

# The Royal Society of Victoria Inc. (a Non-reporting Association) Financial Report for the Year Ended 31<sup>st</sup> December 2014

Your council members submit the financial report of The Royal Society of Victoria Inc. (a Non-reporting Association) for the financial year ended 31 December 2014

PATRON            The Hon Alex Chernov AC QC Governor of Victoria

## COUNCIL OFFICE BEARERS

President	Dr W D Birch AM, BSc(Hons), PhD
Vice-President	Prof P Y Ladiges AO, FAA, PhD, MSc, DipEd
Immediate Past President	Prof L Selwood, MSc, PhD
Honorary Secretary	Dr M Williams, BSc, MSc, PhD
Honorary Treasurer	Mr N P Kennedy, BEng(ComEng), MSc(Comp)
Honorary Librarian	Dr T A Darragh, MSc, PhD, GradDipEd
Honorary Editor	Dr D Lightfoot, DipMedLabTech, MSc, PhD
Honorary Archivist	Mr M Carkeek, BA
Honorary Research Secretary	Prof S M Rees, BSc(Hons), MSc, MPhil, PhD, DSc

## MEMBERS

Prof G D Burrows AO, CJCI, BSc, MB, ChB, DPM, MD, GradDipMHLthSc(Clinical Hypnosis), DSc  
FRANZCP, FRCPsych, MRACMA, FACHAM

Dr D M Churchill, BSc, MA, IPAA, PhD

Prof T J Entwisle, BSc(Hons), PhD

Mrs H J Gardiner, BA, CertIV Workplace Training

Lt Col R M Lightfoot (Ret.), LLB, LLM, DipCivEng, DipElecEng, DipMechEng, BEMining(Hons),  
RFD, FIEAust

Mr J S Link, MechEngDip

Mrs N H Williams, BSc, DipEd, MSc, FRACI

Mr D Zerman, MPH, FFIA, CFRM, FAIM

## TRUSTEES

Dr D M Churchill, BSc, MA, IPPA, PhD

Dr A S Finkel AM, PhD, FTSE

Prof L Selwood, MSc, PhD

Em Prof J W Warren, MA, PhD

## RETURNING OFFICER

Mr I D Endersby, BSc

### Principal Activities

The principal activities of the Society during the financial year were the promotion and advancement of pure and applied science and technology.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Operating Result

The Operating Surplus of the Society was \$22,913 and after charging depreciation the Net Deficit was (\$132,158)

Signed in accordance with a resolution of the Members of the Council.



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Dr William D Birch AM



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Mr Norman Kennedy

Dated this 12<sup>th</sup> day of March 2015

**THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)**

**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2014**

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>INCOME</b>			
Members' subscriptions		75,212	71,142
Rental Income		184,571	158,918
Sales - Memorabilia, Publications & Proceedings		8,837	24,566
Donations and Bequests	10	17,903	62,400
Sponsorships and Grants	11	3,000	2,409
Other Income		38,584	25,151
Dividends	17	61,282	69,086
Interest		2,306	5,127
<b>TOTAL INCOME</b>		<b>391,695</b>	<b>418,799</b>
<b>EXPENDITURE</b>			
<b>Operating Costs</b>			
Accommodation and Travel		154	1,810
Advertising and Promotion		917	221
Audit - Honoraria		2,000	2,000
Bank charges		1,884	1,498
Catering		22,665	16,647
Cleaning & Consumables		5,262	6,524
Donations & Science Prizes		9,447	9,192
Electricity and Gas		6,759	7,023
Equipment Repairs and Replacements		1,152	2,264
Filing Fees		253	175
Insurance		19,550	16,776
Long Service Leave		3,751	5,418
Office expenses		23,388	22,827
Proceedings		0	1,410
Professional Services		0	11,513
Provision for Stock Obsolescence		12,037	
Publications, Coins & Stamps		4,781	10,478
Repairs and Maintenance		9,550	19,114
Sundry Expenses		1,006	3,770
Superannuation		20,276	21,208
Wages		217,822	231,957
Work cover		1,128	541
<b>SUB TOTAL OPERATING EXPENDITURE</b>		<b>363,782</b>	<b>392,366</b>
<b>NET RESULT FROM OPERATIONS</b>		<b>27,913</b>	<b>26,433</b>
<b>Non Operating Items</b>			
Depreciation of Property Plant and Equipment		36,221	70,174
Depreciation of Buildings	15	123,850	123,850
<b>TOTAL EXPENDITURE</b>		<b>556,158</b>	<b>586,390</b>
<b>NET DEFICIT</b>	16	<b>(132,158)</b>	<b>(167,591)</b>

**THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)**

**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2014**

	Notes	<b>2014</b>	<b>2013</b>
		\$	\$
Retained earnings at the beginning of the Financial Year		<b>1,209,294</b>	<b>1,748,835</b>
Net Deficit		<b>(132,158)</b>	<b>(167,591)</b>
Prior period adjustment for building depreciation		<b>0</b>	<b>(371,950)</b>
Retained earnings at the end of the Financial Year		<b>1,077,136</b>	<b>1,209,294</b>

THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)

BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2014

	NOTE	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	80,740	198,854
Trade and other receivables	3	34,754	34,010
Stock - Publications, Coins and Stamps	4	41,764	55,719
Prepayments and Security Deposits		150	150
<b>TOTAL CURRENT ASSETS</b>		<b>157,408</b>	<b>288,733</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	1,170,321	1,145,070
Building and Improvements	6	4,535,755	4,514,955
Property, plant and equipment	7	2,261,978	2,296,368
Library	8	86,805	86,805
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,054,859</b>	<b>8,043,198</b>
<b>TOTAL ASSETS</b>		<b>8,212,267</b>	<b>8,331,931</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		16,800	17,551
Membership Subscriptions in Advance		16,269	32,827
Other provisions	9	29,498	25,748
<b>TOTAL CURRENT LIABILITIES</b>		<b>62,567</b>	<b>76,126</b>
<b>TOTAL LIABILITIES</b>		<b>62,567</b>	<b>76,126</b>
<b>NET ASSETS</b>		<b>8,149,700</b>	<b>8,255,805</b>
Retained profits		1,077,136	1,209,294
Reserves :			
Investment Revaluation Reserve	12	348,000	321,947
Library Revaluation Reserve		86,805	86,805
Burke & Wills Collection Revaluation	13	2,225,000	2,225,000
Building and Improvements Revaluation Reserve	14	4,540,000	4,540,000
Write down Fixtures, Fittings		(127,241)	(127,241)
<b>TOTAL MEMBERS FUNDS</b>		<b>8,149,700</b>	<b>8,255,805</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2014**

**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 Victoria. The Council has determined that the Association is not a reporting entity.

The following significant 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 Society is a tax exempt body.

b. **Fixed Assets**  
An inventory of fixed assets was undertaken during the 2011 year and values established for assets physically in existence. The values reported reflect a realisable or replacement cost. Depreciation has been applied to these assets from 1st January 2011.

The building and improvements have been paid for by the Society over its lifetime. However, it should be noted that the building is constructed on land which is not owned by the Society but which is held by Trustees pursuant to statute. In view of this, neither the building nor the land is regarded by the Society as realisable assets.

Building and improvements are being amortised over forty years, in accordance with accounting practices. This period has been deemed to commence from 1st January 2010 on the basis that at this time, the restoration works had been completed. The amortisation to be written off to the income statement.

c. **Provisions**  
Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at reporting date.

d. **Cash and Cash Equivalents**  
Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

e. **Revenue and Other Income**  
Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised when received.  
All revenue is stated net of the amount of goods and services tax (GST).

f. **Goods and Services Tax (GST)**  
Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the balance sheet are shown inclusive of GST.

g. **Investments**  
Investments held are originally recognised at cost which includes transaction costs. The investments are now reported at market value.

THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2014

<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Cash at Bank	76,448	197,875
Petty Cash	82	274
Undeposited Cheques	4,210	705
	80,740	198,854
<b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>		
	\$	\$
Sundry Debtors	34,754	34,010
<b>NOTE 4: STOCK Publications, Coins and Stamps</b>		
	\$	\$
Publications	50,846	52,764
Coins and Stamps	2,955	2,955
Less Provision for Stock Obsolescence	(12,037)	0
	41,764	55,719
<b>NOTE 5: FINANCIAL ASSETS</b>		
<b>RSV Sciences Fund managed by Equity Trustees</b>		
	\$	\$
Discretionary Share Portfolio – Equity Trustees	1,169,873	1,145,038
Direct ANZ shares	448	32
	1,170,321	1,145,070
<b>NOTE 6: BUILDING AND IMPROVEMENTS</b>		
	\$	\$
Building and Improvements – at Valuation	4,540,000	4,540,000
Building Restoration Costs	617,395	470,754
	5,157,395	5,010,754
Less Amortisation	(621,640)	(495,799)
	4,535,755	4,514,955

**THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2014**

<b>NOTE 7: PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Fixtures and Fittings, Paintings, Office Equipment	379,909	379,909
Less Accumulated Depreciation	(379,909)	(356,243)
Paintings at Valuation	19,818	19,818
Less Accumulated Depreciation	(792)	(594)
Office Equipment at Cost	54,814	54,814
Less Accumulated Depreciation	(53,088)	(43,851)
Cottage Assets at Cost	18,795	18,795
Less Accumulated Depreciation	(3,529)	(2,589)
Catering Equipment at Cost	2,322	2,322
Less Accumulated Depreciation	(1,362)	(1,013)
Burke and Wills Collection at Valuation 2011	2,225,000	2,225,000
	2,261,978	2,296,368

**NOTE 8: LIBRARY**

	\$	\$
	86,805	86,805

An Independent Valuation 2010 – there is no documentation to support this historical figure.

**NOTE 9: OTHER PROVISIONS**

	\$	\$
Long Service Leave	29,498	25,748

**NOTE 10: DONATIONS**

	\$	\$
Balance of bequests from the estates of Dr Phillip Law and James Howard	0	39,162
Other donations from members and fundraising	17,903	23,238
	17,903	62,400

**NOTE 11: SPONSORSHIPS AND GRANTS**

This item includes contributions from:

CSIRO and Aboriginal Literacy Foundation to assist with costs associated with the Launch of “The Aboriginal Story of Burke and Wills: Forgotten Narratives”

Solarcorp to assist with costs associated with “Victoria’s Energy Futures Symposium”



**THE ROYAL SOCIETY OF VICTORIA INC (A Non-reporting Association)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2014**

**NOTE 12: INVESTMENT REVALUATION RESERVE**

	\$
Balance as at 31 <sup>st</sup> December 2013	321,947
Increase/(Decrease) in market value of investment	26,053
Balance as at 31 December 2014	348,000

**NOTE 13: BURKE AND WILLS COLLECTION REVALUATION**

The Burke and Wills Collection owned by The Society and held by the State Library of Victoria was independently valued during 2011. This valuation was provided by Director Collections & Access, SLV

**NOTE 14: BUILDINGS AND IMPROVEMENTS RESERVE**

	<b>2014</b>	<b>2013</b>
	\$	\$
This comprises		
Revaluation Increment	4,540,000	4,168,050
Add Amortisation reversed	0	371,950
	4,540,000	4,540,000

Amortization charge has now been allocated to the income statement and prior charges were reversed in the 2013 accounts in accordance with Australian Accounting Standards .

**NOTE 15: DEPRECIATION**

160,071	194,024
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Depreciation is calculated in accordance with the Australian Accounting Standard.

**NOTE 16: NET DEFICIT**

The net deficit of (\$132,158) is after charging as an expense depreciation of plant and equipment of \$36,221 and depreciation of buildings \$123,850. Both of these items are non-cash items. The Society had a Net Result from operations before depreciation of \$27,913.

**NOTE 17: DIVIDENDS**

This amount includes franking credits of \$11,282 and a transfer of \$50,000 from the Science Fund.

The Science Fund transfer was allocated to the Phillip Law Postdoctoral Prize, Research Medal and Science Talent Search sponsorship with the balance used to offset the operating deficit.

The withdrawal of \$50,000(2013 \$57,000) from the Sciences Fund is consistent with the financial management plan adopted by Council which states that between 40% and 60% of the increase in value of the fund may be withdrawn each year. Because of the loss of rental income Council approved the commencement of the withdrawals this year instead of next year as originally planned.

The increase in the fund during the 2014 year was \$83,710.62 before the transfer of the \$50,000. Actual dividends received and reinvested were \$46,248 during 2014.

STATEMENT BY MEMBERS OF THE COUNCIL

The Council has determined that the association is not a reporting entity and 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 the financial report as set out on pages 1 to 9

1. Presents a true and fair view of the financial position of The Royal Society of Victoria Inc (a Non-reporting Association) as at 31 December 2014 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Royal Society of Victoria Inc (a Non-reporting Association) 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:



President .....  
Dr William D Birch AM



Treasurer .....  
Mr Norman Kennedy

Dated this 12<sup>th</sup> day of March 2015

## **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of The Royal Society of Victoria Inc (a Non-reporting Association) (the Society), which comprises the balance sheet as at 31<sup>st</sup> December 2014 and the income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

### ***Committee's Responsibility for the Financial Report***

The committee of the Society is responsible for the preparation and fair presentation of the financial report and have 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 reporting requirements of the Associations Incorporation Act and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing 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 judgment, 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 committee's financial reporting under the Associations Incorporation Act. 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.

### ***Auditor's Opinion***

In our opinion, the financial report of The Royal Society of Victoria Inc (a Non-reporting Association) presents fairly, in all material respects the financial position of the Society as of 31 December 2014 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporations Act.

Name of firm: J D Madgwick Chartered Accountant

Address: 94 Moray Street, Southbank 3006

Date: 12<sup>th</sup> March 2015

**CERTIFICATE BY MEMBERS OF THE COUNCIL**

I, Pauline Ladiges AO of 58 Maribyrnong Road, Moonee Ponds, Victoria 3039 and Mark Williams of 24 Oak Grove, East Malvern, Victoria 3145 certify that:

- a. We are members of the Council of The Royal Society of Victoria Inc (a Non-reporting Association).
- b. We attended the Annual General Meeting of the association held on 23<sup>rd</sup> April 2014
- c. We are authorised by the attached resolution of the Council to sign this certificate.
- d. This annual statement was submitted to the members of the Society at its Annual General Meeting.

.....  
Prof Pauline Y Ladiges AO

.....  
Dr Mark Williams

Dated this 23rd Day of April, 2015