

# ANNUAL REPORT

## 2012-13



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



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## President's Report



The 2012- 2013 year has seen many opportunities for your national representative office of Nursery and Garden Industry Australia (NGIA). The Board and staff have worked tirelessly over the past twelve months to ensure we deliver on outcomes allied with our Strategic Investment Plan (SIP). As in the previous year, there is still a real need and requirement for all plants in the urban environment to be valued correctly, valued not only in the monetary value but the value they provide in the area of health and wellbeing for the urban society. In the past this has been difficult to quantify but

we are now generating information to support our position. We all have the responsibility to educate all involved, "influence the influencers", highlighting the social and environmental benefits of being, and growing, Green.

To assist us with this, the NGIA Board engaged the Horticulture Australia Limited (HAL) Marketing team and the new industry campaign "2020Vision" will be the start of a powerful combination of PR messaging linked with real activities and case studies for all of industry to get behind. This program is generating excitement with the broader stakeholders in the "Green Industry" and we plan to utilise this as a conduit for closer relationships throughout the country.

This year we have reviewed our communications and, in conjunction with NGIV, are progressing a National edition of "Groundswell" to be sent to all stakeholders on a quarterly basis. This will enable increased exposure to National messages and outcomes of key research projects. The NGIA website is also being revamped and will provide a more modern and logical portal for industry information.

We have worked on international linkages to ensure that the industry is working with the most current trends as we all know with modern communications we can all learn from

others. We have engaged with the New Zealand Industry regarding our Farm Management System, and had contact with the Canadian industry.

NGIA is your peak body and on your behalf I wish to thank:

- Your NGIA Directors and staff at NGIA for their support and dedication. Special mention to Glenn Fenton and Russell Higginbotham who are standing down as Directors.
- The State and Territory Associations, whose Boards and Staff work with the peak industry body to deliver programs and events, that make us the "Australian Nursery & Garden Industry".

We look forward to your continued support in the future, a future that will be greener and include more plants that we all produce, nurture and sell.

**Craig Norman**  
President

## CEO's Report



Looking back it has been a challenging year for all in our industry. The impact of poor consumer confidence and variable seasonal weather patterns have placed pressures on the industry that we could have done without.

In September 2012 the NGIA Board engaged HAL Marketing to develop the marketing plan to drive greater awareness of the value of greenlife in the urban environment. It had been identified that we needed to "influence the influencers" and ensure that plants played a primary part of the future development of our towns and cities. This would in turn flow through to the profitability and sustainability of the industry.

After pitches by five agencies in May 2013, the Industry Advisory Committee (IAC) signed off

on a campaign developed by the Republic of Everyone for the new campaign based on a big idea – 2020Vision. The goal: to drive 20% more greenspace in urban environments by 2020. The planning going into this campaign has been immense and all industry stakeholders should be engaged. The messages that will be communicated to developers, governments and the general public will see plants and urban greening get an increased appreciation and value.

Your National office has been working diligently on the key aspects of this campaign as well as advocacy for our industry in the area of Biosecurity, at both a Federal and State level. A new Bill was being developed and hopefully will be revisited with the new Government as it has critical improvements in risk management and communications to enable a smoother movement of plants around the country. NGIA is working with two States on a trial that will lead to the Industry being recognised as a creditable body to undertake self audits for plant movement.

These issues are constant and require ongoing engagement to ensure that our industry position is represented. This involves meetings with working groups in Canberra, appearances before Senate Committees, and submissions.

NGIA is a service provider for some levy funded programs and also manages the activities of the State and Territory Associations where they are subcontracted to deliver program outcomes.

There is a constant awareness of Governance issues and transparency to ensure that the programs are on line and funds are being utilised in accordance with the contracts.

One of the key projects that we are disappointed in is the Industry Statistics project. Industry did not engage with the consultant to a level that would provide a real number on the value of the industry. We will continue to seek ways to identify what our industry is worth and how many staff we employ as these values are critical if we want to make representation on key issues such as skills development and to attract young people into our sector.

We have increased the awareness of the Nursery & Garden Industry as a result of our research activities but we have a lot more work to do with consumers re the value of plants. We need your help in achieving this.

The team at your National Office are small, diligent and hardworking as they are passionate about the sector. On your behalf I thank them for being there to assist you and provide a link between your State and Territory Association and Federal issues.

**Robert Prince**  
Chief Executive Officer

## Directors' Report

### Directors

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

Craig Norman (South Australia) – *President*  
 Glenn Fenton (Victoria) – *Vice President*  
 Mark Geeves (Tasmania)  
 Colin Groom (Western Australia)  
 Russell Higginbotham (Queensland)  
 Michael Mehigan (New South Wales)  
 Simon Smith (Northern Territory)

Your directors present their report on the company for the financial year ended 30 June 2013.

### 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).

The principal activities of the company directly assisted in achieving the objectives set. There were no changes in the principal activities during the financial year.

### Operating Results

NGIA recorded a surplus of \$24,107 in the year compared to a deficit of \$33,279 for the previous year.

The surplus was mainly as a result of reduced expenditure in a number of areas and last year's result being impacted by the office relocation to Castle Hill. Major areas that impacted on the results were:

- Reduced travel expenditure partly due to no conference being held in 2013.
- Lower interest income in line with the reduction in interest rates over the last year and the use of funds to assist with the office purchase.
- Loss of commission received on the NurseryPac insurance product after termination of the agreement by OAMPS at the end of March 2012.
- Reduced office costs after the relocation.

### Strategies to Achieve Objectives

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

- Biosecurity – Establishment of market access trial between two States, representation on Plant Biosecurity Cooperative Research Centre (CRC), introduction of industry Biosecurity levy as per Emergency Plant Pest Response Deed (EPPRD) obligations.

- Submissions to Government – AQIS charges, Biosecurity Legislation Review, Plant market access, Chemical drift legislation.
- Industry communications and policy development for Climate Change, Urban Green Space via National Urban Forest Alliance.

### Objectives

The company at National and State and Territory level is a contracted 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 which set the short term and long term objectives for the company. These programs are focused on:

- Training and capacity development for industry.
- Research and technical development into a range of key issues suggested by industry.
- Industry marketing/PR and communications focused on "Improve your Plant/Life Balance" campaign and the development of the new 2020 Vision program.
- Provision of Industry Development officers to work with business at a State level.

Unexpended funds for these projects at 30 June 2013 are reflected, as in previous years, in the balance sheet of the company. Projects run over multiple financial years. Performance is measured based on agreed milestones being met and objectives of each program being achieved for the benefit of the industry.

### Significant Changes in State of Affairs

There have been no significant changes in the company'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 company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

### Environmental Issues

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

### Information on Directors & Company Secretary

#### Craig Norman – President

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. He is a sitting Board representative of the Industry Advisory Committee (IAC).

#### Glenn Fenton – Vice President

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 – 2012). Board Member, Melbourne International Flower and Garden Show (2010 – current). Glenn was appointed to the NGIA Board on the 23 April 2010. He is a sitting Board representative of the Industry Advisory Committee (IAC).

#### Mark Geeves

Tasmanian Polytechnic, Workforce Sector Leader – Primary Industry & Infrastructure, Hobart Tas  
 Qualifications: Diploma of Horticulture, Certificate IV in Training and Assessment  
 Mark has over 9 years experience in business management and 15 years experience in the horticulture industry. He was appointed to the board on 21 October 2008.

#### Colin Groom

Manager, Domus Nursery, Hacketts Gully WA  
 Qualifications: Bachelor of Commerce, Certified Nursery Professional  
 Colin is a second generation nurseryman with 15 years experience in the industry and was the recipient of the Young Leader Award in 2003. He was appointed to the Nursery and Garden Industry WA (NGIWA) board in September 2011 as Vice President and has previously served on the NGIWA board from 2001 to 2010 including three years as President. He was appointed to the NGIA board on 15 November 2011. Colin chairs the National Accreditation and Certification Committee.

**Russell Higginbotham**

Principal, Asset Horticultural Consultants, Jindalee, Qld  
 Qualifications: Diploma of Agricultural Science  
 Russ has over 40 years experience in agriculture and horticulture; he is a sitting representative of the Industry Advisory Committee (IAC) and was appointed to the board on 15 November 2011. He is also Past President of NGIA and Nursery and Garden Industry Queensland (NGIQ); Past Chair of IAC & Horticulture Research and Development Corporation (HRDC) Technical Committees; Trustee Director of Prime Super (2004 – current); Director & Chairman of Agricultural Co of Australia (2007 – current). Russ was awarded Queensland Nurseryman of the Year 1994 and NGIA Award of Honour 1998.

**Michael Mehigan**

Owner of Elegant Outdoors, Turramurra NSW  
 Michael entered the industry in 2001 and has operated his own businesses for nearly 20 years. He has served on the board of Nursery & Garden Industry NSW & ACT since 2006 including two years as President. He was appointed to the NGIA board on 15 November 2011. He chairs the National Marketing Committee.

**Simon Smith**

Owner Girraween Nursery, Howard Springs NT and The Plantsmith, Howard Springs NT  
 Qualifications: Bachelor of Science, Certificate in Landscape Technology  
 Simon has served on the Nursery & Garden Industry NT Executive for nine years, including five as President. He was appointed to the NGIA board on 15 November 2011. He chairs the National Research and Development Committee.

**Robert Prince – Secretary**

CEO – Nursery and Garden Industry Australia Ltd  
 Qualifications: Bachelor of Science  
 Robert has over 30 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 26 October 2007.

**Meetings of Directors – Attendance**

Executive Meetings – 2013

	No. Eligible to attend	Attended
Glenn Fenton	5	5
Mark Geeves	5	5
Colin Groom	5	4
Russell Higginbotham	5	5
Michael Mehigan	5	4
Craig Norman	5	5
Simon Smith	5	4

**Dividends**

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

**Indemnification and Insurance of Officers and Auditors**

The company has paid 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 willful 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.

The amount paid is not disclosed as per the confidentiality clause of the agreement.

**Proceedings on Behalf of the 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 on the following page by our auditor, BDH Audit & Assurance Pty Ltd.

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

**Craig Norman**

Director  
 Dated at Castle Hill this 18th day of September 2013

**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 2013 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 Castle Hill this 18th day of September 2013

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2012 \$
Revenue	2	723,058	770,547
Employee benefits expenses		(414,580)	(395,910)
Occupancy expenses		(15,723)	(58,545)
Depreciation and amortisation expenses	8	(53,407)	(47,315)
Finance costs		(26,116)	(16,441)
Other expenses		(189,125)	(285,615)
<b>Profit/(loss) before tax</b>		24,107	(33,279)
Income tax expense		-	-
<b>Profit/(loss) attributable to members</b>		24,107	(33,279)

**BALANCE SHEET AS AT 30 JUNE 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	4	2,056,542	1,955,085
Trade and other receivables	5	139,157	150,946
Other current assets	6	21,905	19,260
<b>TOTAL CURRENT ASSETS</b>		2,217,604	2,125,291

**NON-CURRENT ASSETS**

Financial assets	7	10	10
Property, plant and equipment	8	708,556	747,206
<b>TOTAL NON-CURRENT ASSETS</b>		708,566	747,216
<b>TOTAL ASSETS</b>		2,926,170	2,872,507

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	9	1,748,254	1,735,675
Provisions	11	57,943	40,950
<b>TOTAL CURRENT LIABILITIES</b>		1,806,197	1,776,625

**NON-CURRENT LIABILITIES**

Provisions	11	34,293	22,536
Borrowings	12	294,432	306,205
<b>TOTAL NON-CURRENT LIABILITIES</b>		328,725	328,741
<b>TOTAL LIABILITIES</b>		2,134,922	2,105,366
<b>NET ASSETS</b>		791,248	767,141

**EQUITY**

Retained earnings	13	791,248	767,141
<b>TOTAL EQUITY</b>		791,248	767,141

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013**

<b>Balance at 30 June 2011</b>	800,420
Loss attributable to members	(33,279)
<b>Balance at 30 June 2012</b>	767,141
Profit attributable to members	24,107
<b>Balance at 30 June 2013</b>	791,248

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		738,735	978,140
Payments to suppliers and employees		(704,511)	(908,500)
Interest received		62,198	73,464
<b>Net cash provided by (used in) operating activities</b>	14	96,422	143,104
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(14,757)	(770,003)
<b>Net cash provided by (used in) investing activities</b>		(14,757)	(770,003)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	306,205
Repayment of borrowings		(11,773)	-
(Decrease)/Increase in project balances		31,565	207,893
<b>Net cash provided by (used in) financing activities</b>		19,792	514,098
Net increase in cash held		101,457	(112,801)
Cash at beginning of financial year		1,955,085	2,067,886
Cash at end of financial year	14	2,056,542	1,955,085

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**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 Division 50 of the Income Tax Assessment Act 1997.

**(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%
Buildings	5%

**(c) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period 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 to 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 these goods.

Revenue for 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.

Grant revenues are recognised by deducting the related expenses to which the grant income has been received or receivable.

**(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 payable 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. Such amounts are received and recorded in the Balance Sheet.

**(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 the 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 transaction 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 July 2013 but was available for early adoption for reporting periods commencing 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**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not yet been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the company.

The financial statements were authorised for issue by the Board of Directors on 17 September 2013.

	2013	2012
	\$	\$
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Commissions	5,427	41,480
Members Publications	1,830	1,765
Subscriptions	256,218	261,603
HAL Consultative Fees	190,466	188,039
Project Service Fees	203,081	198,837
Interest received	62,198	73,464
Sundry Income	3,838	5,359
Total other revenue	723,058	770,547

# NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

	2013	2012
<b>3 Auditors' Remuneration</b>	\$	\$
Audit & review of financial statements	13,750	13,500
<b>4 Cash and Cash Equivalents</b>		
Cash at bank	1,598,764	1,472,924
Short term deposits	457,778	482,161
	2,056,542	1,955,085
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Project Debtors	82,769	84,168
Trade Debtors	44,249	60,535
Income Accrued	12,139	6,243
	139,157	150,946
<b>6 Other Current Assets</b>		
<b>Current</b>		
Prepayments	21,905	19,260
<b>7 Financial Assets</b>		
<b>Non-Current</b>		
Investment at Cost	10	10
<b>8 Property, Plant and Equipment</b>		
<b>Plant and Equipment:</b>		
At cost	273,985	282,868
Accumulated depreciation	(107,577)	(100,484)
<b>Total Plant and Equipment</b>	166,408	182,384
<b>Land and Buildings</b>		
At cost	577,805	577,805
Accumulated depreciation	(35,657)	(12,983)
<b>Total Land and Buildings</b>	542,148	564,822
<b>Total Property, Plant and Equipment</b>	708,556	747,206
<b>Movements in Carrying Amounts</b>		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
<b>Plant and Equipment</b>		
Balance at the beginning of the year	182,384	25,691
Additions during the year	14,757	192,198
Depreciation	(30,733)	(34,332)
Loss on disposal	-	(1,173)
Balance at the end of the year	166,408	182,384
<b>Land and Buildings</b>		
Balance at the beginning of the year	564,822	-
Additions during the year	-	577,805
Depreciation	(22,674)	(12,983)
Balance at the end of the year	542,148	564,822
<b>9 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	132,218	151,205
Project Receipts in Advance	1,616,036	1,584,470
	1,748,254	1,735,675

	2013	2012
<b>10 Project Receipts in Advance</b>	\$	\$
Reconciliation of project receipts in advance balances for the year		
Balance at the beginning of the year	1,584,470	1,374,463
Funds received from Horticulture Australia Limited	2,376,106	2,236,860
Voluntary Contributions Received from States/Territories	264,216	189,625
Funds received from other sources	11,814	141,164
Voluntary contributions paid to HAL	(533,605)	(290,205)
Funds applied to projects	(2,086,965)	(2,067,437)
Balance at the end of the year	1,616,036	1,584,470

	2013	2012
<b>11 Provisions</b>		
Provision for Annual Leave	44,813	28,238
Provision for Long Service Leave	47,423	35,248
<b>Total provisions</b>	92,236	63,486

	2013	2012
<b>Analysis of Total Provisions</b>		
Current	57,943	40,950
Non-current	34,293	22,536
	92,236	63,486

	2013	2012
<b>12 Borrowings</b>		
Loan	294,432	306,205

	2013	2012
<b>13 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	767,141	800,420
Net profit (Net loss) attributable to members of the company	24,107	(33,279)
Retained earnings at the end of the financial year	791,248	767,141

## 14 Notes to the statement of cash flows

### a) Reconciliation of cash

For the purpose 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	2,056,542	1,955,085
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### b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit/(loss) after income tax	24,107	(33,279)
Add/(less) non-cash items:		
Depreciation	53,407	47,315
Loss on disposal of fixed assets	-	1,173
Net cash provided by operating activities before change in assets & liabilities	77,514	15,209
Change in assets and liabilities		
(Increase)/decrease in receivables	16,286	188,123
(Increase)/decrease in prepayments	(2,645)	7,236
(Increase)/decrease in other assets	(4,497)	23,226
Increase/(decrease) in accounts payable	(18,986)	(62,761)
Increase/(decrease) in other liabilities	28,750	(27,929)
<b>Cash Flow from Operations</b>	96,422	143,104

## 15 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 provides 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 2013 the number of members was 1087 (2012 – 1,167)

	2013	2012
	\$	\$

### 16 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	22,000	22,000
(b) The names of the Directors who have held office during the financial year are: C Norman, G Fenton, C Groom, R Higginbotham, S Smith, M Mehigan, & M Geeves.		
(c) Key Management Personnel Compensation		
Short Term	194,544	203,369
(d) The directors are not aware of any other related party transactions.		

### 17 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.

### 18 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 currency.

The company manages liquidity risk by monitoring cash flow and 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.

### 19 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 Unit 58, 5 Gladstone Road, Castle Hill, New South Wales.

### 20 Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 2013 and of the performance of the year ended on that date of the company.
- 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:

Craig Norman – President

Dated at Castle Hill this 18th day of September 2013

## 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 2013, and the income statement, statement 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 the 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 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 auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 18 September 2013, 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 2013 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 Castle Hill this 18th day of September 2013

**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 2013. 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 Castle Hill this 18th day of September 2013

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<b>INCOME</b>		
Commissions	5,427	41,480
Members Publications	1,830	1,765
Subscriptions	256,218	261,603
HAL Consultative Fees	190,466	188,039
Project Service Fees	203,081	198,837
Interest Received	62,198	73,464
Sundry Income	3,838	5,359
	723,058	770,547
<b>EXPENSES</b>		
Auditors Remuneration - Fees	13,750	13,500
Bank Charges	1,443	1,652
Borrowing Costs	-	4,442
Depreciation	53,407	47,315
General Expenses	6,280	6,806
Holiday Pay Provision	5,331	(26,737)
Insurance	9,674	11,398
Interest	26,116	16,441
IT Costs	11,407	15,228
Legal Costs	-	2,145
Long Service Leave Provision	12,174	12,011
Make Good Costs	-	24,818
Meeting & Travel Expenses	35,672	68,194
President's & Director's Allowances	22,000	22,000
Postage, Printing & Freight	21,439	19,882
Relocation Expenses	-	28,455
Rent, Cleaning & Lighting	15,723	58,545
Repairs & Maintenance	957	1,181
Salaries & Employee Expenses	369,430	379,077
Subscriptions	45,013	46,781
Superannuation	30,722	31,558
Telephone and data charges	18,413	19,134
	698,951	803,826
Profit (Loss)	24,107	(33,279)



NURSERY & GARDEN INDUSTRY AUSTRALIA  
LIMITED ACN 001 318 136

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