

# ANNUAL REPORT 2013-14



**Nursery & Garden Industry  
Australia**



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## President's Report



I was elected into the position of President in December 2013 and I thank the Board members for putting their trust in me and for their ongoing support.

I would like to acknowledge the contribution made by Craig Norman during his leadership of Nursery & Garden Industry Australia Ltd (NGIA) over the last two years and thank him for his impartiality when listening to all sides of an argument. Thanks to Russell Higginbotham and Glenn Fenton who both stepped down from the Board in November 2013. Glenn was also the Vice President for the past two years.

The year ending June 2014 at NGIA has been dominated by the review of the activities of Horticulture Australia Ltd (HAL). We participated fully in this review and are still awaiting full details of proposed changes therefore it has been difficult for the Board to give strategic direction to NGIA. I believe that once the full implications of the review are known it will provide opportunities for NGIA to exploit. It is an objective of this company to work closer with other bodies within our sector.

The staff at NGIA, under the guidance of the CEO Robert Prince, have worked on a number of projects including the National Tree Standard which we hope will soon be adopted. This endeavour has been primarily driven by Anthony Kachenko and significant progress has been made. The 2020Vision marketing campaign is in its second year and our message of increasing green space in urban areas is definitely gaining momentum, with over 100 projects underway and around 200 Partners and Advocates supporting this inspiring movement. In March 2014, we held our National Conference at Darling Harbour, Sydney. This was a most successful event with a varied speaker programme that had wide appeal to the delegates. However, the number of attendees was disappointing and it is the intention of the Board to review the format for future conferences. My thanks go to Kobie Keenan and Chris O'Connor for running the

conference most efficiently and professionally. I am looking forward to continuing to work with Robert and his team with the aim to achieve the best outcomes for our industry.

NGIA continues to work with other international associations, especially our colleagues in New Zealand with whom we have a very close relationship. Where possible, we intend to collaborate on research projects especially in areas where we experience similar issues. We have formed a strong affiliation with The International Association of Horticultural Producers whose President, Vic Krahn, was a special guest at the aforementioned National Conference and we are continuing to work closely with this group on green city initiatives.

There are many challenges and issues ahead of us and I would like to take this opportunity to thank you all for your ongoing support. Together we will build a stronger, more resilient and prosperous industry.

**Mike Mehigan**  
President

## CEO's Report



This year has been one of change and ongoing challenge for the Australian Nursery Industry. The expected boost in consumer confidence following the Federal election was tempered by the autumn weather conditions and a cautious period of trading in all sectors. The government review of Horticulture Australia Ltd has meant that changes to the funding model for levy programs will require greater input from industry as the move from an Industry owned organisation to a Grower/levy payer owned body will require increased communications and explanation. The Industry levy funded investment program is critical to maintaining skills development and marketing focus.

In November the industry marketing program "2020Vision" was launched and after 12 months it is gaining excellent traction with the "influencer sector" – councils and developers. It is recognised that the grower sector of the industry want further engagement and this will be pursued over the next few months.

An independent review of the Industry Development Officer project is underway and the Board is looking at options of how we can improve both the accreditation and advisory roles offered to growers.

The industry National Conference was held in Sydney in March with a range of high quality speakers and presentations, including the Minister for the Environment Greg Hunt.

While the attendance was below expectations reports were very positive and the Board will be reviewing the feedback to improve on the conference planned for 2016.

The staff at NGIA have been extremely diligent in delivering key project outcomes and while it was disappointing to lose Anthony Kachenko to a senior R&D role within Horticulture Australia Ltd we know he will still be involved with the Nursery Sector and the Green Cities project.

Industry continues to battle with a lack of statistical data to guide investment or provide support for Government submissions. We are continuing to work on various methods to generate data.

We thank the Members and Board for their support of the staff and programs and look forward to keeping the industry at the forefront of the drive to get more plants in the urban environment, and have Australian communities healthy and sustainable through the effective use of plants and green spaces.

**Robert Prince**  
Chief Executive Officer

## Directors' Report

### Directors

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

Michael Mehigan (New South Wales) – President  
 Simon Smith (Northern Territory) – Vice President  
 Mark Geeves (Tasmania)  
 Colin Groom (Western Australia)  
 Bryan Hillier (Queensland) (Appointed 25/11/13)  
 Hamish Mitchell (Victoria) (Appointed 25/11/13)  
 Craig Norman (South Australia)

All directors have been in office for the whole year unless detailed otherwise. Your directors present their report on the company for the financial year ended 30 June 2014.

### 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

Nursery & Garden Industry Australia Limited recorded a surplus of \$12,621 in the year compared to a surplus of \$24,107 for the previous year. Major areas that impacted on the results were:

- Increased travel expenditure partly due to the National Conference in March 2014.
- Lower interest income in line with the reduction in interest rates over the last year.
- Plant Health Australia subscription now being paid under the Nursery Industry Biosecurity Levy.
- Lower salary costs due to a reduction in staff numbers.
- Loss incurred on the National Conference 2014.

### 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.
- Managing with HAL the implementation of the Industry Marketing program 2020 Vision.

### 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 2014 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

#### Michael Mehigan – President

Owner of Elegant Outdoors, Turrumurra 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 and elected President in December 2013.

#### Simon Smith – Vice President

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.

#### Glenn Fenton

Managing Director, Nationwide Trees Pty Ltd, Piedmont Vic  
 Qualifications: Bachelor of Social Science (Human Resource Development), Graduate Diploma in Strategic Management Studies.  
 President Nursery and Garden Industry Victoria (2010 – 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 Nursery Industry Advisory Committee (IAC). Glenn resigned as director on 25 November 2013.

#### 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 10 years' experience in business management and 16 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 17 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 been President since September 2012. He 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 was a sitting representative of the Nursery 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. He resigned as a director on 25 November 2013.

**Bryan Hillier**

Owner of Dracaena Farm, Beachmere Qld and Hillier's Horticulture, Gooborrumb (North Bundaberg) Qld  
 Qualifications: Diploma of Concrete Design and Construction, Quantity and Estimating, Certificate of Human Relations, Certificate in Horticulture  
 Bryan has over 30 years in the industry and has previously represented Queensland on the NGIA Board as well as a former NGIA President (2010-2011). 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 was appointed as a director on 25 November 2013.

**Hamish Mitchell**

Managing Director, Speciality Trees, Narre Warren Vic  
 Certificate of Horticulture majoring in Landscape, Associate Diploma of Applied Science in Horticulture majoring in Parks Management, Certificate of Turf Management.  
 Hamish has over 30 years' experience in amenity horticulture, plant management, production & development. Landscaping Victoria board member from 2010-2012 and past President 2011-2012. Hamish was appointed to the NGIA board on 25 November 2013 and chairs the Environment and Technical Committee.

**Craig Norman**

Managing Director – Wholesale Plants and Products Pty Ltd, Dry Creek SA  
 Qualifications: Advanced Diploma Horticulture, Diploma in Design  
 Craig has over 30 years in the industry and was appointed to the board on 21 October 2008. Craig served as NGIA President 2012-2013. He is a sitting Board representative of the Nursery Industry Advisory Committee (IAC).

**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 – 2014

	No. Eligible to attend	Attended
Glenn Fenton	4	4
Mark Geeves	8	7
Colin Groom	8	7
Russell Higginbotham	4	3
Bryan Hillier	5	5
Michael Mehigan	8	8
Hamish Mitchell	5	3
Craig Norman	8	8
Simon Smith	8	8

**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.

**Michael Mehigan**

Director

Dated at Castle Hill this 23rd day of September 2014

**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 2014 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 23rd day of September 2014

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
Revenue	2	670,862	723,058
Employee benefits expenses		(371,278)	(414,580)
Occupancy expenses		(17,513)	(15,723)
Depreciation and amortisation expenses	8	(49,159)	(53,407)
Finance costs		(24,878)	(26,116)
Other expenses		(195,413)	(189,125)
<b>Profit/(loss) before tax</b>		<u>12,621</u>	<u>24,107</u>
Income tax expense		-	-
<b>Profit/(loss) attributable to members</b>		<u>12,621</u>	<u>24,107</u>

**BALANCE SHEET AS AT 30 JUNE 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	4	1,833,359	2,056,542
Trade and other receivables	5	218,341	139,157
Other current assets	6	15,901	21,905
<b>TOTAL CURRENT ASSETS</b>		<u>2,067,601</u>	<u>2,217,604</u>

**NON-CURRENT ASSETS**

Financial assets	7	10	10
Property, plant and equipment	8	661,527	708,556
<b>TOTAL NON-CURRENT ASSETS</b>		<u>661,537</u>	<u>708,566</u>
<b>TOTAL ASSETS</b>		<u>2,729,138</u>	<u>2,926,170</u>

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	9	1,542,426	1,748,254
Provisions	11	60,890	57,943
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,603,316</u>	<u>1,806,197</u>

**NON-CURRENT LIABILITIES**

Provisions	11	40,084	34,293
Borrowings	12	281,869	294,432
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>321,953</u>	<u>328,725</u>
<b>TOTAL LIABILITIES</b>		<u>1,925,269</u>	<u>2,134,922</u>
<b>NET ASSETS</b>		<u>803,869</u>	<u>791,248</u>

**EQUITY**

Retained earnings	14	803,869	791,248
<b>TOTAL EQUITY</b>		<u>803,869</u>	<u>791,248</u>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014**

<b>Balance at 30 June 2012</b>	767,141
Surplus attributable to members	24,107
<b>Balance at 30 June 2013</b>	791,248
Surplus attributable to members	12,621
<b>Balance at 30 June 2014</b>	803,869

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 2014**

	NOTE	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		604,637	738,735
Payments to suppliers and employees		(473,095)	(704,511)
Interest received		49,207	62,198
<b>Net cash provided by (used in) operating activities</b>	13	<u>180,749</u>	<u>96,422</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(2,130)	(14,757)
<b>Net cash provided by (used in) investing activities</b>		<u>(2,130)</u>	<u>(14,757)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(12,563)	(11,773)
(Decrease)/Increase in project balances		(389,239)	31,565
<b>Net cash provided by (used in) financing activities</b>		<u>(401,802)</u>	<u>19,792</u>
Net increase in cash held		(223,183)	101,457
Cash at beginning of financial year		2,056,542	1,955,085
Cash at end of financial year	13	<u>1,833,359</u>	<u>2,056,542</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**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.

**New and revised standards that are effective for these financial statements**

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

**AASB 13 Fair Value Measurement**

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The company has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*.

The company has applied AASB 13 for the first time in the current year.

**Amendments to AASB 119 Employee Benefits**

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within twelve (12) months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the company does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period, annual leave is discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

These amendments have had no significant impact on the entity.

**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. As a result of the HAL review and possible changes in Governance, in future years there may be changes in how the company operates as a service provider in the future. Contracts already in existence will proceed as normal until completion.

## (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.

The financial statements were authorised for issue by the Board of Directors on 23rd September 2014.

# NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

	2014	2013		2014	2013
	\$	\$		\$	\$
<b>2 Revenue and Other Income</b>			<b>Land and Buildings</b>		
<b>Revenue</b>			Balance at the beginning of the year	542,148	564,822
Commissions	4,875	5,427	Additions during the year	-	-
Members Publications	375	1,830	Depreciation	(22,674)	(22,674)
Subscriptions	253,592	256,218	Balance at the end of the year	519,474	542,148
HAL Consultative Fees	207,951	190,466	<b>9 Trade and Other Payables</b>		
Project Service Fees	146,109	203,081	<b>Current</b>		
Interest received	49,207	62,198	Trade Creditors	315,629	132,218
Sundry Income	8,753	3,838	Project Receipts in Advance	1,226,797	1,616,036
Total other revenue	670,862	723,058		1,542,426	1,748,254
<b>3 Auditors' Remuneration</b>			<b>10 Project Receipts in Advance</b>		
Audit & review of financial statements	13,750	13,750	Reconciliation of project receipts in advance balances for the year		
<b>4 Cash and Cash Equivalents</b>			Balance at the beginning of the year	1,616,036	1,584,470
Cash at bank	1,366,499	1,598,764	Funds received from Horticulture Australia Limited	2,110,234	2,376,106
Short term deposits	466,860	457,778	Voluntary Contributions Received from States/Territories	371,187	264,216
	1,833,359	2,056,542	Funds received from other sources	16,717	11,814
<b>5 Trade and Other Receivables</b>			Voluntary contributions paid to HAL	(452,199)	(533,605)
<b>Current</b>			Funds applied to projects	(2,435,178)	(2,086,965)
Project Debtors	119,473	82,769	Balance at the end of the year	1,226,797	1,616,036
Trade Debtors	92,681	44,249	<b>11 Provisions</b>		
Income Accrued	6,187	12,139	Provision for Annual Leave	45,284	44,813
	218,341	139,157	Provision for Long Service Leave	55,690	47,423
<b>6 Other Current Assets</b>			<b>Total provisions</b>	100,974	92,236
<b>Current</b>			<b>Analysis of Total Provisions</b>		
Prepayments	15,901	21,905	Current	60,890	57,943
<b>7 Financial Assets</b>			Non-current	40,084	34,293
<b>Non-Current</b>				100,974	92,236
Investment at Cost	10	10	<b>12 Borrowings</b>		
<b>8 Property, Plant and Equipment</b>			Bank Loan	281,869	294,432
<b>Plant and Equipment:</b>			<b>13 Notes to the statement of cash flows</b>		
At cost	272,794	273,985	<b>a) Reconciliation of cash</b>		
Accumulated depreciation	(130,741)	(107,577)	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 Plant and Equipment</b>	142,053	166,408	Cash assets	1,833,359	2,056,542
<b>Land and Buildings</b>			<b>b) Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
At cost	577,805	577,805	Profit/(loss) after income tax	12,621	24,107
Accumulated depreciation	(58,331)	(35,657)	Add/(less) non-cash items:		
<b>Total Land and Buildings</b>	519,474	542,148	Depreciation	49,159	53,407
<b>Total Property, Plant and Equipment</b>	661,527	708,556	Loss on disposal of fixed assets	-	-
The directors obtained a market appraisal performed by an independent consultant on the property of \$699,950. The property is carried at cost therefore no revaluation has been made.			Net cash provided by operating activities before change in assets & liabilities	61,780	77,514
<b>Movements in Carrying Amounts</b>			Change in assets and liabilities		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.			(Increase)/decrease in receivables	(85,136)	16,286
<b>Plant and Equipment</b>			(Increase)/decrease in prepayments	6,004	(2,645)
Balance at the beginning of the year	166,408	182,384	(Increase)/decrease in other assets	5,952	(4,497)
Additions during the year	2,130	14,757	Increase/(decrease) in accounts payable	183,411	(18,986)
Depreciation	(26,485)	(30,733)	Increase/(decrease) in other liabilities	8,738	28,750
Loss on disposal	-	-	<b>Cash Flow from Operations</b>	180,749	96,422
Balance at the end of the year	142,053	166,408			

	2014	2013
	\$	\$
<b>14 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	791,248	767,141
Net profit (Net loss) attributable to members of the company	12,621	24,107
Retained earnings at the end of the financial year	<u>803,869</u>	<u>791,248</u>

### 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 2014 the number of members was 1,058 (2013 – 1,087) so the maximum funds to be received would be \$5,290.

### 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: G Fenton, M Geeves, C Groom, R Higginbotham, B Hillier, M Mehigan, H Mitchell, C Norman and S Smith. |         |         |
| (c) Key Management Personnel Compensation   |         |         |
| Short Term  | 202,579 | 194,544 |
| (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:

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 2014 and of the performance of 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:

Michael Mehigan – President

Dated at Castle Hill this 23rd day of September 2014

**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 2014, 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.

**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 2014 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 Castle Hill this 23rd day of September 2014

**COMPILATION REPORT**

The additional financial data presented below 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 2014. It will be appreciated that our audit did not cover all details of the following 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 23rd day of September 2014

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED  
30 JUNE 2014**

	2014	2013
	\$	\$
<b>INCOME</b>		
Commissions	4,875	5,427
Members Publications	375	1,830
Subscriptions	253,592	256,218
HAL Consultative Fees	207,951	190,466
Project Service Fees	146,109	203,081
Interest Received	49,207	62,198
Sundry Income	8,753	3,838
	<u>670,862</u>	<u>723,058</u>
<b>EXPENSES</b>		
Auditors Remuneration – Fees	13,750	13,750
Bank Charges	1,860	1,443
Conference Costs	23,885	-
Consultancy Expenses	1,500	-
Depreciation	49,159	53,407
General Expenses	1,421	6,280
Holiday Pay Provision	(4,690)	5,331
Insurance	10,318	9,674
Interest	24,878	26,116
IT costs	11,351	11,407
Legal Costs	16,980	-
Long Service Leave Provision	8,267	12,174
Meeting & Travel Expenses	50,623	35,672
Occupancy expenses	17,513	15,723
President & Directors Allowances	22,000	22,000
Postage, Printing & Freight	10,929	21,439
Repairs & Maintenance	1,004	957
Salaries & Employee Expenses	338,036	369,430
Subscriptions	13,191	45,013
Superannuation	29,666	30,722
Telephone and data charges	16,600	18,413
	<u>658,241</u>	<u>698,951</u>
Profit (Loss)	12,621	24,107



**Nursery & Garden Industry  
Australia**

NURSERY & GARDEN INDUSTRY AUSTRALIA  
LIMITED ACN 001 318 136

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