
Membership expenses		9,715	12,124
Functions and excursions expense		18,317	19,780
Botanic news production		16,367	24,266
Exhibition expenses		11,028	17,060
Printing, stationery and postage		4,566	4,279
Communications		6,796	5,520
Computer software and consulting		18,534	10,107
Audit & accounting fees		6,935	6,650
Depreciation		1,645	3,478
Repairs and maintenance		1,100	1,648
Plant craft cottage activities		6,889	12,640
Plant craft cottage - depreciation		3,580	2,602
Plant craft cottage - repairs and maintenance		1,652	11,068
History of Friends project		-	5,000
Contractors' benefits		40,010	-
Grants to the Royal Botanic Gardens Melbourne		2,000	-
Other expenses		9,909	15,266
		<u>527,862</u>	<u>520,938</u>
(Loss)/Profit before income tax		(66,309)	(16,722)
Income tax expense	1(a)	-	-
Total comprehensive (loss)/income		<u>(66,309)</u>	<u>(16,722)</u>

The accompanying notes form part of these financial statements.

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

**BALANCE SHEET
AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash assets	3	209,118	50,491
Term deposits		115,000	375,000
Receivables	4	27,547	7,114
Prepayments		7,069	9,322
TOTAL CURRENT ASSETS		358,734	441,927
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,638	19,816
TOTAL NON-CURRENT ASSETS		14,638	19,816
TOTAL ASSETS		373,372	461,743
CURRENT LIABILITIES			
Payables	6	64,764	94,176
Provisions	7	34,362	27,502
TOTAL CURRENT LIABILITIES		99,126	121,678
NON-CURRENT LIABILITIES			
Provisions	7	939	449
TOTAL NON-CURRENT LIABILITIES		939	449
TOTAL LIABILITIES		100,065	122,127
NET ASSETS		273,307	339,616
MEMBERS' FUNDS			
Accumulated funds		273,307	339,616
MEMBERS' FUNDS		273,307	339,616

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 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		363,319	537,331
Payments to suppliers and employees		(540,643)	(553,301)
Government COVID-19 assistance		69,937	-
Interest received		7,864	10,487
Net cash used in operating activities	8(a)	<u>(99,523)</u>	<u>(5,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		(1,850)	(9,230)
Transfer from/(to) term deposits		260,000	40,000
Net Cash provided by/(used in) investing activities		<u>258,150</u>	<u>30,770</u>
Net increase/(decrease) in cash held		158,627	25,287
Cash at the beginning of the financial year		50,491	25,204
Cash at the end of the financial year	3	<u>209,118</u>	<u>50,491</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Accumulated Funds \$	Members' Funds \$
Balance as at 1 July 2018	356,338	356,338
Comprehensive loss for the year	<u>(16,722)</u>	<u>(16,722)</u>
Balance as at 30 June 2019	<u>339,616</u>	<u>339,616</u>
Comprehensive loss for the year	<u>(66,309)</u>	<u>(66,309)</u>
Balance as at 30 June 2020	<u>273,307</u>	<u>273,307</u>

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 2020

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 2019, 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
Plant and equipment	10% - 33%

FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020

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.

(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 short term 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 2020

(i) Going Concern

The Association incurred an operating loss of \$66,309 and had cash outflows from operating activities of \$99,523 for the year ended 30 June 2020. As at 30 June 2020, the Association had cash assets and short-term deposits of \$259,118 included in net working capital position of \$324,118 available. The ability of the Association to continue as a going concern is dependent on a number of factors, one being the continuation and availability of funds.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- The Association has funds available to meet its current financial obligations; and
- The Association has prepared a budget for the 2020/21 financial year which indicates funds will be available to meet planned expenditure.

Should the Association be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

NOTE 2: RESULT BEFORE INCOME TAX

Result before income tax has been determined after:

Remuneration of auditor

- Audit of the financial report

NOTE 3: CASH ASSETS

Cash on hand

Cash at bank

	2020 \$	2019 \$
	6,935	6,650
	330	330
	208,788	50,161
	<u>209,118</u>	<u>50,491</u>

FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Accrued income	1,799	3,537
Sundry debtors	811	3,577
Government COVID-19 stimulus	24,937	-
	<u>27,547</u>	<u>7,114</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment at cost	56,189	54,339
Less: Accumulated depreciation	(41,551)	(34,523)
	<u>14,638</u>	<u>19,816</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	19,816	18,186
Additions	1,850	9,230
Depreciation expense	(7,028)	(7,600)
Carrying amount at the end of the year	<u>14,638</u>	<u>19,816</u>

NOTE 6: PAYABLES

Subscriptions received in advance	13,592	17,648
Functions & events paid in advance	895	2,385
Botanical art classes paid in advance	-	28,671
Botanical workshops paid in advance	495	13,454
Sundry creditors and accruals	9,502	29,648
Contractors' benefits	40,010	-
PCC workshops paid in advance	270	2,370
	<u>64,764</u>	<u>94,176</u>

FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 7: PROVISIONS		
CURRENT		
Provision for employee annual leave	27,290	21,840
Provision for long service leave	7,072	5,662
	<u>34,362</u>	<u>27,502</u>
NON-CURRENT		
Provision for long service leave	<u>939</u>	<u>449</u>
Total provision for employee entitlements	<u>35,301</u>	<u>27,951</u>

NOTE 8: CASH FLOW INFORMATION

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

(Loss)/Profit after income tax for the year	(66,309)	(16,722)
Adjustments for:		
Depreciation	7,028	7,600
Change in operating assets and liabilities:		
Decrease/(increase) in prepayments and receivables	(18,180)	8,326
Increase/(decrease) in sundry creditors and accruals	(29,412)	(9,980)
Increase/(decrease) in provisions	<u>7,350</u>	<u>5,293</u>
Net cash (used in) / from operating activities	<u>(99,523)</u>	<u>(5,483)</u>

(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 9: 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

FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020

NOTE 10: KEY MANAGEMENT PERSONNEL

The amount received or due and receivable by Council Members is \$nil (2019: \$nil).
Aggregate compensation paid or payable to key management personnel (other than Council Members):

	2020 \$	2019 \$
Short-term employment benefits	192,321	172,493
Post-employment benefits	17,086	16,387
	<u>209,407</u>	<u>188,880</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)
Nicola Rollerson	Dr Richard Kirsner
Catherine (Cathy) Trinca	Will Jones (ex officio)
David Forbes	Sue Broadbent
Lynsey Poore	Margaret (Meg) Miller
Mark Anderson	Sue Foran
Mary Ward	Prof Tim Entwisle (ex officio)
Lisa Steven	

NOTE 11: EVENTS OCCURRING AFTER THE REPORTING DATE

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the entity at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the entity. At the date of signing the financial report an estimate of the future effects of the COVID-19 pandemic on the entity cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in the future financial years.

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 2020.

Signed:

Dated: 15 October 2020

Signed:

Dated: 15 October 2020



MELBOURNE FRIENDS

ROYAL BOTANIC GARDENS VICTORIA

THE FRIENDS OF THE ROYAL BOTANIC GARDENS MELBOURNE TRUST FUND

ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2020



ABN: 78 402 826 907

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 over \$1,315,000 and a distribution in excess of \$150,000 is anticipated in 2020/21.

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 2019/20 year this minimum was \$166,994.

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 continually 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 with the Director of the RBGV 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 guidelines adopted by the Fund identify a range of defensive and growth asset classes, including cash, fixed interest, Australian and International equities and more recently a small allocation to Alternative Investments.

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 current market outlook is significantly uncertain, both for equities 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. Tim James has been the Fund's 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 Tim James.

Financial statements

Total Revenue in 2019/20 was \$343,021 compared to \$306,947 in the previous year. This arose principally from a significant increase in realized profit of \$170,745, compared to a loss of \$88,237 in 2018/19. There were however significant falls in dividend and interest receipts for the period, reflecting lower dividend and interest payments and significantly lower franking credits.

Expenditure in 2019/20 totalled \$55,170, slightly up on \$51,806 the year before.

Grants paid to RBGV for the 2019/20 amounted to \$167,562 compared to \$21,000 in the previous year (the low distribution reflecting slow progress with the Sensory Garden development).

The comprehensive profit after distributions from the Fund for the 2019/20 year was a loss of \$294,662 compared to a profit of \$295,354 the previous year, reflecting a \$414,951 decrease in the value of investments and a significant increase in the size of the distribution to the Gardens.

At 30 June 2020, the value of the Fund's net assets was \$3,880,199 compared to \$4,174,861 at the same time in the previous financial year - a decrease of 7%.

Grants to RBGV

Following a 2018 commitment by the Grants Committee of a \$200,000 contribution towards the development of a sensory garden little progress was made on the project in the current year: as a consequence only a further \$10,136 was expended on the project, making a total contribution to date of \$56,136, and a balance of \$143,864 remaining.

Other projects supported in 2019/20 include \$69,500 for the purchase and modification of two garden explorer vehicles, \$36,000 for the installation of two drinking fountains, \$10,000 towards repairs to the Plant Craft Cottage and shed and a \$4,000 contribution toward the restoration of the Nareeb Gates.

Performance of the Fund

Our Financial Advisers, Crestone, provide the following portfolio performance data for the last five years.

PERIOD	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
PORTFOLIO RETURN	(0.65%)	10.74%	8.86%	6.87%	(4.03%)
TARGET RETURN (CPI + 4%)	5.0%	5.9%	6.1%	5.6%	3.7%
OUT (UNDER) PERFORMANCE (5.65%)	4.84%	2.76%	1.27%	(7.73%)	

As the above Table highlights the 2020 financial year was a difficult one. Not only did volatile financial markets impact performance but interest, dividend and franking receipts were meaningfully weaker than the previous year. Inflation (CPI) was also negative for the 2020 year. The Fund's portfolio however remains well diversified, with a significant exposure to growth assets which should help the Fund achieve its long-term target return of CPI + 4%.

Trustees

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

William Jones, Chairman - from November 2017 to November 2021.

Janet Thomson - from November 2018 to November 2022; Janet Thomson has indicated her intention to retire in November 2020.

Catherine Trinca - from 2018 to November 2022.

Mark Calder - from 2019 to November 2023

Peter Kelly retired as a Trustee on the 31 December 2019 and Peter Griffin retired at the 2019 Annual General Meeting of the Friends, when Mark Calder's appointment was confirmed.

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

- an appointment* of two further trustees at the 2020 Annual General Meeting of the Friends. Mary Ward and Jeremy Gibson have been nominated by the nominations committee of the Friends for appointment.

* 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.

The Trustees would particularly like to thank each of Peter Griffin, Janet Thomson and Peter Kelly for their long and diligent contribution to the Trust Fund.

Peter Griffin, AM, was appointed as a Trustee of the Fund in 2009, serving for ten years in the role. The Trust was most fortunate to attract someone of Peter's financial and not-for-profit background. Peter was instrumental in establishing the Fund's investment objectives and implementing an appropriate Investment Strategy.

Janet Thomson, OAM, joined the Friends in 1991, serving on Council for eighteen years, including as President 2006-2010. Janet was appointed as a Trustee in 2011, thereby continuing her commitment to the Friends which has extended to twenty-nine years. Janet has provided the Fund a unique insight into the needs and operations of the Friends.

Peter Kelly retired as Chair of Trustees at the end of 2019. Peter joined the Friends in 2002 and served on Council 2006-2014. Peter continued on Council as an ex officio member until 2019 in his role as Chair of the Trust. Peter was a keen and long serving member of the Growing Friends and his knowledge of the workings of a key volunteer group within the Friends, combined with his legal background, resulted in Peter's significant contribution as Chair of the Trust.

The many years of service of the three retiring Trustees is acknowledged with gratitude; their generous commitment of both time and wisdom will be missed.

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

Opinion

We have audited the special purpose financial report of The Friends of the Royal Botanic Gardens, Melbourne Trust Fund, which comprises the statement of financial position as at 30 June 2020, 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 The 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) giving a true and fair view of the financial position of the Trust Fund as at 30 June 2020, 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.

**INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF
THE 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

M L Port
Partner

5 October 2020
Melbourne

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

DECLARATION BY TRUSTEES

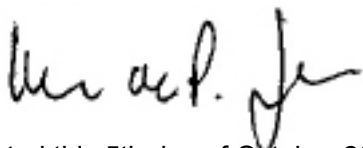
The Trustees have determined that The Friends of the Royal Botanic Gardens, Melbourne Trust Fund is not a reporting Fund as those to whom the Trustees are required to report pursuant to the Trust Deed can obtain information they require without examining general purpose financial reports. The Trustees 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 2020 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.

William Jones

A handwritten signature in black ink, appearing to read 'Wm. A. P. Jones', written in a cursive style.

Dated this 5th day of October 2020

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020	2019
		\$	\$
<u>Revenue</u>			
Dividends and Distributions		128,984	267,292
Franking Credits		27,501	100,772
Donations/Bequests		15,022	20,459
Realised Profit/(Loss) on Investments		170,745	(88,237)
Interest		769	6,661
		<u>343,021</u>	<u>306,947</u>
<u>Expenditure</u>			
Audit Fees		(4,807)	(4,650)
Accounting Fees		(2,134)	(2,060)
Management Fees		(47,288)	(43,406)
Other Administration Costs		(290)	(640)
Foreign Exchange Loss		(3)	1
Secretarial Services		(648)	(1,051)
Total Expenses		<u>(55,170)</u>	<u>(51,806)</u>
Unrealised increase/(decrease) in investments		(414,951)	61,213
Profit/(Loss) before income tax and distributions to RBG		<u>(127,100)</u>	<u>316,354</u>
Less grants to the Royal Botanic Gardens Melbourne		(167,562)	(21,000)
Income tax expense		-	-
Profit/(Loss) after income tax		<u>(294,662)</u>	<u>295,354</u>
COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		<u>(294,662)</u>	<u>295,354</u>

The accompanying notes form part of these financial statements.

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**BALANCE SHEET
AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	2	315,013	336,247
Receivables	3	127,439	99,938
Other Financial Assets	4	<u>3,444,838</u>	<u>3,745,509</u>
TOTAL CURRENT ASSETS		<u>3,887,290</u>	<u>4,181,694</u>
TOTAL ASSETS		<u>3,887,290</u>	<u>4,181,694</u>
CURRENT LIABILITIES			
Creditors and accruals		<u>7,091</u>	<u>6,833</u>
TOTAL LIABILITIES		<u>7,091</u>	<u>6,833</u>
NET ASSETS		<u>3,880,199</u>	<u>4,174,861</u>
TRUST FUNDS			
Accumulated Reserves	5	<u>3,880,199</u>	<u>4,174,861</u>
TRUST FUNDS		<u>3,880,199</u>	<u>4,174,861</u>

The accompanying notes form part of these financial statements.

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations/Bequests		15,022	20,459
Net cash provided by operating activities		15,022	20,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and Distributions Received		128,984	267,292
Interest Received		769	6,661
Franking Credits		-	29,934
Management Fees		(47,288)	(43,406)
Share Purchases		(2,005,816)	(2,958,394)
Consideration on Sale of Shares		2,062,278	2,944,950
Secretarial Services		(771)	(1,147)
Office Supplies		(290)	(1,156)
Accounts and Audit Fees		(6,710)	(6,490)
Grants to the Royal Botanic Gardens Melbourne		(167,562)	(90,022)
Net Cash provided by investing activities		(36,406)	148,222
Net increase/(decrease) in cash held		(21,384)	168,681
Cash at the beginning of the financial year		336,247	167,566
Cash at the end of the financial year	2	314,863	336,247

The accompanying notes form part of these financial statements.

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(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.

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

	2020 \$	2019 \$
NOTE 2: CASH ASSETS		
003011434 Cash	35,552	31,330
003007416 Cash	189,979	296,031
CBA cash	4,968	8,863
00300741022 USD Cash	84,494	-
USD cash	20	23
	<u>315,013</u>	<u>336,247</u>
NOTE 3: RECEIVABLES		
Franking Credits Refundable	<u>127,439</u>	<u>99,938</u>
NOTE 4: FINANCIAL ASSETS		
003011434 Portfolio		
- at Cost	1,443,537	1,531,433
Change in Market Value	<u>(106,663)</u>	<u>(211)</u>
	1,336,874	1,531,222
003007416 Portfolio		
- at Cost	1,597,970	1,745,715
Change in Market Value	<u>140,336</u>	<u>468,572</u>
	1,738,306	2,214,287
00300741022 Portfolio		
- at Cost	349,921	-
Change in Market Value	<u>19,737</u>	<u>-</u>
	369,658	-
	<u>3,444,838</u>	<u>3,745,509</u>
NOTE 5: ACCUMULATED FUNDS		
Accumulated funds at the beginning of the financial year	4,174,861	3,879,507
Comprehensive (Loss)/Profit	<u>(294,662)</u>	<u>295,354</u>
Accumulated funds at the end of the financial year	<u>3,880,199</u>	<u>4,174,861</u>