



MELBOURNE FRIENDS

ROYAL BOTANIC GARDENS VICTORIA

ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2021



NOTICE is hereby given that the thirty-sixth Annual General Meeting of the Friends of the Royal Botanic Gardens, Melbourne Incorporated (the 'Friends') will be held at 6pm Monday, 15 November 2021 via Zoom.

BUSINESS

1. To confirm the minutes of the thirty-fifth Annual General Meeting held on 16 November 2020.
2. To receive from the Council a report of the activities of the Friends for the year ended 30 June 2021.
3. To elect members of the Council. The following, being eligible, have been duly nominated for election as stated:

Vice- President	Nicola Rollerson
Secretary	Adnan Mansour
Ordinary Member	Margaret (Meg) Miller
	Sue Broadbent

4. To receive and consider the financial statements of the Friends for the year ended 30 June 2021, which have been duly audited.
5. 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.
6. To re- elect William Jones as a Trustee.

By order of the Council

Adnan Mansour, Secretary

Dated: 14 October 2021

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: Professor Tim Entwisle, Director and Chief Executive RBGV, will journey through the Wonder book.

ANNUAL REPORT OF THE FRIENDS FOR THE YEAR ENDED 30 JUNE 2021
Patron The Honourable Linda Dessau AC, Governor of Victoria

Council

President	Lynsey Poore#
Vice-President	Nicola Rollerson*
Secretary	Adnan Mansour *
Treasurer	Mark Anderson #
Members	Professor Tim Entwisle † William Jones † (Due for re-election at AGM) Margaret (Meg) Miller * Sue Foran # Susan Broadbent* Lisa Steven# Catherine Trinca # Mary Ward (Immediate Past President) * Retires Annual General Meeting 2021 # Retires Annual General Meeting 2022 † Ex-Officio Member of Council

Trustees of the Friends' Trust Fund

William Mackay Philip Jones (Chair), Catherine Trinca, Mark Calder, Jeremy Gibson and Mary Ward

Convenors of Committees at 30 June 2021

Botanic Illustrators	Sue Foran
Editor, Botanic News	Corinne Yee
Events	Lisa Steven
Executive	Adnan Mansour
Grants	Lynsey Poore
Growing Friends	Michael Hare
Membership and Marketing	Nicola Rollerson
Operations	Nicola Rollerson
Photo Group	David Forbes to 31 December 2020 Jane Bennett from 1 January 2021
Plant Craft Cottage	Cathy Trinca and Sue Broadbent
Volunteers	Diana Barrie

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 Teacher	Dianne Emery

FROM THE PRESIDENT

At the 2020 AGM some new Council members were elected, including a new president and vice-president. I want to thank all Council members for their dedication to and support for the Friends. Special 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. I would also like to thank and congratulate all the staff in our office for coping under difficult circumstances, readjusting to ever-changing working conditions while still managing the Friends day-to-day affairs.

The restrictions under COVID-19 have led to many planned events being cancelled or altered to a virtual format using Zoom. We were fortunate to have some events go ahead between lock downs, including walks, a New Members Welcome at the Plant Craft Cottage and the 'Thank You' to our volunteers during Volunteer Week in May. At this event, which was also held at the Cottage, two of our long-serving members, Cathy Trinca and Michael Hare, were awarded our inaugural Tim Entwisle Medals. It was fitting that the first recipients of this award, established to recognise outstanding benefits and services to the Friends and the RBGV, had their medals presented by its namesake, Director and Chief Executive of the RBGV, Professor Tim Entwisle. We were delighted to also welcome the Chair of the RBGV Board, Ms. Chris Trotman, and other Board members to this special occasion to thank our volunteers.

All the Friends groups have faced restrictions and uncertainties and I want to thank all the conveners for their hard work in managing to keep their members engaged, in one way or another, during this time. Unfortunately, both the Spring 2020 and Autumn 2021 Plant Sales from the Growing Friends had to be cancelled and smaller pop-up sales have also fallen victim to lock downs. My thanks go to the Melbourne Gardens' nursery team for helping to maintain the Growing Friends nursery in our own volunteers' absence.

The convener reports will give you more details on their successful activities, but some deserve special mention. The Events committee have done a marvellous job in planning regular events under the most difficult of circumstances. 2021 commemorates the 175th anniversary of the Melbourne Gardens and events this year have been able to use that as a focus, with many wonderful presentations as a result. The committee are now busy planning for the Friends' 40th anniversary in 2022. The Plant Craft Cottage has been the focus of particular attention and we hope it will become a vibrant centre for our members to visit and enjoy the many activities planned.

Botanic News has continued to keep us all informed and up to date with interesting articles about the Gardens and beyond, and I would like to congratulate our new Editor, Corinne Yee, for the commitment she has shown in her new role. It is no easy task! The *eNews* moved back to twice a month from the beginning of 2021 and it keeps us informed about all the upcoming events while also providing entertaining and educational snippets for us to enjoy.

The Friends' Trust Fund continues to provide funds for staff scholarships and the Helen McLellan Research Grant and I congratulate all the current successful applicants. Other grants in this last Financial Year went towards the completion of our \$200,000 commitment towards the development of the Sensory Garden. This wonderful new garden was opened at an event in December 2020 and is now delighting the many visitors to our Gardens.

Lastly, I would like to sincerely thank all our members for their ongoing support during this past year. By supporting the Friends, you help to support our world-renowned Gardens, something we are all passionate about.

The Council of the Friends

Six Council meetings were held during the year on alternate months commencing August 2020. 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 2021 was an operating loss of \$92,812, which is \$112,877 below the target balanced budget of \$20,133 for the year and \$26,502 greater than the 2020 loss of \$66,309.

The operating loss is directly due to reduced revenue caused by the COVID-19 Pandemic. Operating expenses were on budget. The impact of COVID was felt across all of the Friends activities:

1. RBGV closed the garden to volunteers which meant that the Growing Friends nursery and Plant Craft Cottage were closed for most of the year;
2. Gate Lodge for staff was also closed;
3. Growing Friends Spring and Autumn Plant sale did not take place;
4. Plant Craft Cottage craft workshops were cancelled;
5. Face to face Events were cancelled and replaced by online events;
6. There were very limited opportunities for sale of merchandise; and
7. Botanic Illustrators workshops were cancelled, although classes continued online.

Total Income on the Statement of Profit and Loss was \$340,331, which is \$114,589 below the budget target of \$454,920. The analysis of the lower than target revenue indicates that:

1. Income derived from online botanic art classes was \$112,081 before costs (budget \$164,400). The space per person requirements in the art classrooms precluded the running of face-to-face classes and art workshops. The further development and acceptance of online classes is an opportunity going forward;
2. The Spring and Autumn plant sales did not occur, so the target budget of \$57,800 was not achieved;
3. The Plant Craft Cottage was also closed, resulting in \$10,400 reduction in craft sales.

Very pleasing were the following outcomes:

4. Income from online Events was \$24,200 before costs, which is \$1,750 better than budget;
5. Income from online sale of Merchandise raised \$15,099 before costs, which was only \$940 below the target;
6. Our members maintained their support for the Friends, with subscriptions of \$89,033 (budget \$100,000); and
7. Government assistance of \$81,500.

Total Expenses on the Statement of Profit and Loss were \$433,143, which is exactly in line with the budget of \$434,787 and \$94,719 lower (20%) than the previous year. In hindsight, the expenses budget needed to be reduced by approximately \$200,000 (40%). 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. Membership costs reduced – no mailouts, postage and printing costs.
4. Gate Lodge office was closed – no weekly cleaning; reduced heating and lighting costs; no printing and photocopying.

The total assets of the Friends as at 30 June 2021 was \$291,107, compared with \$373,372 in 2020, a decrease of \$82,265 over the financial year. This decrease can largely be attributed to a decrease of \$49,118 in cash and term deposits held due to the operating loss, plus a reduction in receivables of \$25,702 and an increase in the provision for employee entitlements of \$15,367. The level of accumulated staff leave is higher than normal and arrangements are being made with staff.

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, online events, online shop for merchandise sales and better use of online communications.

The financial position of the Friends is satisfactory given the COVID environment, with net assets of \$180,495 which are predominantly in the form of cash and financial investments. At the conclusion of the 20/21 year, the Friends are in a sustainable financial position and able to pay all debts as they fall due. The Balance Sheet and working capital position underpins this belief. Importantly there has been no sizeable impact on membership renewals which remain at full price.

Grants Committee

The Grants Committee coordinates The Friends of the Royal Botanic Gardens Trust Fund financial contribution to the Gardens. The Committee comprises the Friends President, Secretary and Treasurer and Trustees of the Trust Fund, including the Chair of the Trust.

The Committee meet as required to evaluate potential projects and assess scholarship applications proposed by the RBG. Significant grant proposals are discussed with the Director and Chief Executive of the RBGV prior to any decision. The Friends of the Royal Botanic Gardens Melbourne Trust Fund annual report, including audited financial statements, are provided following the Annual Report of the Friends. The Chairman of the Trust regularly reports to Council on the Trust Fund performance and other related matters.

Grants to the Gardens

The total amount granted by the Friends' Trust Fund for the 2020/2021 year to the RBGM for research, scholarships and development projects was \$190,260.

The grants provided included:

- Sensory Garden \$143,864 (final instalment of \$200,000 in total).
- Helen McLellan Research Grant \$19,780
- Staff Scholarships \$15,616

Helen McLellan Research Grant

The Helen McLellan Research Grant was established in 2010 to commemorate the generous bequest to the Friends of the late Helen McLellan, with up to \$20,000 granted annually. The 2020/2021 grant of \$19,780 has been awarded to Dr Camille Truong for her research work on the *Biodiversity and phylogenomics of Australian ectomycorrhizal fungi in Peziziales* (Ascomycota). This is the first instalment of a total grant of \$53,180 that will cover a period of three years, 2020/2021-2022/2023

Friends' Scholarship Scheme

Scholarships to an amount of \$15,000 are offered annually to RBGV staff members to enable them to further their professional development. An additional \$2000 is available through the Sharwood Bursary to assist with travel expenses incurred when fulfilling awarded scholarships (note: no Bursary was awarded this year due to COVID restrictions). RBGV staff receiving scholarships in 2020/2021 were:

- Alison Vaughan, Digital Collections Advisor, Science, National Herbarium of Victoria, for an Exhibition Design and Delivery course.
- Kimberley Colman, Learning Facilitator (Early Childhood Programs), Melbourne Gardens, for the course Applying Project Management Tools in Learning Projects.
- Misha Davine, Horticulturist Curator (Fern Gully), Melbourne Gardens, for Fern Collecting in Lord Howe and Norfolk Islands.
- Sally Fierenzi, Learning Facilitator, Cranbourne Gardens, for Graduate Certificate of STEM Education.

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 Conveners 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 Conveners 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.

All meetings during 2020/2021 were successfully conducted via Zoom. Thanks go to all the Conveners for their continued dedication, for continuing to work whenever possible to recruit new members and for organising activities and events in difficult circumstances.

Botanical Art

The FRBGM art program continues to be impacted by COVID-19 restrictions. However, following the encouraging uptake of our online botanic art classes during 2020, we have continued to offer our art classes via Zoom, with a number of face-to-face classes also possible for a short time in early 2021. Unfortunately, we have not been able to offer workshops.

The online class experience has been embraced by many of our regular students, and has also attracted several regional, interstate, and international students. All our tutors are very experienced art teachers and accomplished artists in their own right and this enables us to offer a very high-quality art program, designed to meet a variety of student needs, skill levels and interests.

A highlight of the 2020/2021 Botanical Art Program was the 15th biennial 'The Art of Botanical Illustration' exhibition (TABI). This beautiful exhibition, held between 19 September and 31 December 2020, was presented online using a bespoke, locally developed, online platform. The exhibition included 154-art works selected from 175 submissions from a total of 79 leading Australian and International botanical artists. Apart from Melbourne and regional Victoria, works were received from South Australia, Queensland, New South Wales, ACT, Tasmania, and Western Australia, as well as from New Zealand, UAE, Singapore, France, and Dubai.

Jane Edmanson, OAM, ABC's Gardening Australia presenter and a member of the Friends, opened the exhibition and announced the Celia Rosser award winners.

This year, the Celia Rosser medal went to two recipients - Dianne Emery for her beautiful depiction of two *Amanita muscaria* (fly agaric) and Joanne Knott for her lovely natural depiction of the *Banksia petiolaris*. In addition, four artists were awarded an Honourable Mention: Jennifer Taranto, Haya Alketbi, Beverly Allen, and Eunike Nugroho. Six works were acquired by the Director's Circle and the RBGV for inclusion in the State Botanical Collection. The online platform also enabled us to hold a variety of TABI-related lectures and activities, including the Opening by Jane Edmanson.

The TABI 2020 Exhibition Committee, comprising Thea Clark, Simon Deere, Dianne Emery, Sue Foran, Jan Gilfillan, Jessie Ford, Merle Hathaway, Helen Heath, Olivia Hutchinson, and Jill Scown, worked extremely hard to move from the traditional Domain House exhibition format to a virtual exhibition at very short notice. The result was a beautiful and well received exhibition, with global reach and recognition. This would not have been possible without the website design by Beto Caceres together with technical input from Thea Clark.

Botanic News

The publication of *Botanic News* enables us 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 Gardens' staff. Without this help, the publication would not be possible, and working with these contributors and learning about their areas of expertise is very rewarding, especially during this 175th anniversary of the Melbourne Gardens. Although it has been necessary to publish electronically for most of 2020/2021, it is hoped that members still find much to appreciate. *Botanic News* keeps members informed on a wide range of topics and provides opportunities for members to become actively involved through stories of some of our volunteers. It is also a source of information for members about the Gardens and their activities.

Events

Our 2020/2021 program speaks to the hard work, passion, and commitment of our Events team who, despite the many lockdowns, have presented a calendar that encompassed not only online talks, but also a few onsite talks, day trips, rambles and even workshops. When possible, our walks will be extended in both number and variety, thanks to interest from our members.

Our whole community has shown great resilience adjusting to the inevitable changes and we thank everyone for their patience, loyalty, and commitment to us during the past 12 months. Our heartfelt

thanks to our FRBGM team for their significant efforts in helping to bring our events into play.

Online talks dominated the second half of the 2020 Events calendar and we were fortunate to have a wonderful group of presenters who were willing to share their knowledge and experiences. Our community embraced TABI 2020 in September and the botanical art talks attracted more than double the number of attendees of other events combined.

We closed 2020 having hosted 41 online talks. Our Christmas Party was held online – an entertaining ‘first’ and one well supported by members. Thanks go to all our 2020 presenters who recorded Christmas messages to our members and Professor Tim Entwisle who provided an overview of the year. A positive has been the response to the online recordings on our website, which are available to members. The videos have been viewed many times and we are committed to creating a library of ‘read and watch’ resources for our members.

We were delighted to launch our Celebrating 175 Years of the Gardens program at the start of 2021. From the First Five Acres we moved through the times of Mueller and Guilfoyle, the Living Collections and the Gardens as a ‘work-in-progress’ with Professor Tim Entwisle. We celebrated Gardens House, the historic buildings and shelters, the significant monuments, and the revitalised Arid and new Sensory Gardens. We are proud to have another six months of 175th Anniversary celebrations ahead.

Our committee would like to thank all our members, presenters and supporters who play such a vital role in our FRBGM community. We are excited that we will be celebrating our own 40th Anniversary in 2022. Our committee is working to create a calendar that will celebrate our community and the projects we have supported over the 40 years.

Growing Friends

For the Growing Friends the year was dominated by the restrictions necessary to control the spread of COVID-19, consequently, for most of the year the Nursery was closed to both the Growing Friends and customers, and Nursery Open Days and the Spring and Autumn Plant Sales were cancelled. When the Growing Friends returned a thorough clean of the Nursery and sorting of the plants was required for, while some plants had died, others had flourished. Plants which had survived the lockdown were in such good condition that online sales were introduced in early 2021 and achieved some success. Online sales will continue through the Friends online Shop on a “click & collect” basis.

Among other things, the restrictions around Nursery activities have resulted in a significant reduction in the size of the group, which now numbers just 30 members.

Helping Hands

COVID-19 restrictions meant that the Helping Hands group was unable to operate for most of the year.

Recent discussions with Gardens management revealed their stretched resources could no longer absorb the necessary supervision required for the volunteers to operate and the decision was made to disband the group.

The Friends Council and the Gardens management are grateful to all Helping Hands members for their dedication over the years. Those who wished to continue their support were invited to use their skills in either the Plant Craft Cottage or Gate Lodge gardens.

Membership

Whilst the past 12 months have been challenging, the Friends have managed to maintain their member numbers, which has been very heartening.

Although some Friends’ member activities couldn’t be presented in the usual way, art classes and a wide range of talks were offered online instead of face-to-face and proved to be very popular. It is likely that these activities will continue to be offered online (in tandem with face-to-face when possible) as they opened up regional, interstate, and overseas opportunities and introduced a new

group of people to the Friends and to the benefits of membership.

During the lockdown periods, members were treated to additional issues of eNews, which were packed with information and showcased a series of interesting articles on local Gardens, written by Mary Ward (President 2016-2020), which were warmly received by readers.

Opportunities for gaining new members at events were limited, given the cancellation of the Growing Friends Plant Sales, The Art of Botanical Illustration (TABI) not having a physical presence and Gate Lodge being closed for much of the year. However, we are extremely grateful to our existing, loyal members who have supported us during these difficult times. Your support has been very much appreciated.

Photo Group

As at 30 June 2021 the Photography Group had 30 members. In January 2021, Jane Bennett took over from David Forbes as Convener of the group.

During 2020/2021, opportunities for photography as a group in the Melbourne Gardens were limited by COVID-19 restrictions. In the second half of 2020, group members continued to develop their photographic skills through photography close to home, and through two online workshops conducted for the group by a photography lecturer from RMIT. From early 2021, the group has been able to pursue its monthly program in the Gardens most of the time, taking images on a variety of themes designed to improve their botanical and photographic knowledge.

Throughout the ups and downs of this twelve months, group members have remained active and connected to each other via Zoom, face-to-face meetings, email, and posting and commenting on images on our Flickr site: www.flickr.com/groups/photo_group_frbgm. When restrictions permit, the group will continue to meet at the Plant Craft Cottage – Friends Hub at 10am on the third Wednesday of each month, then walk in the Gardens taking photos.

Plant Craft Cottage

The Plant Craft Cottage has two new convenors – Cathy Trinca and Sue Broadbent, both with long connections to the RBGVM and the Friends.

The Plant Craft Cottage has been shut since March 2020, when it closed for the first COVID-19 lockdown, and then for the duration of the 2020/2021 year it unfortunately could not re-open to the public. Repairs to the Cottage and the shed were completed during this time and the shed contents, that had been stored in the Cottage, were returned to new shelving that had been installed in the shed. A thorough clean-up of the Cottage has taken place in preparation for re-opening.

The PCC Garden Group have been working in the garden every week whenever possible between or after lockdowns and, thanks to all their effort, after a year's absence the garden is now looking very good. The group have a plan to locate and map all the plants in the garden, and re-stock parts of the garden with new and relevant plants. The irrigation system will be overhauled and made fully operational.

The Friends' Photo Group now meet at the Cottage on Wednesdays.

Rosters have been arranged and the Cottage is being prepared to reopen in the new financial year to returning craft groups, including the natural dye, basketry, and pot pourri groups. The other craft groups will not be returning for the foreseeable future.

Volunteers

It has been another difficult year for our volunteers to continue to provide support to the various activities and groups across the Melbourne Gardens. As the year opened with Victoria under lockdown, which continued for much of 2020/2021, planning for major events involving the support of volunteers has been difficult.

An important part of the year has been reviewing the legislative requirements for volunteers and ensuring that the Friends are meeting its obligations by creating a safe environment for visitors and workers. This work will continue into next year with additional education programs for volunteers.

The year continued to recognise the work of many of our volunteers via Botanic News, to help bring out the breadth of skills and passions of many members and volunteers. It is hoped that the coming year will allow more on-site activities to attract more members and volunteers.

This year we congratulate the following volunteers who will receive their Volunteer Service Awards at the 2021 Annual General Meeting

10 years

Elizabeth Andriske

Thea Clark

Lyn Eadie

Adnan Mansour

David O'Beirne

Catriona Ridland

15 years

Rosemarie Cerny

Keiko Yurisich

25 years

Virginia Morrison

Janet Thomson

30 years

Jean Walker

40 years

Glenys Clissold

Mary Jost

Vida Videon

Lyn Zeevaarder

**FRIENDS OF THE ROYAL BOTANIC GARDENS,
MELBOURNE INCORPORATED
Registered No: A12817T**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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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 2021, 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 2021, 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 2021, 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

DFK Kidsons Partnership
Chartered Accountants

14 October 2021
Melbourne

M L Port

M L Port
Partner

**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 2021 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 14th day of October 2021

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Income			
Membership subscriptions		89,033	85,517
Botanical art classes and workshops		112,081	153,531
Growing friends		1,950	42,127
Sale of merchandise		15,099	22,881
Functions and excursions		24,200	28,336
Exhibition revenue		13,685	11,933
Plant craft cottage		100	9,631
Interest income		139	7,864
Botanic news production		100	3,455
Photography group		995	-
Government COVID-19 assistance		81,500	94,874
Other revenue		1,449	1,404
		<u>340,331</u>	<u>461,553</u>
Expenditure			
Employment expenses		242,490	217,651
Botanical art classes & workshops		94,599	118,688
Growing friends		3,022	9,624
Growing friends - depreciation		1,709	1,803
Cost of merchandise		7,758	21,053
Membership expenses		7,832	9,715
Functions and excursions expense		9,130	18,317
Botanic news production		10,417	16,367
Exhibition expenses		6,742	11,028
Printing, stationery and postage		2,689	4,566
Communications		4,281	6,796
Computer software and consulting		3,875	18,534
Audit & accounting fees		9,610	6,935
Depreciation		1,496	1,645
Repairs and maintenance		775	1,100
Plant craft cottage activities		2,627	8,541
Plant craft cottage - depreciation		3,578	3,580
Photography group		839	-
Contractors' benefits		-	40,010
Grants to the Royal Botanic Gardens Melbourne		-	2,000
Other expenses		19,674	9,909
		<u>433,143</u>	<u>527,862</u>
(Loss)/Profit before income tax		(92,812)	(66,309)
Income tax expense	1(a)	-	-
Total comprehensive (loss)/income		<u>(92,812)</u>	<u>(66,309)</u>

The accompanying notes form part of these financial statements.

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

**BALANCE SHEET
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash assets	3	150,094	209,118
Term deposits	3	125,000	115,000
Receivables	4	1,845	27,547
Prepayments		6,313	7,069
TOTAL CURRENT ASSETS		283,252	358,734
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,855	14,638
TOTAL NON-CURRENT ASSETS		7,855	14,638
TOTAL ASSETS		291,107	373,372
CURRENT LIABILITIES			
Payables	6	59,924	64,764
Provisions	7	48,099	34,362
TOTAL CURRENT LIABILITIES		108,023	99,126
NON-CURRENT LIABILITIES			
Provisions	7	2,589	939
TOTAL NON-CURRENT LIABILITIES		2,589	939
TOTAL LIABILITIES		110,612	100,065
NET ASSETS		180,495	273,307
MEMBERS' FUNDS			
Accumulated funds		180,495	273,307
MEMBERS' FUNDS		180,495	273,307

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 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		259,457	363,319
Payments to suppliers and employees		(415,057)	(540,643)
Government COVID-19 assistance		106,437	69,937
Interest received		139	7,864
Net cash used in operating activities	8(a)	(49,024)	(99,523)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		-	(1,850)
Transfer from/(to) term deposits		(10,000)	260,000
Net Cash provided by/(used in) investing activities		(10,000)	258,150
Net increase/(decrease) in cash held		(59,024)	158,627
Cash at the beginning of the financial year		209,118	50,491
Cash at the end of the financial year	3	150,094	209,118

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated Funds \$	Members' Funds \$
Balance as at 1 July 2019	339,616	339,616
Comprehensive loss for the year	(66,309)	(66,309)
Balance as at 30 June 2020	273,307	273,307
Comprehensive loss for the year	(92,812)	(92,812)
Balance as at 30 June 2021	180,495	180,495

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 2021**

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 2020, 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 2021**

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 2021**

(i) Going Concern

The Association incurred an operating loss of \$92,812 and had cash outflows from operating activities of \$49,024 for the year ended 30 June 2021. As at 30 June 2021, the Association had cash assets and short term deposits of \$275,094 included in net working capital position of \$175,229 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 2021/22 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.

	2021	2020
	\$	\$
NOTE 2: RESULT BEFORE INCOME TAX		
Result before income tax has been determined after:		
Remuneration of auditor		
- Audit of the financial report	7,035	6,935
- Accounting advice	2,575	-
	<u>9,610</u>	<u>6,935</u>

NOTE 3: CASH ASSETS AND TERM DEPOSITS

Cash on hand	330	330
Cash at bank	149,764	208,788
	<u>150,094</u>	<u>209,118</u>
Term deposits	125,000	115,000
Total cash assets and term deposits	<u>275,094</u>	<u>324,118</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
NOTE 4: RECEIVABLES		
Accrued income	-	1,799
Sundry debtors	1,845	811
Government COVID-19 stimulus	-	24,937
	<u>1,845</u>	<u>27,547</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment at cost	56,189	56,189
Less: Accumulated depreciation	<u>(48,334)</u>	<u>(41,551)</u>
	<u>7,855</u>	<u>14,638</u>

(a) Movements in carrying amounts

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

Balance at beginning of year	14,638	19,816
Additions	-	1,850
Depreciation expense	<u>(6,783)</u>	<u>(7,028)</u>
Carrying amount at the end of the year	<u>7,855</u>	<u>14,638</u>

NOTE 6: PAYABLES

Subscriptions received in advance	19,989	13,592
Functions & events paid in advance	5,525	895
Botanical art classes paid in advance	8,755	-
Botanical workshops paid in advance	-	495
Sundry creditors and accruals	17,645	9,502
Contractors' benefits	8,010	40,010
PCC workshops paid in advance	-	270
	<u>59,924</u>	<u>64,764</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
NOTE 7: PROVISIONS		
CURRENT		
Provision for employee annual leave	40,155	27,290
Provision for long service leave	7,944	7,072
	<u>48,099</u>	<u>34,362</u>
NON-CURRENT		
Provision for long service leave	<u>2,589</u>	939
Total provision for employee entitlements	<u>50,688</u>	<u>35,301</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	(92,812)	(66,309)
Adjustments for:		
Depreciation	6,783	7,028
Change in operating assets and liabilities:		
Decrease/(increase) in prepayments and receivables	26,458	(18,180)
Increase/(decrease) in sundry creditors and accruals	(4,840)	(29,412)
Increase/(decrease) in provisions	<u>15,387</u>	<u>7,350</u>
Net cash (used in) / from operating activities	<u>(49,024)</u>	<u>(99,523)</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 2021**

	2021	2020
	\$	\$

NOTE 10: KEY MANAGEMENT PERSONNEL

The amount received or due and receivable by Council Members is \$nil (2020: \$nil).
Aggregate compensation paid or payable to key management personnel (other than Council Members):

Short-term employment benefits	207,978	192,321
Post-employment benefits	18,123	17,086
	226,101	209,407

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

Adnan Mansour	Lisa Steven
Nicola Rollerson	Mary Ward
Catherine Trinca	Will Jones (ex officio)
David Forbes (retired November 2020)	Sue Broadbent
Lynsey Poore	Margaret (Meg) Miller
Mark Anderson	Sue Foran
Prof Tim Entwisle (ex officio)	

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 2021.



Signed: Mark Anderson, Treasurer

Dated: 14 October 2021



Signed: Adnan Mansour, Secretary

Dated: 14 October 2021

THE FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The Friends of the Royal Botanic Gardens Melbourne Trust Fund (the Fund) 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). The Fund is an endorsed tax concession charity and a deductible gift recipient body under Australian taxation legislation.

Originally the Fund sought to encourage tax-deductible donations. However following receipt of the late Helen McLellan bequest of some \$2.5 million in 2008 and after consultation with the major stakeholders, the Trustees decided to maintain a permanent corpus that, prudently invested, would become a continuing source of distributable funds to support RBGV. In accordance with legislative requirements the Trust holds an annual appeal and it was pleasing to note the record contributions received in 2021 in what had otherwise been a difficult year with regards to revenue.

Grants to RBGV from the Fund since 1986 have totalled over \$2.1 million and a distribution in excess of \$165,000 is anticipated in 2021/2022.

The Fund's financial objectives are to maintain the value of the corpus in real terms whilst recognizing the importance of income, including franking credits, to help meet the Trust's legally mandated minimum annual distribution 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 (ATO) and the Australian Charities and Not for Profit Commission (ACNC) to whom annual returns are submitted. The Fund is required to distribute 4% of the value of its Opening Net Assets to RBGV each year. For the 2020/2021 year the minimum distribution required was \$155,208.

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 co-ordinated to achieve optimal benefit for the Gardens.

The Director and CE 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 together with 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 an 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.

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. Mr Tim James has been the Fund's Client Advisor over this entire period, including the transition from UBS to Crestone. The Trustees record their appreciation of the support and thoughtful advice of Mr James.

Financial statements

Total Revenue in 2021 was \$203,319 compared to \$343,021 the previous year. The reduction in revenue reflected lower dividends, franking credits, realized profits and interest. One pleasing increase in revenue was in donations, where the annual appeal generated \$23,590, well above the previous year's \$15,022.

Whilst declining interest rates have been a trend for some time, 2021 also saw significant reductions in dividends and as a consequence franking credits, as corporations took a cautious view through the COVID pandemic and reduced or cut dividends to preserve cash. Dividend receipts fell to \$70,822 (\$128,984) and franking credits \$15,699 (\$27,501). Realized profit on investments also declined to \$93,208 (\$170,745).

Expenditure in 2021, excluding grants, totalled \$62,119, slightly up on \$55,170 in 2020, reflecting an increase in portfolio management fees which resulted from a rebound in the value of the investment portfolio.

The significant rebound in the value of the Fund's investments, which increased by \$620,983 (versus a decline of \$414,951 in 2020) resulted in a profit before distributions to the RBGV of \$762,183 (loss of \$127,100 in 2020).

Grants paid to RBGV for the 2021 were \$190,260, significantly higher than the 2019/20 distribution of \$167,562 and also ahead of the minimum distribution the Fund was required to make of \$155,208.

Comprehensive income (after distributions) from the Fund was a profit of \$571,923 versus a loss of \$294,662 in 2020, again reflecting the impact of the strong rebound in the Fund's investments.

At 30 June 2021, the value of the Fund's net assets, after all expenses and distributions, stood at \$4,459,228, an increase of \$579,029 over the 2020 balance of \$3,880,199.

Grants to RBGV

As already noted, grants to the RBGV in 2021 were well ahead of last year, primarily reflecting a \$143,864 contribution to the Sensory Garden, which finalised our commitment of \$200,000 made in 2018.

Other grants included \$19,780 for the Helen McLellan Research Grant and \$15,656 for a number of scholarships; there was however no Sharwood Travel Bursary paid this year.

Total grants of \$190,260 were \$35,052 above the required 4% distribution of the value of opening net assets for 2020/21.

Performance of the Fund

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

Performance.	2017.	2018.	2019.	2020.	2021.
Portfolio return	10.74%.	8.86%.	6.87%.	(4.03%).	19.76%
Target return. (CPI +4%)	5.9%.	6.1%.	5.6%.	3.7%.	7.8%
Out (under) performance	4.84%.	2.76%.	1.27%.	(7.73%).	11.96%

As the Table highlights the 2021 financial year has seen strong investment returns for the Fund. The Fund returned 19.76% for 2021, 11.96% above the target return of 7.8%.

Despite a significant increase in inflation in 2021 (CPI +3.8%, -0.3% in 2020), the Fund's exposure to growth investments at a time of very low interest rates has been rewarding: the recovery in markets in 2021 has more than offset the negative return seen in 2020.

As was noted in last year's report, dividend and interest income remain weak. Whilst there's some sign interest rates have bottomed it would appear unlikely that rates will increase significantly in the short to medium term. Particularly in such a low interest rate environment the Trustees believe maintaining exposure to risk assets, primarily Australian (49%) and international (22%) equities is critical if the Fund is to achieve the target return of CPI + 4% over the long term, despite the inherent volatility in such investments, whilst cash (5%), fixed interest (15%) and Alternative assets (9%) made up the balance of the portfolio at the 30th June, 2021.

Trustees

The current trustees and their respective terms of office are:

William Jones, Chairman - appointed November 2017, retires November 2021 unless reappointed.

Catherine Trinca, Secretary - appointed 2018, retires November 2022 unless reappointed.

Mark Calder - from 2019 retires November 2023 unless reappointed (currently on leave until February 2022)

Mary Ward - from November 2020, retires November 2024 unless reappointed.

Jeremy Gibson - from November 2020 retires November 2024 unless reappointed.

Appointments to the Trust are dependent on candidates 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 Friends' Annual General Meeting.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<u>Revenue</u>			
Dividends and Distributions		70,822	128,984
Franking Credits		15,699	27,501
Donations		23,590	15,022
Realised Profit / (Loss) on Investments		93,208	170,745
Interest		-	769
Total Revenue		<u>203,319</u>	<u>343,021</u>
<u>Expenditure</u>			
Audit Fees		4,906	4,807
Accounting Fees		2,200	2,134
Portfolio Management Fees		54,293	47,288
Secretarial and Administration Costs		718	938
Foreign Exchange Loss		2	3
Total Expenses		<u>62,119</u>	<u>55,170</u>
Unrealised increase/(decrease) in investments		<u>620,983</u>	<u>(414,951)</u>
Profit / (Loss) before tax and distributions to RBG		<u>762,183</u>	<u>(127,100)</u>
Income tax expense		-	-
Profit / (Loss) after tax before distributions		<u>762,183</u>	<u>(127,100)</u>
Less grants to the Royal Botanic Gardens Melbourne		(190,260)	(167,562)
COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		<u>571,923</u>	<u>(294,662)</u>

The accompanying notes form part of these financial statements.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

**BALANCE SHEET
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	2	301,964	315,013
Receivables	3	15,451	127,439
Other Financial Assets	4	<u>4,141,813</u>	<u>3,444,838</u>
TOTAL CURRENT ASSETS		<u>4,459,228</u>	<u>3,887,290</u>
TOTAL ASSETS		<u>4,459,228</u>	<u>3,887,290</u>
 CURRENT LIABILITIES			
Creditors and accruals		<u>7,106</u>	<u>7,091</u>
TOTAL LIABILITIES		<u>7,106</u>	<u>7,091</u>
NET ASSETS		<u>4,452,122</u>	<u>3,880,199</u>
 TRUST FUNDS			
Accumulated Reserves	5	<u>4,452,122</u>	<u>3,880,199</u>
TRUST FUNDS		<u>4,452,122</u>	<u>3,880,199</u>

The accompanying notes form part of these financial statements.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations/Bequests		23,590	15,022
Net cash provided by operating activities		<u>23,590</u>	<u>15,022</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and Distributions Received		70,822	128,984
Interest Received		-	769
Franking Credits		127,687	-
Management Fees		(54,293)	(47,288)
Share Purchases		(2,371,251)	(2,005,816)
Consideration on Sale of Shares		2,388,465	2,062,278
Secretarial and Administration Costs		(934)	(911)
Accounts and Audit Fees		(6,875)	(6,710)
Grants to the Royal Botanic Gardens Melbourne		<u>(190,260)</u>	<u>(167,562)</u>
Net Cash provided by investing activities		<u>(36,639)</u>	<u>(36,256)</u>
Net increase/(decrease) in cash held		(13,049)	(21,234)
Cash at the beginning of the financial year		<u>315,013</u>	<u>336,247</u>
Cash at the end of the financial year	2	<u><u>301,964</u></u>	<u><u>315,013</u></u>

The accompanying notes form part of these financial statements.

**FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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.

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 2: CASH ASSETS		
003011434 Cash	13,740	35,552
003007416 Cash	218,663	189,979
300741030 Cash	16,086	-
CBA cash	18,131	4,968
00300741022 USD Cash	35,326	84,494
USD cash	18	20
	<u>301,964</u>	<u>315,013</u>
NOTE 3: RECEIVABLES		
Franking Credits		
Refundable	<u>15,451</u>	<u>127,439</u>
NOTE 4: FINANCIAL ASSETS		
003011434 Portfolio		
- at Cost	863,594	1,443,537
Change in Market Value	<u>132,645</u>	<u>(106,663)</u>
	996,239	1,336,874
003007416 Portfolio		
- at Cost	1,606,937	1,597,970
Change in Market Value	<u>435,070</u>	<u>140,336</u>
	2,042,007	1,738,306
00300741022 Portfolio		
- at Cost	274,358	349,921
Change in Market Value	<u>26,230</u>	<u>19,737</u>
	300,588	369,658
00300741030 Portfolio		
- at Cost	685,118	-
Change in Market Value	<u>117,861</u>	<u>-</u>
	802,979	-
	<u>4,141,813</u>	<u>3,444,838</u>
NOTE 5: ACCUMULATED FUNDS		
Accumulated funds at the beginning of the financial year	3,880,199	4,174,861
Comprehensive (Loss)/Profit	<u>571,923</u>	<u>(294,662)</u>
Accumulated funds at the end of the financial year	<u>4,452,122</u>	<u>3,880,199</u>

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE TRUST FUND

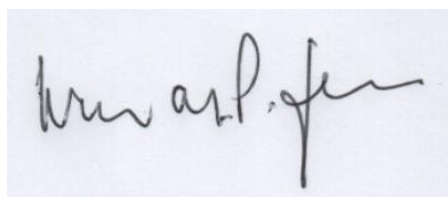
DECLARATION BY TRUSTEES

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 2021 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.

A handwritten signature in dark ink, appearing to read 'Wm Jones', is written on a light blue background.

William Jones

Dated this 7th day of October 2021

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 2021, 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 2021, 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
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

7 October 2021
Melbourne

M L Port

M L Port
Partner

