

NOTICE is hereby given that the twenty-first Annual General Meeting of the Friends of the Royal Botanic Gardens, Melbourne Incorporated (the 'Friends') will be held at 8.00 pm on Monday 19 November 2007 in the Mueller Hall, National Herbarium of Victoria, Birdwood Avenue, South Yarra.

BUSINESS

1. To confirm the minutes of the twentieth Annual General Meeting held on 13 November 2006.
2. To receive from the Council a report of the activities of the Friends for the year ended 30 June 2007.
3. To elect members of the Council. The following, being eligible, have been duly nominated for election as stated:

Secretary	Richard Smith
Ordinary Members	Susan Brookes
	John Goodwin
	Judy Jarman
	Dr Richard Kirsner
4. To receive and consider the financial statements of the Friends for the year ended 30 June 2007, which have been duly audited.

Special Business

To consider and, if thought fit, to pass the following resolutions:

- (i) THAT Rules 6(5), 6(6) and 6(7) be deleted and the following substituted:-

6(5) Applications for membership shall be lodged with the Secretary together with the membership fee appropriate for the class of membership concerned.

6(6) Upon receipt of the membership application and fee the Secretary shall, as soon as practicable, forward a letter to the applicant confirming membership of the Friends.

6(7) The Secretary shall also, upon payment of the appropriate membership fee, enter the applicant's name in the register of Members kept by the Secretary and upon the name being entered the applicant shall become a Member.

- (ii) THAT Rule 9(4) be deleted and the following substituted:-

9(4) A Member whose annual subscription remains unpaid three calendar months after the due date of that annual subscription shall be deemed to be unfinancial and shall cease to be a Member.

By order of the Council

Richard Smith, Secretary

Dated this 18th day of October 2007

Notes

1. *A Member may appoint a proxy to vote on his or her behalf at the meeting by giving notice to the Secretary, to be received not later than 48 hours before the time of the meeting, by the use of a form that may be obtained on application at the Friends' office.*
2. *No business other than that set out in this notice may be conducted at the meeting.*
3. *The proposed alterations to the Rules reflect a decision by Council to simplify and streamline the processes of acquiring membership and removing from membership those Members who fail to renew their subscriptions.*

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

VOLUNTEER SERVICE AWARDS TO MEMBERS WITH 10 OR MORE YEARS OF VOLUNTARY SERVICE

and

THE INAUGURAL FRIENDS' STAFF SCHOLARSHIP AWARDS

The evening will conclude with a presentation reflecting the Friends' 25 years of support for the Royal Botanic Gardens, Melbourne.

ANNUAL REPORT OF THE FRIENDS FOR THE YEAR ENDED 30 JUNE 2007

Patron Professor David de Kretser AC, Governor of Victoria

Council 2006–2007

President	Janet Thomson *
Vice-President	Catherine Trinca *
Immediate Past President	Irwin Newman
Secretary	Richard Smith #
Treasurer	Maurice Castro *
Members	Susan Brookes #
	John Hawker *
	Judy Jarman #
	Peter Kelly *
	Dr Richard Kirsner #
	Dr Philip Moors
	David Plant *
	Sir Ninian Stephen *

Retires Annual General Meeting 2007

* Retires Annual General Meeting 2008

Trustees of the Friends' Trust Fund

Dr R Sharwood (Chairman), F V Phillips and L J Cohn (Secretary)

Friends' Staff

Administrative Officer	Virginia Henderson
Administrative Assistant	Helen Fahey
Assistant Treasurer	Jackie Courmadias
Botanical Illustration Teachers	Dianne Emery, Mali Moir (contractor)
Editor, Botanic News	Meg Miller

Conveners of Committees at 30 June 2006

Activities	Christine Harris
Botanical Illustrators	Edyta Hoxley
Catering	Pauline Morrison
Finance	Richard Smith
Growing Friends	Juliana Horsfall
I T and Equipment	Dr Richard Kirsner
Operations	Catherine Trinca
Promotions & Membership	Catherine Trinca
Publications	Meg Miller
Volunteers	Janet Thomson

From the President

I am honoured to present this, my first President's Report, to the Friends of the Royal Botanic Gardens, Melbourne.

The past year has been a significant one for the Friends. In March, the Friends celebrated 25 years of support for the Royal Botanic Gardens, Melbourne. This anniversary was marked by a party attended by past Presidents, Council Members and many others who were or who are still closely associated with our organisation as well as the Chairman and several Members of the Royal Botanic Gardens Board, the Director and Chief Executive of the RBG and a number of senior staff. It gave me particular pleasure that evening to announce the establishment of the Friends' Scholarship Scheme for staff employed by the Royal Botanic Gardens Board. The Scheme has been developed in close consultation with Dr Philip Moors, Director and Chief Executive of the Royal Botanic Gardens and the Trustees of the Friends' Trust Fund. The Scholarships, to a

total value of \$10,000 per year, are intended to contribute to the professional development and skills of staff members.

In November, the Art of Botanical Illustration Exhibition, opened by our Patron, Prof David de Kretser, Governor of Victoria, was most successful, generating more income than any previous exhibition.

Severe drought conditions had a detrimental effect on the Growing Friends' plant sales, resulting in a drop in income from these activities. It is hoped that better conditions in the coming year will help to redress this situation.

It is pleasing to note the growth in membership during the year and further growth is targeted for the year ahead. Information stands at markets, plant sales, functions, open gardens and garden shows have proved to be a very good way of encouraging membership applications as well as increasing awareness of the Friends.

The Secretary, Treasurer and I have continued the custom of meeting at regular intervals with Dr Philip Moors and we value greatly his encouragement and support of the Friends and that of his staff. On behalf of Council I thank them all.

During the year the Secretary, Treasurer and I met on several occasions with our counterparts from the Committee of the Friends of the Royal Botanic Gardens, Cranbourne. These meetings are a valuable way of sharing information and ideas and furthering our collaboration on matters of mutual benefit.

Volunteers who give their time, skills and energy unstintingly, are the lifeblood of the Friends. Without their efforts, it would be impossible to run the wide-ranging program of events, excursions, exhibitions, sales and other activities offered by the Friends. On behalf of Council, I extend to all involved our appreciative thanks.

I also greatly appreciate the support and help of all those with whom I work in the Friends, and in particular I thank the hard-working, efficient staff at Gate Lodge – our Administrative Officer, Virginia Henderson, Helen Fahey and Jackie Courmadias. Being associated with such an excellent team of volunteers and staff has made my first year as President a most rewarding one.

Administration

As usual the Friends' office would not be able to function without its many volunteers. During the year they assisted with the preparation of money for banking, filing, sending out renewal notices, packing the newsletter, general maintenance in Gate Lodge, and many other important tasks. The jobs are too varied and the volunteers too numerous to name individuals but without their help it would be impossible for the office staff to complete their work. The Friends sincerely thank everyone who has helped our office to run smoothly during the year.

In January 2007, Virginia Henderson arranged a meeting with her counterpart at the Friends of the Gardens whilst on annual leave in Sydney. This meeting had formed the foundation for further discussions on joint ventures such as the David Howard Lecture series to be held in November 2007.

Continuing membership growth and the success of the Friends' Botanical Illustration Classes has brought additional pressures onto our administration. With the assistance of volunteer John Goodwin a review of office procedures was initiated and will continue over the coming months.

The review of the Friends' Trust Deed continued with the valuable assistance of Maddocks Lawyers who agreed to offer their services pro bono.

Other review activities initiated during the year included a Risk Management review carried out in consultation with the RBG; proposals for the archiving of the Friends' records; an examination of the Friends' Statement of Purposes and Rules relating to membership applications and cessations; a review of the Friends' registration as a fundraiser under the provisions of the Fundraising Appeals Act, 1998 and changes to check-out arrangements in the Plant Sales exit tent.

Finance

In 2006/7 aggregate revenues of \$ 497,124 and expenses of \$ 416,348 resulted in a profit (before distributions to the RBG) of \$80,776. In comparison, 2004/5 and 2005/6, the two preceding years, had produced corresponding profits of \$65,750 and \$26,420 respectively. 2004/5 is more directly comparable to the current year as it also included a Botanical Illustrators Exhibition Sale – a major contributor to the profit every second year.

The significant profit achieved in the past year is a credit to our volunteers, conveners, staff and all who work hard to ensure that the Friends continue to be financially viable and able to support the RBG.

The Table at Note 2 to the Accounts on page 15 shows in more detail, for the current and the previous year, the revenues derived from the main operational activities. Overall, the current year showed improvements in all activities segments except for the sale of plants that was beset by the severe drought in South-eastern Australia.

Although inflation is beginning to have some impact on running costs, expenditures have been largely contained or reversed in some areas including *Botanic News*. It must be noted also that the apparently strong increase in employment expenses in 2006/7 (see Statement of Financial Performance) actually reflects an

adjustment to the 2005/6 figures. In that year, following the retirement of a long-serving staff member, the Annual and Sick Leave provisions had to be adjusted. As a result the reported employment expenses paid for 2005/6 were about \$9000 lower than actual.

Grants to the RBG during the year comprised \$3,000 for the purchase of paintings from the *Art of Botanical Illustration Exhibition* and a grant of \$4,000 to enable a staff member to attend the International Congress on Education in Botanical Gardens in Oxford. No other grants were made during the year, and the grant of \$ 25,000 paid in 2005/6 for irrigation of the Vireya bed has not yet been expended as irrigation projects are under review following the severe drought and continuing water restrictions.

The Friends' Balance Sheet at 30 June 2007 was strong with Members' Funds totalling \$222,673 compared with \$148,897 at 30 June 2006. Current Assets (mostly Cash) at 30 June 2007 totalled \$246,358 compared with \$ 175,357, a year earlier.

During the year the Friends received a generous bequest from the late Helen McLellan, a former Member. This bequest has substantially upgraded the financial capacity of the Friends to support the Gardens in a continuing and planned way. In concert with the Trustees of the Friends' Trust Fund, and in close consultation with the Gardens, plans and processes are starting to be put in place to give effect to innovative and targeted grants which will be reported on in more detail in future Annual Reports.

Detailed audited accounts are appended to this report.

Trust Fund

The Trust Fund, which was set up in 1986, exists to attract moneys that can be used to support special projects referred by the Director of the Royal Botanic Gardens, Melbourne. Donations to the Trust Fund of \$2.00 or more are deductible from the taxable income of the donors.

During the year, donations of \$11,686 were received. Many of the smaller donations were given when members of the Friends paid their annual subscriptions. In addition, a substantial sum was received under the bequest of Helen McLellan. During June 2007 \$1,532,755 was received in cash and subsequently company shares to a value of approximately \$1,000,000 were received by transfer.

During the year no grants were made to the Royal Botanic Gardens Board. However, arrangements have been made for an annual sum not exceeding \$10,000 to be made available for the purposes of providing a scholarship to one or more employees of the Royal Botanic Gardens Board so as to improve their professional development and skills.

At 30 June 2007 the accumulated reserves of the Trust Fund totalled \$1,554,271.

Operations Committee

The Operations Committee continued to meet during the year on alternate months to the Council. It is convened by Vice-President, Catherine Trinca, and the Committee's membership includes the Conveners of all the Friends' committees and two senior RBG staff members.

The Operations Committee is a hands-on committee where conveners of the various committees can meet and discuss their day to day programs, activities and events. The Committee provides a valuable communication link between the Friends and the Royal Botanic Gardens and a coordinated approach to all that the Friends do, as well as a forum where innovations and ideas can be discussed. When appropriate, recommendations are made to Council for consideration.

The Committee acknowledges the contribution made by the Royal Botanic Gardens staff – Steve Clancy, Emmalee Bell, Rob Packer, Tina Price and Anna Francis.

Membership and Promotion

Membership growth during the year continued to be strong. At end June membership numbers stood at 2,292 compared with 2,152 a year previously, an increase of 6 per cent. This is the highest increase in Member numbers for many years and is predominantly due to the work of the Membership and Promotions Committee convened by Vice-President Catherine Trinca. New Members who joined the Friends during the year totalled 428.

Current members can help by giving Gift Memberships to their friends and family members, or by telling interested people about the benefits of supporting the Gardens by joining the Friends. Application forms for new membership and renewal can be downloaded from our website at www.rbgfriendsmelbourne.org

Membership growth has been slow in recent years because, each year, new membership acquisition has been partially offset by non-renewal of members signed up the previous year.

Notwithstanding the importance of recruiting new Members, the Committee will also be focusing on the reasons why some Members do not renew their membership.

MEMBERSHIP NUMBERS		
	Numbers	Numbers
Membership	as at	as at
Type	30/06/06	30/06/07
Individual	911	991
Household	622	674
Country	211	206
Interstate	44	51
Overseas	9	9
Pensioner	199	200
Student	14	25
Life	122	117
Honorary Life	17	17
Group	3	2
Total	2152	2292

Publicity

Publicity for and promotion of the Friends and their activities and events takes a number of forms.

Each quarter all Members of the Friends receive a copy of our full colour *Botanic News*. This continues to be the main medium of communication with our membership and contains detailed information about the Friends and all forthcoming activities and events. The quarterly newsletter is also circulated to the public libraries in the major council localities surrounding the gardens, along with flyers for individual events and lists of main dates. Old copies of *Botanic News* are also distributed at Friends' promotional stands.

The Friends have a website at www.rbgfriensmelbourne.org. It has a number of pages with information about all the Friends' activities and events, plus downloadable booking forms. We also publicise our activities and events as much as possible in the media, both national and local, print media as well as radio. We have good support from these, for which we are grateful. Flyers for events are sent to the Friends of Cranbourne, Burnley and Geelong for display. Information about events is also put onto the websites www.vicnet.net.au and www.global-garden.com.au and there are links from the Association of Friends of Botanic Gardens Inc's website to ours. The RBG Visitor Centre stocks our flyers and membership application forms. A changing display of A3 posters on one of the foyer pods at the Centre provides information about the Friends as well as publicity for various events. We also have a presence in the RBG's *What's On* publicity and *Floreo* magazine.

The Friends also set up promotional displays at events including their own events in Mueller Hall, at the RBG's Markets in the Gardens, the ABC Gardening Show and the Melbourne International Flower and Garden Show.

The Friend's 25th Anniversary Year has been marked by a large display banner outside the Herbarium and by publicity associated with the launch of the Friends' Scholarship for RBG Staff.

Functions and Excursions

We have a new name. The Activities Sub-Committee is now the Events Committee.

The group of very active committee members consists of: Christine Harris (Convener), Susan Brookes, Anna Denton, Judy Dunster, Judy Hadju, Geoff Hardy, Jennifer le Plastrier, Helen Johnson, Virginia Morrison, Rosa Niran, Pam Osborn, Judy Trenberth, Catherine Trinca and Robyn Tymms.

The responsibility of the Events Committee is to promote interest in the Gardens and to offer events of interest to our Members. These include four cyclic events; an Insiders' Walk, Fit Friends' Ramble, Talking Plants and a Nursery Visit.

Also offered are day trips, longer domestic tours and, after some years' break, we presently offer a 23-day Tour to Greece for May 2008.

New Friends are formally welcomed twice a year, at a morning tea and an evening event to accommodate working people. These welcomes give an excellent introduction to the variety of things offered to Friends as well as encouraging new Friends to volunteer their talents.

A most successful "Introduction to Horticulture Course" was conducted for the Friends during Autumn by RBG staff. This was fully booked and enthusiastically received.

Activities undertaken during the year were as follows:-

Illustrated Talks.

Caroline Davies	A Greek Plant Odyssey
Michael McCoy	Christopher Lloyd: His Life and Influence
Peter Timms	Australia's Quarter Acre: The Story of the Ordinary Suburban Garden
Dr Peter Fisher	Climate Change: Susceptible to Calamity.
Dr Philip Moors	Tristan and Easter: Islands Beyond the Horizon
Jan White	Peonies, the Queen of Flowers
Richard Aitken	Botanical Riches: Stories of Botanical Exploration
Wes Fleming	The Chelsea Experience
Richard Barley and Stephen Ryan	Ornamental Plant Collectors
Jeremy Prentice and Steve Clancy	RBG Kew and the Eden Project: Perspectives from the Ground Up
Sarah Guest	Gardening in a Drought

Trips and Tours

Bus Day Tour to *Beleura: A Garden Villa*

Domestic Travel: *Gardens, Art and Houses* A five-day tour to the Southern Highlands of NSW for Spring 2007
(now fully booked).

International Travel: *Spring in Greece: Corfu, Epirus and Delphi*. (Bookings underway for May 2008).

Other

Insiders Walks: Winter: Form in the Winter Garden
 Spring: Bird Walk
 Summer: Californian Garden
 Autumn: For Food Loving Friends
 Winter: Aboriginal Heritage Walk

Fit Friends Rambles: National Gallery of Victoria
 Studley Park Boathouse to St Heliers, Abbotsford
 Historic South Melbourne and Albert Park
 East Melbourne, Cathedral and Gardens

Talking Plants: Winter: Camellias
 Spring: Herbs
 Summer: Grey Plants
 Autumn: Autumn Colour

Quarterly Growing Friends Nursery Visits.

Winter Feast of Film at Melbourne Grammar School: 'Some Shropshire Gardens' and 'Gardens of Cornwall'

Introduction to Horticulture: Short Course (4 sessions)

The Art of Botanical Illustration Exhibition Opening

The Art of Botanical Illustration: a guided tour and morning tea

Christmas Cocktails at Gardens' House.

Our Silver Anniversary Cocktail Party.

Catering

The Catering Group continued to provide delectable food for functions organised by the Friends. Re-registration under the Melbourne City Council Food Safety Program ensures the group maintains its compliance with food safety regulations. Functions were held in Mueller Hall, Domain House and Gate Lodge. In addition to the usual events, the Catering Group catered for the opening cocktail party for the *Art of Botanical Illustration Exhibition* and the Friends' Silver Anniversary Cocktail Party.

Pauline Morrison's team comprised: Mary Broughton, Elizabeth Burchell, Janette Cole, Phyllis Dadley-Moore, Gabrielle Endacott, Bridget Evans, Carrol Farmer, Sylvia Gascoigne, Marg Goodall, Elisa Goodwin, Melanie Gribble, Rosemary Kiellerup, Elfie Lawrence, Terry Lawrence, Lorraine Mack, Margot McDonald, Phyl McLean, Penny Noonan, Rosia Pasteur, Merrill Shulkes, Margaret Stokans and Margo Stubbs.

Publications

This year contributions to our quarterly *Botanic News* have increased to the point that continuity of regular articles can no longer be counted on because of space constraints. The enthusiasm and interest of contributors, whose often unsolicited work has helped to raise the standard of the newsletter, is amazing. It reflects our commitment to the Gardens, our commitment to communication with our Members and our commitment to the

dissemination of interesting and relevant information. Thanks are due to all those who have given so generously of their time to help *Botanic News* maintain the interest of our Members, and to those who have so willingly shared their photographs to help illustrate articles and events.

In 2006 we produced a Botanical Illustration calendar for the first time. It was a venture to commemorate the 25th anniversary of the Friends and was launched in time for the eighth *Art of Botanical Illustration Exhibition*. This gave us a six-week sales window before Christmas and has raised much interest in the Friends' organisation, the Illustrators' group and our classes. The calendar continued to attract attention after Christmas at the regular *Summer Markets in the Gardens*.

Our thanks are extended to the volunteers, particularly Pat Williams, who proof read the publications – an exacting task requiring great concentration. These publications could not reach their current standard without the patience, humour and co-operation of the Friends' office staff, particularly Helen Fahey, who continues to act as editorial support.

The staff of the Gardens are to be commended for their generosity in sharing their time, information and facilities. Without this partnership, the newsletter would not be able to provide its current level of service, nor the calendar images be reproduced at such a high standard.

Growing Friends

The Growing Friends again held a spring sale in October 2006, in conjunction with the RBG Spring Open Day. The autumn sale, in March 2007, also coincided with the Food and Wine Festival event within the Gardens. Unfortunately the drought led to a reduction in the profits made at both sales, in comparison with the past few years.

The project to replace the nursery office building with a new prebuilt unit is proceeding. The Council has approved the plans and allocated the funds. The changes should occur sometime after the 2007 Spring Plant Sale.

The group has continued to have the most generous support and guidance of the RBG staff and administration. They were particularly helpful in the monitoring of water use over the dry summer. Special thanks also to Roger Spencer at the Herbarium, for his ongoing assistance in helping the nursery identify plants with weed potential as it is important that such plants are not offered for sale to the public within the RBG.

The convenership of the group changed from Pam Eames to Julie Horsfall, on 15 September 2006, and six new members have joined the team. Following is a list of the members, their responsibilities, and the section leaders, as at 30 June 2007:

Ian Alexander (membership and rosters/climbers), Don Allison (infrastructure), Pauline Aw, Rosemary Ball (camellias), Lydia Bartlett, Sharon Beaman (sarracenias), Joyce Cameron (treasurer), June Cherrey, Jan Cheyne (OHS), Hannah Dibella (vireyas), Pam Eames (CBD), Sandi Edlin (bulbs), Linda Floyd (natives), Michael Hare, Wendy Henderson (photos), Mary Hicks, Juliana Horsfall (Convener), Roz Jones (publicity/small perennials), Peter Kelly (purchasing/trees), Gillian Kirk (seeds), Robyn Leszczynski (nursery manager), Prue Madsen (library/raffle), Meg Miller (grey perennials), Virginia Morrison, Estelle Redlich (project manager), Allison Sarkies (bromeliads), Ann Sinha, Dorothy Smith (succulents), Pamela Smith, Sue Spicer, Lucille Strachan (tall perennials), Bev Teague (raffle), Carolyn Tomkins (plant selections), Catherine Watson, Trish Wheelahan (herbs), Wendy Wilson (sale lunch/front garden).

Botanical Illustrators

The Botanical Illustrators held another very successful *Art of Botanical Illustration Exhibition* in November 2006 at Domain House. It was opened by the Friends' Patron, Professor David de Kretser AC, Governor of Victoria. One hundred framed paintings were sold from the one hundred and sixty-eight on display together with sales of unframed paintings and cards. A final profit of \$51,013 was achieved. Again, paintings were sold overseas on the Internet.

Five paintings were purchased for the State Botanical Collection, three with a grant from the Friends, one from the Director's Circle, and one from the RBG. The Celia Rosser Medal was awarded to Anita Barley who exhibited exceptional and superbly crafted paintings. Honourable mentions were awarded to Elizabeth Cooper for well observed and sensitively rendered illustrations, and to Sandra Sanger for beautifully presented watercolours with finely observed botanical detail.

The Whirlybirds continued to meet regularly every Tuesday to work together and paint in a supportive atmosphere.

The Activities for the year included:

- | | |
|-----------------|---|
| 11 July 2006 | A talk by Dianne Emery on 'Colour and its Practical Application' |
| 10 October 2006 | A talk by Terri MacDonald on 'Working with Vellum, and How to Deal with its Unusual Properties' |

10 November 2006	8th <i>The Art of Botanical Illustration</i> Exhibition
13 March 2007	A talk by Louise Coronel on 'The Formation and Development of the Illustrators and Vision for the Future'
12 June 2007	A talk by John Pastoriza-Pinol on 'How to Mount an International Exhibition' and his experiences overseas

The annual Christmas Card featured a detail from the exquisite painting of *Erythrina acanthocarpa* by Anita Barley, and sales realised \$3,359.

Classes and Workshops The Friends' Botanical Illustration Classes and Workshops continued to attract strong support with some 92 students enrolled per term. An additional class was introduced in Term 4, 2006. Dianne Emery and Mali Moir conducted four terms of day and evening Botanical Illustration classes and the following workshops:

4-day Beginners' workshop
'Red and Green'

Plant Dissection & Microscope

Vellum workshops

John Pastoriza-Piñol ran a 3-day Chestnut painting workshop.

Information Technology and Equipment

The replacement of the computer used for handling all financial transactions has greatly facilitated the production of comprehensive financial reports.

A digital projector and laptop computer have been purchased to enable the Friends to show digital slide presentations in various locations.

The Friends' website has been considerably upgraded in both content and accessibility during the year. A new 'Alias' makes the website much easier to access.

There has been an on-going upgrade of the software associated with the production of *Botanic News*.

Planning for a further extension of the FRBG computer network has been completed

Volunteers

This year 213 Members contributed a great deal of hard work and skill to every aspect of the Friends' operation. The Friends is very reliant on this support which is given so cheerfully and enthusiastically. Our appreciative thanks is extended to all those involved.

We congratulate the following Members who were presented with Volunteer Service Award badges at or after the Annual General Meeting in November 2006 –

15 Year Award: Linda Floyd and Janet James

10 Year Award: Joan Murphy, David Plant, Catherine Trinca and Janet Thomson

During the year Past President Irwin Newman commenced discussions with senior Botanic Gardens staff regarding the implementation of a Helping Hands project whereby Members could volunteer to work in the Gardens undertaking a range of gardening tasks under the direction of a Gardens' horticulturist. The details of this project have now been finalised and seven Members will shortly commence working in the Eastern and E Gate Lodge gardens on a regular basis.

Significant Events since 30 June 2007

The Council is of the opinion that the solvency and viability of the Friends are not now nor in the foreseeable future likely to be affected by adverse circumstances.

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INCORPORATED
Registered No. A12817T**

SCOPE

We have audited the accompanying financial report, being a special purpose financial report of the Friends of the Royal Botanic Gardens, Melbourne Inc, which comprises the balance sheet as at 30 June 2007, the income statement and the cash flow statement, a summary of significant accounting policies, other explanatory notes and the statement by council.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The Council is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial requirements of the Associations Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. The Council's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Council's financial reporting under the Associations Incorporation Act (Vic) 1981. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report of the Friends of the Royal Botanic Gardens Melbourne Inc. presents fairly, in all material respects the financial position of the Friends of the Royal Botanic Gardens Melbourne Inc. as of 30 June 2007 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

BAUMGARTNER PARTNERS

Chartered Accountants

DAVID K BAUMGARTNER

Partner

Dated the 16th day of October 2007

Melbourne

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

STATEMENT BY COUNCIL

The Council has determined that the Friends of the Royal Botanic Gardens, Melbourne Inc. is not a reporting entity as the Members can obtain information they require without examining general purpose financial reports. The Council has 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 Council:

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 Inc. as at 30 June 2007 and its performance for the year ended on that date and
2. at the date of this statement, there are reasonable grounds to believe that the Friends of the Royal Botanic Gardens, Melbourne Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council, and is signed for and on behalf of the Council by:

Janet Thomson
President

Maurice Castro
Treasurer

Dated this 16th day of October 2007.

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
Income			
Sale of plants		42,735	48,255
Sale of goods		5,615	6,675
Classes and workshops		78,628	64,200
Functions and excursions		28,804	22,161
Membership subscriptions		68,051	62,886
Exhibition revenue		236,062	48
Other revenue		27,073	16,941
Interest Income		10,156	7,757
		<u>497,124</u>	<u>228,923</u>
Expenditure			
Employment expenses		(121,459)	(104,904)
Exhibition expenses		(186,748)	(254)
Functions and excursions expense		(11,021)	(11,166)
Botanic News		(14,799)	(15,599)
Classes and workshop expenses		(21,894)	(21,523)
Printing, stationery and postage		(15,087)	(14,231)
Growing Friends expenses		(10,323)	(11,407)
Plant sale expenses		(805)	(1,686)
Loss on disposal of property, plant and equipment		0	(10)
Audit fees		(3,508)	(3,169)
Bank Charges		(3,322)	(3,836)
Depreciation		(1,978)	(2,087)
Insurance		(2,385)	(2,296)
Repairs and Maintenance - equipment		(1,203)	(1,263)
Other expenses from ordinary activities		(21,816)	(9,073)
		<u>(416,348)</u>	<u>(202,503)</u>
Profit before income tax and distributions to RBG	2	80,776	26,420
Income tax expense	1(a)	0	0
Profit after income tax		<u>80,776</u>	<u>26,420</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR	8	148,897	148,977
Less distributions to Royal Botanic Gardens Melbourne		(7,000)	(26,500)
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u>222,673</u>	<u>148,897</u>

The accompanying notes form part of these financial statements

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash assets	3	240,282	171,223
Receivables	4	6,076	4,134
TOTAL CURRENT ASSETS		<u>246,358</u>	<u>175,357</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,856	5,766
TOTAL NON-CURRENT ASSETS		<u>8,856</u>	<u>5,766</u>
TOTAL ASSETS		<u>255,213</u>	<u>181,123</u>
CURRENT LIABILITIES			
Payables	6	23,297	25,166
Provisions	7	9,244	7,060
TOTAL CURRENT LIABILITIES		<u>32,541</u>	<u>32,226</u>
TOTAL LIABILITIES		<u>32,541</u>	<u>32,226</u>
NET ASSETS		<u>222,673</u>	<u>148,897</u>
MEMBERS' FUNDS			
Accumulated funds	8	222,673	148,897
MEMBERS' FUNDS		<u>222,673</u>	<u>148,897</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		485,026	222,130
Payments to suppliers and employees		(363,175)	(207,246)
Interest received		9,277	7,449
Donations to Royal Botanic Gardens, Melbourne		(7,000)	(26,500)
Net cash provided by/ (used in) operating activities		<u>124,127</u>	<u>(4,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed asset purchases		(5,068)	(1,782)
Investment asset purchases		(50,000)	
Proceeds on sale of fixed assets			
Net Cash provided by/(used in) investing activities		<u>(55,068)</u>	<u>(1,782)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash held		69,059	(5,949)
Cash at the beginning of the financial year		171,223	177,172
Cash at the end of the financial year	10(a)	<u>240,282</u>	<u>171,223</u>

The accompanying notes form part of these financial statements

FRIENDS OF THE ROYAL BOTANIC GARDENS, MELBOURNE INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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 Associations Incorporation Act (Vic). The Council has determined that the Friends of the Royal Botanic Gardens Melbourne Inc (the Friends) is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) and the following Australian Standards:

AASB 112: Income Taxes
AASB 1031: Materiality
AASB 110: Events after the Balance Sheet Date
AASB 117: Leases

No other Australian Accounting Standards, Urgent Issues Groups Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

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 those of 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 entity exempt from income tax under Section 50-10 of the Income Tax Assessment Act 1997.

(b) Fixed Assets

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 at which the asset is held ready for use.

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

The depreciation rates used for each class of depreciable asset are:

Class of Depreciable Asset	Depreciation Rate
Plant and equipment	9% to 40% DV

(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, annual leave and sick leave that will be settled after one year have been measured at the nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

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

(d) Revenue

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

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

Membership revenue is recognised on an accrual basis.

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

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

(e) Unearned Revenue

Membership revenue that is received before balance date and is related to the subsequent financial year is brought to account as a liability.

(f) Cash

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

(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 Statement of Financial Position are shown inclusive of GST.

	2007	2006
	\$	\$

NOTE 2: PROFIT BEFORE INCOME TAX

Profit before income tax has been determined after:

(a) **Expenses**

Depreciation of plant and equipment	1,978	2,087
Net loss on disposal of Plant and equipment	0	10
Remuneration of auditor		
- audit or review services	3,508	3,169

NOTE 3: CASH ASSETS

Cash on hand	200	200
Cash at bank	55,711	38,058
Cash on deposit	184,371	132,966
	<u>240,282</u>	<u>171,223</u>

NOTE 4: RECEIVABLES

Accrued Income	4,806	3,927
Sundry Debtors	1,270	207
	<u>6,076</u>	<u>4,134</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment at cost	48,034	42,966
Less: Accumulated depreciation	(39,178)	-37,200
	<u>8,856</u>	<u>5,766</u>

(a) **Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year is detailed below:

	Plant and Equipment	Total
	\$	\$
Balance at beginning of year	5,766	5,766
Additions	5,068	5,068
Disposals		
Depreciation expense	(1,978)	(1,978)
Carrying amount at the end of the year	<u>8,856</u>	<u>8,856</u>

NOTE 6: PAYABLES

CURRENT

Subscriptions received in advance	14,266	14,039
Sundry creditors and accruals	9,031	11,127
	<u>23,297</u>	<u>25,166</u>

	2007 \$	2006 \$
NOTE 7: PROVISIONS		
CURRENT		
Provision for employee annual leave	3,048	2,603
Provision for employee sick leave	6,196	4,457
	<hr/>	<hr/>
Total provision for employee entitlements	9,244	7,060
	<hr/>	<hr/>
Number of employees at year end	4	4
	<hr/>	<hr/>

NOTE 8: ACCUMULATED FUNDS

Accumulated funds at the beginning of the financial year	148,897	148,977
Surplus (deficit) attributable to the Friends	80,776	26,420
Less distribution to the Royal Botanic Gardens, Melbourne	(7,000)	(26,500)
Accumulated funds at the end of the financial year	222,673	148,897
	<hr/>	<hr/>

NOTE 9: RELATED PARTY TRANSACTIONS

Grants paid to the Royal Botanic Gardens, Melbourne	7,000	26,500
	<hr/>	<hr/>

NOTE 10: CASH FLOW INFORMATION

(a) **Reconciliation of cash**

Cash on hand	200	200
Cash at bank	55,711	38,058
Cash on deposit	184,371	132,966
	<hr/>	<hr/>
	240,282	171,223
	<hr/>	<hr/>

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

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

NOTE 11: ROUNDING

The sum of the components may not add up to the total due to rounding.

NOTE 12: ASSOCIATION DETAILS

The Friends is incorporated under the Associations Incorporation Act (Vic) 1981 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