

# ANNUAL REPORT 2010-11



**Nursery & Garden Industry  
Australia**



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## President's Report



In writing this report I have taken the opportunity to reflect on the time I have spent representing you, the members of our great industry. Over the past six years I have witnessed our industry face many challenges from drought to biosecurity incursions, global financial crisis, floods and cyclones.

Over the past two years it has been an honour and privilege to serve as your National President. I believe that your Association at both National and State level should be a reflection of the conscience of its members. This can only be achieved if there is greater ownership and involvement in where the industry is heading. The economic conditions, market segmentation and government legislation have all had a major impact on the profitability of industry sectors. It is only through having a unified

industry that understands all the issues, will we go from strength to strength in a market that is looking for greater outcomes in the area of environment, health and wellbeing.

This past year has seen the industry position itself under the umbrella branding of "Improve your Plant/Life balance". It was personally exciting to be involved in the plant distribution in Brisbane and see the excitement generated from a new consumer group by being given a plant to put on their desk.

The feedback I have received has varied from "great promotion" to "doesn't involve me as I do not sell house plants". This program is the first stage of communicating the benefits of plants to Australian consumers, we all make our living from plants so every positive message should be looked at as part of the foundations for a solid structure. Our national marketing budgets do not allow for the whole structure to be built in one hit, but if we all make a consistent contribution the sum of all our efforts will pay dividends for us all, and Improve our Plant/Life Balance.

This past year has seen our industry seriously affected by the Myrtle Rust incursion. The disease is one of the most serious that could get to Australia and as an industry it has and will cost us in adopting management programs and market access. No doubt there will be new plant opportunities in the future, but we must ensure that our practices for plant imports and plant movements meet industry best practice with regards to biosecurity. Your

Board continues to promote to Government the need for Registration of Nurseries as a measure to ensure industry compliance with Biosecurity controls.

The time that was spent on this issue by your National Office and State Industry Development Officers (IDO's) is unseen by members but acknowledged on your behalf.

Your Board is focussed on delivering the Industry Strategic Plan and will be working with the Industry Advisory Committee to finalise a five year Industry Strategic Investment Plan which is a requirement of Horticulture Australia Limited (HAL)/Department of Agriculture, Fisheries & Forestry (DAFF) to ensure the Nursery Levy is invested to meet the needs of the levy payers.

Finally, it has been a time of change for our industry with more on the horizon. Your National Office is leaner than it was when I first joined the Board, but delivering on the key issues. I thank all the current and former Directors along with NGIA staff who have made my time enjoyable and an opportunity to learn about our industry. I would urge all members of our industry to step up to be involved as it is a real opportunity to "make a difference".

Thank You

**Bryan Hillier**  
President

## CEO's Report



What a year for our industry! We headed into spring with a level of buoyancy, as winter rainfall levels throughout the country meant that water restrictions were no longer an issue for the consumer market. October sales were buoyant, then the market went into decline – wet weekends, interest rate rises and a lack of consumer confidence on a scale that had never been experienced before, natural disasters and the spread of Myrtle Rust meant all industry sectors faced very challenging times.

As an Industry we have worked together to survive and the 2011 year looks to have started with a great spring. These tough times have

caused us all to review the business operations and make cuts. In doing this it is important to focus on the key issues that drive the business or in the case of the industry association ensure members have access to information that will assist their business.

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 a major contributor to this and we can expect legislative controls to be tightened as a result of an increasing number of exotic disease interceptions.

NGIA continues to be a service provider to Horticulture Australia Limited (HAL) in managing a range of levy funded projects. Some of these are sub contracted to the State and Territory Associations which requires detailed compliance on 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 industry has been working to make this process as transparent as possible and all reports are available on the NGIA website, under the "Your Levy at Work" section. We welcome questions from members if you require clarification on how the levy dollars are invested.

The staff based in the Epping office continue to deliver outcomes for the benefit of the industry. As programs are completed we review the future needs of industry via the Industry Advisory Committee and Nursery Industry Consultation process. Programs that are levy funded with matched Government funding must also meet the Government's priorities for industry productivity growth. The Productivity Commission review into the levy system made some recommendations which the Federal Government has yet to respond to, but will be communicated to industry once they are known.

The NGIA is your National body and we are working for you the members. We rely on your 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:

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

Your directors present their report on the company for the financial year ended 30<sup>th</sup> June 2011.

### 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 deficit of \$1,178 in the year compared to a surplus of \$23,341 for the previous year.

The deficit was mainly due to additional expenditure in a number of areas. Major areas that impacted on the results were:

- Sponsorship of RHS Chelsea Flower Show 2011 entry.
- Reduced HAL Consultative fees and project service fees.
- Change of IT support provider which resulted in higher level service but at an increased cost.

Offsetting the increased expenditure were:

- Increased membership income from an increase in the subscription amount.
- Higher commission received on the NurseryPac insurance product.
- Reduced travel and meeting expenditure.
- Higher interest income in line with the increase in interest rates over those of last year.

### Review of Operations

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

- Biosecurity – Myrtle Rust incursion in NSW and Qld
- Submissions to Government – AQIS charges, Biosecurity Review, Plant market access, Chemical drift legislation
- Industry communications and policy development for Climate Change, Crisis Management

The company at National and State and Territory level is a service provider to Horticulture Australia Limited ("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 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 2011 is 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

The directors have approved the purchase of a commercial property for occupancy of NGIA. Negotiations have commenced with the vendors of an office in Castle Hill NSW.

No other 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

### Bryan Hillier - President

Owner of Dracaena Farm, Beachmere Qld and Hillier's Horticulture, Gooborrur 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 and was appointed to the NGIA Board on 10th May 2006. 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 Board representative of the Industry Advisory Committee (IAC).

### Craig Norman - Vice 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)

### 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 - 2002 and 2007-2009. Geoff Chairs the National Marketing Committee.

### 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 Chairs the NIASA Committee.

### Glenn Fenton

Managing Director, Nationwide Trees Pty Limited, Piedmont Victoria  
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. Glenn was appointed to the NGIA Board on the 23rd April 2010. Glenn Chairs the Research and Development Committee.

### Mark Geeves - Director

Tasmanian Polytechnic - Workforce Learning Leader - Tourism and Hospitality, 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.

### 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.

### 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 26th October 2007.

## 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 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.

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

## 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 Wollli Creek this 12th day of October 2011

## 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 2011 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 12th day of October 2011

## Meetings of Directors - Attendance

### Executive Meetings - 2011

	No. Eligible to attend	Attended
Gary Eyles	8	6
Glenn Fenton	8	8
Mark Geeves	8	8
Fergus Higson	8	7
Bryan Hillier	8	8
Craig Norman	8	8
Geoff Richards	8	7

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2011 \$	2010 \$
Revenue	2	804,053	805,518
Employee benefits expenses		(430,161)	(379,247)
Occupancy expenses		(92,720)	(84,391)
Depreciation and amortisation expenses	8	(16,948)	(22,445)
Finance costs		(2,726)	(3,056)
Other expenses		(262,676)	(293,038)
<b>Profit/(loss) before tax</b>		(1,178)	23,341
Income tax expense		-	-
<b>Profit/(loss) attributable to members</b>		(1,178)	23,341

**BALANCE SHEET AS AT 30 JUNE 2011**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	4	2,067,886	2,082,909
Trade and other receivables	5	360,181	390,948
Other current assets	6	26,496	23,244
<b>TOTAL CURRENT ASSETS</b>		2,454,563	2,497,101

**NON-CURRENT ASSETS**

Financial assets	7	10	10
Property, plant and equipment	8	25,691	34,284
<b>TOTAL NON-CURRENT ASSETS</b>		25,701	34,294
<b>TOTAL ASSETS</b>		2,480,264	2,531,395

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	9	1,588,429	1,425,739
Provisions	11	78,027	68,985
<b>TOTAL CURRENT LIABILITIES</b>		1,666,456	1,494,724

**NON-CURRENT LIABILITIES**

Trade and other payables	9	-	226,503
Provisions	11	13,388	8,570
<b>TOTAL NON-CURRENT LIABILITIES</b>		13,388	235,073

**TOTAL LIABILITIES**

		1,679,844	1,729,797
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**NET ASSETS**

		800,420	801,598
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**EQUITY**

Retained earnings	12	800,420	801,598
<b>TOTAL EQUITY</b>		800,420	801,598

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011**

<b>Balance at 30 June 2009</b>	778,257
Profit attributable to members	23,341
<b>Balance at 30 June 2010</b>	801,598
Loss attributable to members	(1,178)
<b>Balance at 30 June 2011</b>	800,420

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 2011</b>	NOTE	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		731,562	835,305
Payments to suppliers and employees		(1,007,888)	(806,691)
Interest received		93,216	65,335
<b>Net cash provided by (used in) operating activities</b>	13	(183,110)	93,949
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(9,270)	(10,503)
Net cash provided by (used in) investing activities		(9,270)	(10,503)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease)/Increase in project balances		177,357	84,443
<b>Net cash provided by (used in) financing activities</b>		177,357	84,443
Net increase in cash held		(15,023)	167,889
Cash at beginning of financial year		2,082,909	1,915,020
Cash at end of financial year	13	2,067,886	2,082,909

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 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%

##### (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.

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 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. 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 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 was 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**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not 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 12<sup>th</sup> October 2011.

	2011	2010
<b>2 Revenue and Other Income</b>	\$	\$
<b>Revenue</b>		
Commissions	58,398	42,240
Gift Cards	267	1,766
Members Publications	2,534	2,735
Subscriptions	251,910	228,475
HAL Consultative Fees	222,244	235,944
Project Service Fees	171,331	226,702
Interest received	93,216	65,335
Sundry Income	4,153	2,321
Total other revenue	804,053	805,518

<b>3 Auditors' Remuneration</b>		
Audit & review of financial statements	13,400	12,900

<b>4 Cash and Cash Equivalents</b>		
Cash at bank	1,329,494	1,364,431
Short term deposits	738,392	718,478
	2,067,886	2,082,909

<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Project Debtors	194,102	275,227
Trade Debtors	136,610	89,560
Income Accrued	29,469	26,161
	360,181	390,948

<b>6 Other Current Assets</b>		
<b>Current</b>		
Prepayments	26,496	23,244

<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	168,875	186,636
Accumulated depreciation	(143,184)	(152,352)
<b>Total Plant and Equipment</b>	25,691	34,284

<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.		
Balance at the beginning of the year	34,284	52,547
Additions during the year	9,270	10,503
Transferred to projects	-	(6,321)
Depreciation	(16,948)	(22,445)
Loss on disposal	(915)	-
Balance at the end of the year	25,691	34,284

<b>9 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	213,966	374,011
Project Receipts in Advance	1,374,463	1,051,728
	1,588,429	1,425,739
<b>Non-Current</b>		
Project Receipts in Advance	-	226,503

<b>10 Project Receipts in Advance</b>		2011
	\$	\$
Reconciliation of project receipts in advance balances for the year		
Balance 30 June 2010		1,278,231
Funds received from Horticulture Australia Limited		2,030,725
Voluntary Contributions Received from States/Territories		218,611
Funds received from other sources		51,645
Voluntary contributions paid to HAL		(374,056)
Funds applied to projects		(1,830,693)
Balance at 30 June 2011		1,374,463

<b>11 Provisions</b>		2011	2010
	\$	\$	\$
Provision for Annual Leave	68,177	58,891	
Provision for Long Service Leave	23,238	18,664	
<b>Total provisions</b>	91,415	77,555	

<b>Analysis of Total Provisions</b>		2011	2010
Current	78,027	68,985	
Non-current	13,388	8,570	
	91,415	77,555	

<b>12 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	801,598	778,257
Net profit (Net loss) attributable to members of the company	(1,178)	23,341
Retained earnings at the end of the financial year	800,420	801,598

### 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	2,067,886	2,082,909
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#### b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit/(loss) after income tax	(1,178)	23,341
Add/(less) non-cash items:		
Depreciation	16,948	22,445
Loss on disposal of fixed assets	915	-
Net cash provided by operating activities before change in assets & liabilities	16,685	45,786
Change in assets and liabilities		
(Increase)/decrease in receivables	(47,050)	31,950
(Increase)/decrease in prepayments	(3,252)	(20,046)
(Increase)/decrease in other assets	(3,308)	(10,846)
Increase/(decrease) in accounts payable	(160,045)	12,862
Increase/(decrease) in other liabilities	13,860	34,243
<b>Cash Flow from Operations</b>	(183,110)	93,949

### 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 2011 the number of members was 1,269 (2010 – 1,322).

2011 2010  
\$ \$

### 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	19,800	24,178
(b) The names of the directors who have held office during the financial year are: B Hillier, G Eyles, G Richards, F Higson, M Geeves, C Norman & G Fenton		
(c) Key Management Personnel Compensation Short Term	217,116	206,292
(d) The directors are not aware of any other related party transactions.		

### 16 After Balance Date Events

The directors have approved the purchase of a commercial property for occupancy of NGIA. Negotiations have commenced with the vendors of an office in Castle Hill NSW.

No other 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.

### 17 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 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.

### 18 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	48,600
- between 12 months and 5 years	-	12,150
	21,996	60,750

### 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 1st Floor, 16-18 Cambridge Street, Epping New South Wales

### 20 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:

- (a) comply with Accounting Standards – Reduced Disclosure Requirements; and
- (b) give a true and fair view of the financial position as at 30 June 2011 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 Wollli Creek this 12<sup>th</sup> day of October 2011

## 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 2011, 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 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.

### Auditors' Opinion

In our opinion:

- (a) the financial report of Nursery & Garden Industry Australia Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) 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 12<sup>th</sup> day of October 2011

**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 2011. 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 12<sup>th</sup> day of October 2011

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>INCOME</b>		
Commissions	58,398	42,240
Gift Cards	267	1,766
Members Publications	2,534	2,735
Subscriptions	251,910	228,475
HAL Consultative Fees	222,244	235,944
Project Service Fees	171,331	226,702
Interest Received	93,216	65,335
Sundry Income	4,153	2,321
	804,053	805,518
<b>EXPENSES</b>		
Auditors Remuneration - Fees	13,400	12,900
Bank Charges	2,170	2,820
Biosecurity expenses	-	18,182
Consultants expenses	11,298	-
Depreciation	16,948	22,445
General Expenses	10,566	8,406
Holiday Pay Provision	11,193	12,616
Insurance	12,055	6,406
Interest	2,726	3,056
IT costs	14,937	-
Loss on 2010 Conference	-	11,056
Legal Costs	9,357	8,014
Long Service Leave Provision	4,574	10,993
Meeting & Travel Expenses	47,123	79,634
President's & Director's Allowances	19,800	24,178
Postage, Printing & Freight	32,104	40,953
Rent, Cleaning & Lighting	92,720	81,616
Repairs & Maintenance	-	1,015
Salaries & Employee Expenses	382,615	326,920
Sponsorship	25,000	-
Subscriptions	50,535	65,274
Superannuation	31,779	28,718
Telephone	14,331	16,975
	805,231	782,177
Profit (Loss)	(1,178)	23,341



NURSERY & GARDEN INDUSTRY AUSTRALIA  
LIMITED ACN 001 318 136

## Contact Nursery & Garden Industry Australia

**Level 1, 16-18 Cambridge Street  
Epping, NSW, 2121**

**PO Box 907  
Epping, NSW, 1710**

**Phone:** 02 9876 5200

**Fax:** 02 9876 6360

**Email:** [info@ngia.com.au](mailto:info@ngia.com.au)

**Website:** [www.ngia.com.au](http://www.ngia.com.au)

 **Facebook:** [www.facebook.com/nurseryandgardenindustry](http://www.facebook.com/nurseryandgardenindustry)  
[www.facebook.com/plantlifebalance](http://www.facebook.com/plantlifebalance)

 **Twitter:** [www.twitter.com/plantlifebal](http://www.twitter.com/plantlifebal)

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### Design & Production:

Creative Produce

Phone: 02 8003 3867

Email: [info@creativeproduce.com.au](mailto:info@creativeproduce.com.au)

Website: [www.creativeproduce.com.au](http://www.creativeproduce.com.au)