

# ANNUAL REPORT 2011-12



**Nursery & Garden Industry  
Australia**



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## President's Report



Another year has gone and there are many positive initiatives and outcomes your Nursery and Garden Industry Australia (NGIA) board and staff have instigated and acted upon. There is now a real need for all plants in the urban environment to be valued correctly. We have the responsibility to educate all involved, highlighting the social and environmental benefits of being, and growing, Green.

My first year as elected President I have seen as a collective role, with many decisions made with your state or territory National Board Member, who dedicate themselves to serving the broad range of members within our industry, and I would like to thank them all. The current make up of your NGIA board has a strong representation that suits our diverse membership base, with board members

covering wholesale, retail, allied sectors and then some.

This year we developed, with the collaboration of key levy payers and growers, a Strategic Investment Plan (SIP), which forms a strong alliance with the Strategic Plan for Australia's Greenlife Industry. The plan provides a structured guideline for key investment for the 2012 to 2016 period enabling the board a structured plan to work towards.

The marketing program for this year has seen the extension of "Improve your Plant/Life Balance" move into the "More Trees Please" campaign, concentrating on greening our urban parks, green spaces and even the consumers' own backyard. "More Trees Please" is a platform that enables us all to be part of a long term program of education in greening our backyard. There is a lot of research that highlights that shade from tree canopies can greatly reduce energy consumption, particularly during the warmer months, and cool our suburbs.

In March we were treated to the 2012 national conference held on the Gold Coast Queensland; and what a great conference it was! The highlight for me this year was being part of the Young Leader program and interviewing the six national finalists who all were diverse in their chosen career path but showcased how the future of the industry is in great hands.

Our CEO, Mr Robert Prince has made mention in his report this year of the move for NGIA

to a permanent office location with the board approving the purchase of a home for our industry. Not only is this decision a key investment, but NGIA can now have control over its own destiny. The new office is yours, our members, and you are welcome there anytime.

Biosecurity is another major issue your NGIA board has on its agenda. We have seen the movement of some incursions, such as Myrtle Rust, move further southwards which hindered the transportation and sale of myrtacea species being sent interstate. Your board has developed a program that will enable us to better handle any future incursion, no matter what they may be, more responsibly and provide an effective action plan.

I would also like to take this opportunity to thank all the state and territory associations, whose dedicated boards and staff work closely with your national peak industry body to deliver the programs and events enabling us as the "Nursery and Garden Industry" the conduit for "More Plants" and building a better future for our children. I would also like to thank the staff of NGIA and your NGIA Board for their support and dedication.

**Craig Norman**  
President

## CEO's Report



The past twelve months have been one of change and new faces for the industry. At the last Annual General Meeting we had four new directors appointed – Russ Higginbotham, Mike Mehigan, Colin Groom and Simon Smith were voted in, replacing Bryan Hillier, Gary Eyles, Geoff Richards and Fergus Higson who all had completed their terms on the Board. The industry appreciates the contribution made by these gentlemen in their time and direction for your benefit.

We also had a change of residence with the NGIA Office moving from Epping to a new facility in Castle Hill. The Board, acting for members, has invested in this property which covers offices and storage. We relocated in

January 2012 and, while the costs associated in the relocation are reflected in the accounts, the savings long term will be beneficial for the members.

As an industry we have worked together to focus on the key issues that drive the business, or in the case of the industry association, to ensure members have access to information that will assist their business. It is still a very tough economic operating environment and consumer confidence is still very soft.

As stated last year, we continue to work with State and Federal agencies to improve the processes in place that restrict plant movement and the associated documentation and costs applied to industry. Biosecurity concerns are still a major contributor to this and we have been engaged with agencies in representing industry on such matters as new legislation, inspection charges and how we can position industry as a credible body for self certification.

Nursery & Garden Industry Australia Ltd (NGIA) continues to be a service provider to Horticulture Australia Limited (HAL) and during the year worked with the Industry Advisory Committee in developing a five year Strategic Investment Plan. This will provide the priorities for investment of levy funds and resources for the future. The key requirement of industry is to grow the market. We need more plants in the urban environment and this will be achieved

by a combination of activities: influence those in charge of space allocated to green life and influence consumers on the value of plants.

The governance issues related to managing a range of levy funded projects means greater transparency and reporting to levy payers by NGIA. This is also true for projects that are sub-contracted to the State and Territory Associations who must detail both the activity and financial aspects of the program. This is essential for levy payers to gain the benefits of their investment in the levy.

The NGIA staff continue to deliver outcomes for the benefit of the industry. The Productivity Commission review into the levy system made some recommendations which the Federal Government responded to recently and, while the funding model will continue, we need to ensure that the focus of any investment is productive growth for the industry.

The NGIA is your National Representative Body and we are working for you the members. We rely on your continued involvement to provide direction on the key pathway for our industry in the future.

**Robert Prince**  
CEO

## 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)  
 Simon Smith (Northern Territory)  
 Michael Mehigan (New South Wales)

Your directors present their report on the company for the financial year ended 30th June 2012.

### 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 the Federal Government and its 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 principle activities during the financial year.

### Operating Results

NGIA recorded a deficit of \$33,279 in the year compared to a deficit of \$1,178 for the previous year.

The increased deficit was mainly due to additional expenditure in relation to the office move. Major areas that impacted on the results were:

- Relocation costs for the move to Castle Hill and lessee make-good costs on termination of the lease at the Epping office.
- Increased travel expenditure related to the NGIA Gold Coast conference and AGM in Hobart.
- Lower interest income in line with the reduction in interest rates over the last year.
- Reduced commission received on the NurseryPac insurance product after termination of the agreement by OAMPS at the end of March 2012.
- 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.
- Provision of Industry Development officers to work with business at a State level.

Unspent funds for these projects at 30 June 2012 are reflected, as in previous years, in the balance sheet of the company.

### 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.

Offsetting the expenditure increase were:

- Saving in office running costs after the office relocation.
- Increased membership income from an increase in the subscription amount.
- Reduction in staff leave provisions.

### Review of Operations

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

- Biosecurity – Myrtle Rust incursion
- 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

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. These programs are focused on:

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

### Gary Eyles

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 resigned as director on 15 November 2011.

### 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 8 years experience in business management and 14 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 14 years experience in the industry and was the recipient of the Young Leader Award in 2003. He was appointed to the Nursery & 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 NIASA Committee.

## Information on Directors & Company Secretary (continued)

### 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 & Garden Industry Queensland (NGIQ); Past Chair of IAC & Horticultural 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.

### Fergus Higson

Owner of Tropical Plant Brokers, Moil NT  
 Qualifications: Associate Diploma of Applied Science (Tropical Horticulture), Certificate in Business Management, Certified Nursery Professional  
 Fergus has over 20 years experience in the industry and was appointed to the NGIA Board on 13th April 2006. Fergus resigned as director on 15 November 2011.

### Bryan Hillier

Owner of Dracaena Farm, Beachmere Qld and Hillier's Horticulture, Gooborrumburra Qld  
 Qualifications: Diploma of Concrete Design and Construction, Quantity and Estimating, Certificate of Human Relations, Certificate in Horticulture, Certified Nursery Professional  
 Bryan has over 30 years in the industry and was appointed to the NGIA Board on 10th May 2006. He is 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). Bryan resigned as director on 15 November 2011.

### 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. Michael chairs the National Marketing Committee.

### Geoff Richards

Managing Director of Richgro Garden Products, Canning Vale WA  
 Qualifications: Certified Nursery Professional  
 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. Geoff resigned as director on 15 November 2011.

### 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, 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 – 2012

	No. Eligible to attend	Attended
Gary Eyles	5	5
Glenn Fenton	8	7
Mark Geeves	8	6
Colin Groom	4	4
Russell Higginbotham	4	4
Fergus Higson	5	5
Bryan Hillier	5	5
Michael Mehigan	4	4
Craig Norman	8	8
Geoff Richards	5	3
Simon Smith	4	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 2012

## 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 2012 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 2012

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
Revenue	2	770,547	804,053
Employee benefits expenses		(395,910)	(430,161)
Occupancy expenses		(58,545)	(92,720)
Depreciation and amortisation expenses	8	(47,315)	(16,948)
Finance costs		(16,441)	(2,726)
Other expenses		(285,615)	(262,676)
<b>Profit/(loss) before tax</b>		<b>(33,279)</b>	<b>(1,178)</b>
Income tax expense		-	-
<b>Profit/(loss) attributable to members</b>		<b>(33,279)</b>	<b>(1,178)</b>

**BALANCE SHEET AS AT 30 JUNE 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	4	1,955,085	2,067,886
Trade and other receivables	5	150,946	360,181
Other current assets	6	19,260	26,496
<b>TOTAL CURRENT ASSETS</b>		<b>2,125,291</b>	<b>2,454,563</b>

**NON-CURRENT ASSETS**

Financial assets	7	10	10
Property, plant and equipment	8	747,206	25,691
<b>TOTAL NON-CURRENT ASSETS</b>		<b>747,216</b>	<b>25,701</b>
<b>TOTAL ASSETS</b>		<b>2,872,507</b>	<b>2,480,264</b>

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	9	1,735,675	1,588,429
Provisions	11	40,950	78,027
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,776,625</b>	<b>1,666,456</b>

**NON-CURRENT LIABILITIES**

Provisions	11	22,536	13,388
Borrowings	12	306,205	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>328,741</b>	<b>13,388</b>
<b>TOTAL LIABILITIES</b>		<b>2,105,366</b>	<b>1,679,844</b>
<b>NET ASSETS</b>		<b>767,141</b>	<b>800,420</b>

**EQUITY**

Retained earnings	13	767,141	800,420
<b>TOTAL EQUITY</b>		<b>767,141</b>	<b>800,420</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012**

<b>Balance at 30 June 2010</b>	801,598
Loss attributable to members	(1,178)
<b>Balance at 30 June 2011</b>	<b>800,420</b>
Loss attributable to members	(33,279)
<b>Balance at 30 June 2012</b>	<b>767,141</b>

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 2012**

	NOTE	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		978,140	731,562
Payments to suppliers and employees		(908,500)	(1,007,888)
Interest received		73,464	93,216
<b>Net cash provided by (used in) operating activities</b>	14	143,104	(183,110)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(770,003)	(9,270)
<b>Net cash provided by (used in) investing activities</b>		(770,003)	(9,270)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		310,000	
Repayment of borrowings		(3,795)	
(Decrease)/Increase in project balances		207,893	177,357
<b>Net cash provided by (used in) financing activities</b>		514,098	177,357
Net increase in cash held		(112,801)	(15,023)
Cash at beginning of financial year		2,067,886	2,082,909
Cash at end of financial year	14	1,955,085	2,067,886

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

**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 and 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 18 September 2012

	2012	2011
	\$	\$
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Commissions	41,480	58,398
Gift Cards	-	267
Members Publications	1,765	2,534
Subscriptions	261,603	251,910
HAL Consultative Fees	188,039	222,244
Project Service Fees	198,837	171,331
Interest received	73,464	93,216
Sundry Income	5,359	4,153
Total other revenue	770,547	804,053

# NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

	2012	2011		2012	2011
<b>3 Auditors' Remuneration</b>	\$	\$		\$	\$
Audit & review of financial statements	13,500	13,400			
<b>4 Cash and Cash Equivalents</b>			<b>10 Project Receipts in Advance</b>		
Cash at bank	1,472,924	1,329,494	Reconciliation of project receipts in advance balances for the year		
Short term deposits	482,161	738,392	Balance at the beginning of the year	1,374,463	1,278,231
	1,955,085	2,067,886	Funds received from Horticulture Australia Limited	2,236,860	2,030,725
<b>5 Trade and Other Receivables</b>			Voluntary Contributions Received from States/Territories	189,625	218,611
<b>Current</b>			Funds received from other sources	141,164	51,645
Project Debtors	84,168	194,102	Voluntary contributions paid to HAL	(290,205)	(374,056)
Trade Debtors	60,535	136,610	Funds applied to projects	(2,067,437)	(1,830,693)
Income Accrued	6,243	29,469	Balance at the end of the year	1,584,470	1,374,463
	150,946	360,181	<b>11 Provisions</b>		
<b>6 Other Current Assets</b>			Provision for Annual Leave	28,238	68,177
<b>Current</b>			Provision for Long Service Leave	35,248	23,238
Prepayments	19,260	26,496	<b>Total provisions</b>	63,486	91,415
<b>7 Financial Assets</b>			<b>Analysis of Total Provisions</b>		
<b>Non-Current</b>			Current	40,950	78,027
Investment at Cost	10	10	Non-current	22,536	13,388
				63,486	91,415
<b>8 Property, Plant and Equipment</b>			<b>12 Borrowings</b>		
<b>Plant and Equipment:</b>			Loan	306,205	-
At cost	282,868	168,875	<b>13 Retained Earnings</b>		
Accumulated depreciation	(100,484)	(143,184)	Retained earnings at the beginning of the financial year	800,420	801,598
<b>Total Plant and Equipment</b>	182,384	25,691	Net profit (Net loss) attributable to members of the company	(33,279)	(1,178)
<b>Land and Buildings</b>			Retained earnings at the end of the financial year	767,141	800,420
At cost	577,805	-	<b>14 Notes to the statement of cash flows</b>		
Accumulated depreciation	(12,983)	-	<b>a) Reconciliation of cash</b>		
<b>Total Land and Buildings</b>	564,822	-	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.		
<b>Total Property, Plant and Equipment</b>	747,206	25,691	Cash assets	1,955,085	2,067,886
<b>Movements in Carrying Amounts</b>			<b>b) Reconciliation of Cash Flow from Operations with Profit after Income Tax</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.			Profit/(loss) after income tax	(33,279)	(1,178)
<b>Plant and Equipment</b>			Add/(less) non-cash items:		
Balance at the beginning of the year	25,691	34,284	Depreciation	47,315	16,948
Additions during the year	192,198	9,270	Loss on disposal of fixed assets	1,173	915
Depreciation	(34,332)	(16,948)	Net cash provided by operating activities before change in assets & liabilities	15,209	16,685
Loss on disposal	(1,173)	(915)	Change in assets and liabilities		
Balance at the end of the year	182,384	25,691	(Increase)/decrease in receivables	188,123	(47,050)
<b>Land and Buildings</b>			(Increase)/decrease in prepayments	7,236	(3,252)
Balance at the beginning of the year	-	-	(Increase)/decrease in other assets	23,226	(3,308)
Additions during the year	577,805	-	Increase/(decrease) in accounts payable	(62,761)	(160,045)
Depreciation	(12,983)	-	Increase/(decrease) in other liabilities	(27,929)	13,860
Balance at the end of the year	564,822	-	<b>Cash Flow from Operations</b>	143,104	(183,110)
<b>9 Trade and Other Payables</b>			<b>15 Company Limited by Guarantee</b>		
<b>Current</b>			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 2012 the number of members was 1,167 (2011 – 1,269).		
Trade Creditors	151,205	213,966			
Project Receipts in Advance	1,584,470	1,374,463			
	1,735,675	1,588,429			

	2012	2011
	\$	\$

### 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	19,800
(b) The names of the Directors who have held office during the financial year are: B Hillier, C Norman, G Fenton, G Eyles, C Groom, R Higginbotham, S Smith, M Mehigan, & M Geeves.		
(c) Key Management Personnel Compensation		
Short Term	203,369	217,116
(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 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	-	21,996
- between 12 months and 5 years	-	-
	-	21,996

### 20 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.

### 21 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:

1. 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 2012 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:

Craig Norman – President

Dated at Castle Hill this 18th day of September 2012

## 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 2012, 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 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 2012, 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 2012 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 2012

**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 2012. 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 2012

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>INCOME</b>	\$	\$
Commissions	41,480	58,398
Gift Cards	-	267
Members Publications	1,765	2,534
Subscriptions	261,603	251,910
HAL Consultative Fees	188,039	222,244
Project Service Fees	198,837	171,331
Interest Received	73,464	93,216
Sundry Income	5,359	4,153
	770,547	804,053
<b>EXPENSES</b>		
Auditors Remuneration - Fees	13,500	13,400
Bank Charges	1,652	2,170
Borrowing Costs	4,442	-
Consultants Expenses	-	11,298
Depreciation	47,315	16,948
General Expenses	6,806	10,566
Holiday Pay Provision	(26,737)	11,193
Insurance	11,398	12,055
Interest	16,441	2,726
IT Costs	15,228	14,937
Legal Costs	2,145	9,357
Long Service Leave Provision	12,011	4,574
Make Good Costs	24,818	-
Meeting & Travel Expenses	68,194	47,123
President's & Director's Allowances	22,000	19,800
Postage, Printing & Freight	19,882	32,104
Relocation Expenses	28,455	-
Rent, Cleaning & Lighting	58,545	92,720
Repairs & Maintenance	1,181	-
Salaries & Employee Expenses	379,077	382,615
Sponsorship	-	25,000
Subscriptions	46,781	50,535
Superannuation	31,558	31,779
Telephone and data charges	19,134	14,331
	803,826	805,231
Profit (Loss)	(33,279)	(1,178)



NURSERY & GARDEN INDUSTRY AUSTRALIA  
LIMITED ACN 001 318 136

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 **Twitter:** [www.twitter.com/ngi\\_news](http://www.twitter.com/ngi_news)  
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