

# ANNUAL REPORT

# 2009-10



**Nursery & Garden Industry**  
**Australia**



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## President's Report



In taking on the role as National President last October, I was honoured as a grower to be entrusted by you to lead this organisation into the future. Geoff Richards had been at the helm when the Board made some tough decisions regarding the direction of the National Body. The Board felt that the future would enable a "strengthening of purpose" between the National Office and the States to focus on some of the key issues we are facing as an industry.

This industry is based on having strong, sustainable and profitable growers throughout the country. They produce the plants that flow through all areas of the economy and are the basis of our industry. The production sector is where it all starts and there are some key issues which are affecting the very basis of our ability to produce and deliver quality plants. I will detail some of the key issues that have been

identified and what your National Board has been doing to address these issues:

- **Industry Planning:** The industry stakeholders group, representing members from around Australia, met in December to develop a new Strategic Plan for the industry. This provides the key direction for the period 2010-2015 and if all States and businesses align with this plan the industry will achieve the key outcomes to benefit members and be stronger as a result.
- **Industry Representation:** NGIA has presented the industry credentials and environmental values to all sectors of the political spectrum. We are working on how Government, at the Federal level, can recognise the key role we play in managing climate change and biosecurity risks in Australia. Both of these areas need further investment and it is important that this message is replicated at State Association level.  
  
Legislation at State level is impacting on how members can supply product into different markets. The controls that are being put in place are adding to our costs and also have the potential to seriously affect the future product selection that we will be able to offer to consumers throughout Australia.
- **Supply Chain Efficiencies:** Our industry moves plants throughout Australia and we need to have an efficient system that ensures growers get the correct returns for their

products and consumers get quality products for their investment. We have invested in reviews, technical papers and systems but this still is the major barrier to increasing industry profitability. It is up to all of us to fix the problems as they are business to business issues. If left solely to the big retailers and the big growers our industry will fragment. We cannot sit back and hope things work out so I urge you all to get engaged with improvement programs in this area.

Your National Association is just that, YOURS. We will strengthen the industry by working together and recognising that all sectors have an important role in making the industry stronger into the future.

Your national office is working effectively to ensure our industry is represented and heard on key issues. As a service provider it manages key projects for Horticulture Australia Limited (HAL) that involve expenditure of funds from the industry levy and matching dollars from the government. This is an area under constant change and increased scrutiny to ensure that the investments are delivering measurable benefits for growers.

I would like to thank my colleagues in the Industry, the staff at NGIA and my fellow directors for their support over the past year.

**Bryan Hillier**  
President

## CEO's Report



The past year has seen the industry show good growth in some sectors followed by a sudden stalling during the autumn period. The spring 2009 trading was positively affected by the weather conditions and the lack of significant water restrictions, except for South Australia. Plant sales, as reflected in levy returns, were well up on prior years and the key drivers were the landscape sector and the "grow your own" promotions which will continue into the future.

As an Industry we produced a document covering the Environmental credentials of our industry. This was circulated to key influencers in the political areas at Federal, State and at Local Government level. We recognise that for the industry to continue to show growth we need more plants in the urban environment

and this is a challenge when the spaces being allocated for plantings in residential developments are continuing to shrink. We have had meetings with both political parties, the landscape sector and urban planning groups and the benefits aligned with greenlife in energy saving and improving the built environment are being recognised. We will be continuing to publicise the results of research work being undertaken in these areas.

The key issue of industry profitability continues to be addressed with NGIA working with State and Federal agencies to improve the processes in place that restrict plant movement and the associated documentation required. Biosecurity concerns are a major contributor to this and the two serious incursions which have occurred in New South Wales in 2010 have taken up considerable time. The NGIA worked with New South Wales Department of Industry & Investment (I&I NSW) to hopefully resolve the issues of Impatiens Necrotic Spot Virus which involved the investment of members funds. The industry is working on implementing a Biosecurity levy in the future to meet our government obligations but nothing replaces vigilance at the grower level.

The role of the NGIA as a service provider to Horticulture Australia Limited (HAL) is continually being reviewed by industry stakeholders, and often comments are made that are not based on accurate information or an understanding of the complex situation that

exists with the management of government funds. The industry will be working to make this process as transparent as possible and welcomes questions from members if you require clarification on how the dollars are invested.

The Program Managers based in the Epping office have all undertaken a heavy workload on behalf of the industry and, supported by the industry representative committees, ensure that programs deliver outputs which will assist members in their businesses. These need to be taken up by Industry and we realise that timing of adoption will vary across the industry. One of the key needs for both programs and Government reporting is the need for accurate information. Our industry has been lacking industry statistics and as part of the new Industry Strategic Plan we need to be able to scope our industry and measure growth in the future. This will be a key project in the next year.

The NGIA is your National body and we are working for you the members. While we are a diverse industry, spread across all areas of Australia, as a unified group on key issues we are a strong industry.

**Robert Prince**  
CEO

## Directors' Report

### Directors

The names of the directors at the date of this report are:

Bryan Hillier (Queensland) - President  
 Gary Eyles (New South Wales) - Vice President  
 Mark Geeves (Tasmania)  
 Fergus Higson (Northern Territory)  
 Glenn Fenton (Victoria)  
 Craig Norman (South Australia)  
 Geoff Richards (Western Australia)

Your directors present their report on the company for the financial year ended 30th June 2010.

### Principal Activities

The principal activities of the company during the financial period were the promotion and furtherance of the interests of the nursery, garden and allied industries in Australia. This included the management of the company's affairs, consultation with Federal Governments and their instrumentalities, working with State and Territory industry associations and liaison and project management of industry levies as administered through Horticulture Australia Ltd (HAL).

There were no changes in the principal activities during the financial year.

### Operating Results

NGIA recorded a surplus of \$23,341 in the year compared to a deficit of \$8,394 for the previous year. The surplus was mainly as a result of higher income in a number of areas. These were:

- Increased membership income from higher member numbers and an increase in the subscription amount.
- Increased commission received on the NurseryPac insurance product.

Offsetting the income increase were:

- Lower interest income in line with lower interest rates over the last year.
- Increase in rent with the signing of a formal lease over NGIA's premises.
- Payment of \$18,182 contribution to eradication of Impatiens Necrotic Spot Virus in Wyee, NSW.
- Loss on the National Conference in Darwin April 2010 of \$11,056.

### Review of Operations

During the year the company has been working for members in the following key areas:

- Biosecurity issues – working with Plant Health Australia, Federal and State governments on pest and disease incursions that threaten the industry.
- Communication with key influencers regarding the benefits of increased green life in the urban environment. This has resulted in the inclusion of increased investment in greenlife being considered as part of the political parties policies on climate change and energy savings.
- Industry communications and submissions to key government reviews on the future of Government Investment in Rural R&D, changes in the management of quarantine both post border and interstate, management of Agricultural Chemicals in our sector and Water policy for the Urban environment.

The company is a service provider to HAL for the expenditure of the Nursery Levy under the Horticultural Levies Act. The levy, managed on the industry's behalf by HAL, has funded national R&D and marketing programs. These programs are focused on:

- Training program development for industry and support for members and their staff to undertake training.
- Research and technical development to assist businesses to be more sustainable and profitable in today's market.
- Industry marketing/PR and communications to promote the benefits of key industry programs – NIASA, EcoHort, and business improvement for retailers.
- Development officer network to work with business at a State level on both technical and business issues.

Unspent funds for these projects at 30 June 2010 are reflected, as in previous years, in the balance sheet of the company.

### Significant Changes in State of Affairs

During the period, Phil Nagle resigned as a Director and Representative for Victoria and was replaced by Glenn Fenton.

There have been no other significant changes in the entity's state of affairs that have occurred during the financial year.

### After Balance Date Events

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

### Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

### Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Meetings of Directors – Attendance

Executive Meetings – 2010		
	No. Eligible to attend	Attended
Gary Eyles	7	6
Glenn Fenton	1	0
Mark Geeves	7	7
Fergus Higson	7	6
Bryan Hillier	7	7
Phil Nagle	6	5
Craig Norman	7	6
Geoff Richards	7	4

## Information on Directors & Company Secretary

### Bryan Hillier - President

Owner of Dracaena Farm, Beachmere Qld and Hilliers Horticulture, Bundaberg Qld

Qualifications: Diploma of Concrete Design and Construction, Quantity and Estimating, Certificate of Human Relations, Certificate in Horticulture Bryan has over 30 years in the industry. He was appointed to the NGIA Board on 10th May 2006 and has been President since October 2009. He is a Certified Nursery Professional, Chairman of the QLD Expo Committee (over 10 years), a representative on the Queensland Trade Day Committee (over 10 years), Member-at-Large for the NGIQ Management Board and the former NGIQ President (2006-2008). He is a sitting member of the Industry Advisory Committee (IAC). Bryan is on the Board Governance, Finance and Audit sub-committee.

### Gary Eyles – Vice President

Managing Director of A T Eyles and Sons Pty Ltd, Kenthurst NSW

Qualifications: Certificate of Horticulture Gary has over 40 years experience in the industry and was appointed to the NGIA Board on 26 March 2008. Gary chairs the National NIASA Advisory Committee and is a member of the Governance, Finance and Audit sub-committee.

### Glenn Fenton

Managing Director, Nationwide Trees Pty Ltd, Piedmont Vic

Qualifications: Bachelor of Social Science (Human Resource Development). Graduate Diploma in Strategic Management Studies.

President Nursery and Garden Industry Victoria (2010 – current). Vice President Nursery and Garden Industry Victoria (2008 – 2009). Chairman, Tree and Shrub Growers of Victoria (2006-2007). Board Member, Melbourne International Flower and Garden Show (2010 – current). Glenn retired as a Colonel in the Australian Defence Force after 26 years of service and entered the industry in 2002. He was appointed to the NGIA Board on the 23rd April 2010. Glenn chairs the National Environmental Committee and is a member of the Risk and Strategic issues sub-committee.

### Mark Geeves – Director

Tasmanian Polytechnic - Workforce Learning Leader - Science & Environment South, Hobart Tas

Qualifications: Diploma of Horticulture, Certificate IV in Training and Assessment Mark has over 7 years experience in business management and 13 years experience in the horticulture industry. He was appointed to the board on 21 October 2008. Mark chairs the National Training and Recognition committee and is a member of the Risk and Strategic Issues sub-committee.

### Fergus Higson – Director

Owner of Tropical Plant Brokers, Moil NT

Qualifications: Associate Diploma of Applied Science (Tropical Horticulture), Certificate in Business Management. Fergus has over 20 years experience in the industry and was appointed to the NGIA Board on 13th April 2006. He is a member of the Risk and Strategic Issues sub-committee.

### Phil Nagle – Director

National Sales & Technical Manager, Bio Gro, Bayswater North Vic

Phil has over 18 years in the Nursery Industry and was appointed to the NGIA Board on 1st December 2007. He has served on the Nursery & Garden Industry Victoria Board for three years and is also President of Landscape Industries of Victoria. Phil resigned as director on 23 April 2010

### Craig Norman – Director

Managing Director – Wholesale Plants and Products Pty Ltd, Dry Creek SA

Qualifications: Advanced Diploma Horticulture, Diploma in Design Craig has over 30 years in the industry and was appointed to the board on 21 October 2008. Craig chairs the Industry Biosecurity Levy Working Group and is a member of the Governance, Finance and Audit sub-committee.

### Geoff Richards

Managing Director of Richgro Garden Products, Canning Vale WA

Geoff has over 40 years in the industry and was appointed to the Board on 13th April 2006. He has served on the board previously and held the position of President from 1999 through to 2002 and from 2007 to 2009. He is a sitting board member of the Industry Advisory Committee (IAC). Geoff chairs the National Marketing Committee and is a member of the Risk and Strategic Issues sub-committee.

### Robert Prince – Secretary

CEO – Nursery and Garden Industry Australia Ltd

Qualifications: Bachelor of Science Robert has over 25 years experience in the industry. He has many years in senior management roles, particularly with Yates in Australia and New Zealand, including Managing Director Yates New Zealand. He was appointed Secretary on 26th October 2007 and Chief Executive officer on 17 April 2008.

## Dividends

The company's constitution specifically prohibits the payment of dividends or bonus to members.

## Indemnification and Insurance of Officers and Auditors

During or since the end of the financial period the Company has given indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid \$3,177 in premiums to insure all Directors and Officers of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as such officer of the company, other than conduct involving a wilful breach of duty in relation to the company. No other indemnities have been given. The company has not provided any insurance for the auditor of the company.

## Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party. The company was not a party to any such proceedings during the year.

## Auditor's Independence

A statement of independence has been provided below by our auditor, BDH Audit & Assurance Pty Ltd.

Signed in accordance with a resolution of the Board of Directors.

### Bryan Hillier

Director

Dated at Epping this 6th day of September 2010

## AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDH Audit & Assurance Pty Limited

### Gede Barone

Director

Dated at Epping this 6th day of September 2010

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
Revenue	2	805,518	780,495
Employee benefits expenses		(379,247)	(390,523)
Occupancy expenses		(84,391)	(63,073)
Depreciation and amortisation expenses	4	(22,445)	(25,005)
Finance costs		(3,056)	(1,245)
Other expenses		(293,038)	(309,043)
<b>Profit/(loss) before tax</b>		23,341	(8,394)
Income tax expense		-	-
<b>Profit/(loss) attributable to members</b>		23,341	(8,394)

**BALANCE SHEET AS AT 30 JUNE 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	5	2,082,909	1,915,020
Trade and other receivables	6	390,948	668,282
Other current assets	7	23,244	3,198
<b>TOTAL CURRENT ASSETS</b>		2,497,101	2,586,500

**NON-CURRENT ASSETS**

Financial assets	8	10	10
Property, plant and equipment	9	34,284	52,547
<b>TOTAL NON-CURRENT ASSETS</b>		34,294	52,557
<b>TOTAL ASSETS</b>		2,531,395	2,639,057

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	10	1,425,739	1,461,769
Provisions	11	68,985	41,963
<b>TOTAL CURRENT LIABILITIES</b>		1,494,724	1,503,732

**NON-CURRENT LIABILITIES**

Trade and other payables	10	226,503	349,397
Provisions	11	8,570	7,671
<b>TOTAL NON-CURRENT LIABILITIES</b>		235,073	357,068
<b>TOTAL LIABILITIES</b>		1,729,797	1,860,800
<b>NET ASSETS</b>		801,598	778,257

**EQUITY**

Retained earnings	12	801,598	778,257
<b>TOTAL EQUITY</b>		801,598	778,257

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010**

Balance at 30 June 2009	778,257
Profit attributable to members	23,341
Balance at 30 June 2010	801,598

The income statement, balance sheet and statement of changes in equity should be read in conjunction with the notes on pages 6 to 9

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010</b>	NOTE	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		835,305	719,847
Payments to suppliers and employees		(806,691)	(621,646)
Interest received		65,335	79,792
<b>Net cash provided by (used in) operating activities</b>	13	93,949	177,993
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(10,503)	(19,637)
Net cash provided by (used in) investing activities		(10,503)	(19,637)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease)/Increase in project balances		84,443	(107,201)
<b>Net cash provided by (used in) financing activities</b>		84,443	(107,201)
Net increase in cash held		167,889	51,155
Cash at beginning of financial year		1,915,020	1,863,865
Cash at end of financial year	13	2,082,909	1,915,020

The cashflow statement should be read in conjunction with the notes below

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### 1 Statement of Significant Accounting Policies

This financial report covers Nursery & Garden Industry Australia Limited as an individual entity. Nursery & Garden Industry Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Accounting Policies

##### (a) Income Tax

As the company was established for the purpose of promoting the development of horticultural resources of Australia it is exempt from income tax under section 23(h) of the Income Tax Assessment Act, 1936 as amended.

##### (b) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on a prime cost or diminishing value method. All property, plant & equipment are written off over their useful lives.

The depreciation rates used for each class of depreciable assets are:  
Office Equipment 7.5 - 50%

##### (c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

##### (d) Cash and Cash Equivalents

Cash and cash equivalents include 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) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

**(f) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Member subscriptions are recognised according to the period to which they relate.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Revenue for the rendering of services is recognised upon the delivery of a service.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue is recognised when it is received or earned.

**(g) 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(h) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(i) Project Receipts**

The company received payments in advance to fund future projects on behalf of the nursery industry.

**(j) Economic Dependence**

The company is dependent on Horticulture Australia Limited (HAL) for the majority of its revenue used to operate the project management part of the business. At the date of this report the directors have no reason to believe that HAL will not continue to support the company's role as a service provider.

**(k) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Classification and Subsequent Measurement**

Financial assets are classified at fair value through the profit & loss when they are held for trading. Realised and unrealised gains and losses arising from changes in fair value are included in profit and loss in the period in which they relate.

Loans and receivables are non-derivative financial assets with fixed payments that are not stated in an active market.

Held to maturity investments are with banks and have fixed maturities, and the company intends to hold these until maturity.

Financial liabilities are non-derivative financial liabilities and are recognised at cost. The directors have assessed that no financial instrument has been impaired.

**(l) Provisions**

Provisions are recognised when the company 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 recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

**(m) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(n) New standards and interpretations early adopted**

The company has elected to early adopt the following standards:

- AASB 1053 Application of Tiers of Australian Accounting Standards which results in the potential application of reduced disclosure requirements for specific types of entities. This standard is effective from 1 July 2013 but is available for early adoption for reporting periods commencing 1 July 2009.
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements which makes amendments to many Australian Accounting Standards including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. This standard is effective from 1 July 2013 but is available for early adoption for reporting periods commencing 1 July 2009.

**(o) New standards and interpretations not early adopted**

The following standards, amendments to standards and interpretations have been identified as those which may impact the company in the period of initial application. They are available for early adoption at 1 July 2009, but have not been applied in preparing this financial report.

- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

# NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

	2010	2009
<b>2 Revenue and Other Income</b>	\$	\$
Revenue		
Commissions	42,240	39,339
Gift Cards	1,766	5,784
Members Publications	2,735	2,906
Subscriptions	228,475	194,715
HAL Consultative Fees	235,944	250,591
Project Service Fees	226,702	201,480
Interest received	65,335	81,412
Sundry Income	2,321	4,268
Total other revenue	805,518	780,495

## 3 Auditors' Remuneration

Audit & review of financial statements	12,900	8,000
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## 4 Profit

Expenses		
Depreciation of property, plant and equipment	22,445	25,005

## 5 Cash and Cash Equivalents

Cash at bank	1,364,431	1,485,964
Short term deposits	718,478	429,056
	2,082,909	1,915,020

## 6 Trade and Other Receivables

Current		
Project Debtors	275,227	531,456
Trade Debtors	89,560	121,510
Income Accrued	26,161	15,316
	390,948	668,282

## 7 Other Current Assets

Current		
Prepayments	23,244	3,198

## 8 Financial Assets

Non-Current		
Investment at Cost	10	10

## 9 Property, Plant and Equipment

### Plant and Equipment:

At cost	186,636	182,453
Accumulated depreciation	(152,352)	(129,906)
Total Plant and Equipment	34,284	52,547

## 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 current financial year.

Balance at the beginning of the year	52,547	57,915
Additions during the year	10,503	19,637
Transferred to projects	(6,321)	-
Depreciation	(22,445)	(25,005)
Balance at the end of the year	34,284	52,547

## 10 Trade and Other Payables

### Current

Trade Creditors	374,011	361,149
Special Projects Funds	-	14,552
Project Receipts in Advance	1,051,728	1,086,068
	1,425,739	1,461,769

### Non-Current

Project Receipts in Advance	226,503	349,397
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## 11 Provisions

Provision for Annual Leave	58,891	41,963
Provision for Long Service Leave	18,664	7,671
Total provisions	77,555	49,634

### Analysis of Total Provisions

Current	68,985	41,963
Non-current	8,570	7,671
	77,555	49,634

## 12 Retained Earnings

Retained earnings at the beginning of the financial year	778,257	786,651
Net profit (Net loss) attributable to members of the company	23,341	(8,394)
Retained earnings at the end of the financial year	801,598	778,257

## 13 Notes to the statement of cash flows

### a) Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months.

Cash assets	2,082,909	1,915,020
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### b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit/(loss) after income tax	23,341	(8,394)
Add/(less) non-cash items:		
Depreciation	22,445	25,005
Inventory written off	-	28,184
Net cash provided by operating activities before change in assets & liabilities	45,786	44,795
Change in assets and liabilities		
(Increase)/decrease in receivables	31,950	20,765
(Increase)/decrease in prepayments	(20,046)	(2,803)
(Increase)/decrease in other assets	(10,846)	(1,620)
Increase/(decrease) in accounts payable	12,862	111,189
Increase/(decrease) in other liabilities	34,243	5,667
<b>Cash Flow from Operations</b>	<b>93,949</b>	<b>177,993</b>

## 14 Company Limited by Guarantee

The company is a company limited by guarantee under the Corporations Law. If the company is wound up, the memorandum of association provide that each member who is currently a member or has been a member during the previous year is required to contribute a maximum of \$5 towards the debt of the company. As at 30 June 2010 the number of members was 1,322 (2009 - 1,309).

	2010	2009
	\$	\$

### 15 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(a) Directors Allowances	24,178	17,800
(b) The names of the directors who have held office during the financial year are: B Hillier, G Eyles, G Richards, F Higson, P Nagle, M Geeves, C Norman & G Fenton		
(c) Key Management Personnel Compensation		
Short Term	206,292	201,300
(d) The directors are not aware of any other related party transactions		

### 16 Financial Instruments

The company's financial assets are subject to interest rate risk. This will fluctuate in line with movements in the market rate.

Credit risk, being the risk that one party will cause a financial loss to the company by failing to discharge an obligation, is considered to be not material.

The company is not exposed to fluctuations in foreign currencies. The company manages liquidity risk by monitoring cash flow and cash balances.

The company is not exposed to any material commodity price risk. The fair net value for financial assets and liabilities is the carrying value. No financial assets or liabilities are traded on financial markets.

### 17 Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

- not later than 12 months	48,600	-
- between 12 months and 5 years	12,150	-
	60,750	-

### 18 Company Details

The company is a not for profit organisation that administers projects for the benefit of the Nursery Industry. The legal form of the organisation is a company limited by guarantee, incorporated in Australia.

The registered office of the company is situated at 1st Floor, 16-18 Cambridge Street, Epping New South Wales

### 19 Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

## DIRECTORS' DECLARATION

The directors of the company declare that:

- The financial statements and notes, as set out on pages 5 to 9, are in accordance with the Corporations Act 2001 and:
  - comply with Accounting Standards – Reduced Disclosure Requirements; and
  - give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.

Director:  
Mr Bryan Hillier (Queensland) - President  
Dated at Epping this 6th day of September 2010

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

### Report on the Financial Report

We have audited the accompanying financial report of Nursery & Garden Industry Australia Limited which comprises the balance sheet as at 30 June 2010, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 auditors' 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 auditors consider 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 directors, as well as evaluating the overall presentation of the financial report.

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 the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Nursery & Garden Industry Australia Limited on 6 September 2010, would be in the same terms if provided to the directors as at the date of this auditors' report.

### Auditors' Opinion

In our opinion:

- the financial report of Nursery & Garden Industry Australia Limited is in accordance with the Corporations Act 2001, including:
  - giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

### BDH Audit Assurance Pty Limited

Gede Barone  
Director

Dated at Epping this 6th day of September 2010

**Compilation Report**

The additional financial data presented on page 10 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our audit of the company for the year ended 30 June 2010. It will be appreciated that our audit did not cover all details of the attached financial data. Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. We do not undertake responsibility in any way whatsoever to any person (other than the company) in respect of such data, including any errors or omissions however caused.

**BDH Audit & Assurance Pty Limited**

Gede Barone  
 Director  
 Dated at Epping this 6th day of September 2010

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
<b>INCOME</b>		
Commissions	42,240	39,339
Gift Cards	1,766	5,784
Members Publications	2,735	2,906
Subscriptions	228,475	194,715
HAL Consultative Fees	235,944	250,591
Project Service Fees	226,702	201,480
Interest Received	65,335	81,412
Sundry Income	2,321	4,268
	805,518	780,495
<b>EXPENSES</b>		
Auditors Remuneration - Fees	12,900	8,000
Bank Charges	2,820	2,044
Biosecurity expenses	18,182	-
Depreciation	22,445	25,005
General Expenses	8,406	6,312
Holiday Pay Provision	12,616	3,844
Insurance	6,406	13,640
Interest	3,056	1,245
Inventory Write Off	-	28,184
Loss on 2010 Conference	11,056	-
Legal Costs	8,014	53,135
Long Service Leave Provision	10,993	1,822
Meeting & Travel Expenses	79,634	61,038
President's & Director's Allowances	24,178	17,800
Postage & Freight	40,953	38,380
Rent, Cleaning & Lighting	81,616	55,760
Repairs & Maintenance	1,015	11,453
Salaries & Employee Expenses	326,920	354,910
Subscriptions	65,274	57,765
Superannuation	28,718	29,947
Telephone	16,975	18,605
	782,177	788,889
Profit (Loss)	23,341	(8,394)



**Nursery & Garden Industry  
Australia**

NURSERY & GARDEN INDUSTRY AUSTRALIA  
LIMITED ACN 001 318 136

## Contact Nursery & Garden Industry Australia

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**Environmental Choice Logo**