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**ACCOUNTING & TAXATION**

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## **Arboriculture Australia Limited**

**A.C.N. 090 873 644**

### **FINANCIAL REPORT FOR THE PERIOD ENDED 31 December 2014**

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**General information**

The financial report covers Arboriculture Australia Limited as an individual entity. The financial report is presented in Australian dollars, which is Arboriculture Australia Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Arboriculture Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office  
24 South Rd  
West Hindmarsh SA 5007

Principal place of business  
Unit 1 6-8 Marker Avenue  
Marleston SA 5033

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 2014. The directors have the power to amend and reissue the financial report.

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**DIRECTORS**

The names of the directors in office at any time during or since the end of the year are:

Name	Appointed / Resigned	Meetings	
		A	B
Henry Haavisto	Appointed 9 October 2006	10	11
Craig Robert Hallam	Appointed 9 September 2003	10	11
Craig Jeffrey Hinton	Appointed 9 September 2003	11	11
Louise Bennett	Appointed 12 July 2010	5	11
Keith William Foster	Appointed 26 August 2011	5	11
Kyle Arthur Hill	Appointed 12 July 2010	10	11
Lim Miaw Shin (Allen)	Appointed 26 July 2011	5	11
Mark Hartley	Appointed 30 April 2012	11	11
Robert Stavrou	Relinquished Office 29 April 2014	4	5
Christopher Scott Hanley	Appointed 29 April 2014	5	11
Jim Roberts	Appointed 14 July 2014	1	5
Catherine Russo	Appointed 10 September 2014	3	3

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Directors' qualifications, experience and special responsibilities**

Name	Qualifications	Experience	Special Responsibilities
Henry Haavisto			President
Craig Robert Hallam			Vice President
Craig Jeffrey Hinton			Treasurer
Louise Bennett			Director
Keith William Foster			Director
Kyle Arthur Hill			Director
Lim Miaw Shin (Allen)			Director
Mark Hartley			Director
Christopher Scott Hanley			Director
<i>Jim Roberts</i>			<i>Director</i>
<i>Catherine Russo</i>			<i>Director</i>

**Principal Activities**

During the financial year the principal continuing activities of Arboriculture Australia Limited were the promotion, awareness and education of the arboriculture industry.

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Short Term Objectives**

**Arboriculture Australia Limited's short term objectives are:**

- To stimulate greater public interest in the planting and preservation of shade and ornamental trees.
- To promote public education for the development of a greater appreciation for trees of shade and ornamental value.
- To recommend and uphold a Code of Ethics established to maintain a high level of practice by those engaged in the profession.
- To promote collaboration throughout the arboricultural industry within Australia to ensure best practices, continuous improvement and national consistency delivers sustainability to industry and the environment.
- To be recognised as the peak body for Arboricultural forums and expert advice on matters relating to safety, policy, regulation and innovation.

**Long Term Objectives**

**Arboriculture Australia Limited's long term objectives are to:**

- Educate tree workers, tree managers and urban foresters;
- Educate the public about the benefits of the trees;
- Enhance Arboriculture Australia's role as the national arboricultural body in Australia;
- Develop and institute arboricultural standards;
- Encourage and support arboricultural research;
- Develop strong relationships with related and like-minded organisations;
- Promote and improve the practice of professional arboriculture;
- Enhance safety within Arboricultural industry activities.





**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**

**Compilation Report**  
**To Arboriculture Australia Limited**

For the year ended 31 December 2014

We have compiled the accompanying special purpose financial statements of Arboriculture Australia Limited, which comprise the balance sheet as at 31 December 2014, the statement of profit or loss for the period then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

**The Responsibility of the Directors of Arboriculture Australia Limited**

The directors of Arboriculture Australia Limited are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors of Arboriculture Australia Limited. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Name of Firm: KNP Accounting & Taxation

Address: 4 Karatta Court, Hallett Cove SA 5158

Date: 7 May 2015

Signed:

## INDEPENDENT REVIEWER'S REPORT

To the members of Arboriculture Australia Limited

### ***Report on the Financial Report***

We have reviewed the accompanying financial report of Arboriculture Australia Limited for the year ended 31 December 2014, which comprises the Directors Report, Directors Declaration, Statement of Comprehensive Income Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements.

### ***The responsibility of the Directors for the Financial Report***

The directors are responsible for the preparation and fair presentation of the financial report and the information contained therein, and have determined that the accounting policies used and described in Note 1 to the Financial Statements, which form part of the Financial Reports, are appropriate to meet the financial reporting requirements of the members and of the Corporations Act 2001. The elected Directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and 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.

### ***Reviewer's Responsibility***

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements ASRE 2400, Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements

The financial report has been prepared for distribution to members for the purposes of fulfilling the requirements of the Board of Directors. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than these, or for any purpose other than that for which it was prepared.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Arboriculture Australia Limited as at 31 December, 2014, and its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards



Samayne Uren (CA)

Date: 7 / 5 / 15

**Sheridans Accountants and Financial Planners Pty Ltd**

593 Anzac Highway  
GLENELG SA 5045

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
National Conference Income	309,736	250,382
Membership Income	133,249	124,425
Sale of Publications	12,733	15,5895
Other Income	<u>110,588</u>	<u>49,535</u>
	566,306	440,237
<b>EXPENSES</b>		
Audit Fees	707	(2,200)
The Bark Expenses	(31,881)	(31,751)
Board of Directors Expenses	(1,633)	(16,371)
National Conference Expenses	(239,022)	(243,656)
Employee Benefits Expense	(128,281)	(113,438)
Depreciation	(2,054)	(2,499)
Cost of Sales	(35,338)	(15,635)
Rent	(11,482)	(10,800)
Finance Costs	(150)	(125)
Other Expenses	<u>(129,402)</u>	<u>(84,298)</u>
	(578,536)	(518,570)
Comprehensive income/(loss) for the year	(12,230)	(78,333)

This Statement of Comprehensive Income should be read in conjunction with the attached notes

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**STATEMENT OF FINANCIAL POSITION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	This Year	Last Year
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	129,728	158,778
Trade and other receivables	3	260	3,327
Financial assets	4	4,250	4,250
Inventories	5	13,151	15,472
Current tax assets	6	14,578	10,714
Other current assets	7	38,999	12,571
<b>TOTAL CURRENT ASSETS</b>		<b>200,966</b>	<b>205,112</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	8,200	5,357
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,200</b>	<b>5,357</b>
<b>TOTAL ASSETS</b>		<b>209,166</b>	<b>210,469</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	18,010	29,509
Financial liabilities	10	127,257	116,803
Tax liabilities	6	15,017	16,827
Provisions	11	7,572	4,218
<b>TOTAL CURRENT LIABILITIES</b>		<b>167,856</b>	<b>167,357</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	10,429	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,429</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>178,284</b>	<b>167,357</b>
<b>NET ASSETS</b>		<b>30,882</b>	<b>43,112</b>
<b>EQUITY</b>			
Retained earnings	12	30,882	43,112
<b>TOTAL EQUITY</b>		<b>30,882</b>	<b>43,112</b>

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and members		540,555	442,856
Payments to suppliers and employees		(571,092)	(492,575)
Finance Costs		(150)	(125)
	6	(30,687)	(26,358)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received		3,373	4,927
Payment for property, plant & equipment		-	-
Proceeds on sale of property, plant & equipment		-	-
		3,373	4,927
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		3,373	4,927
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(27,314)	(44,918)
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		158,778	203,696
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	2	131,464	158,778

**ARBORICULTURE AUSTRALIA LIMITED**  
**A.C.N. 090 873 644**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDING 31 DECEMBER 2014**

	<b>Accumulated Funds \$</b>	<b>Total \$</b>
Balance at 1 January 2012	160,364	160,364
Total Comprehensive Income for the year	(44,426)	(44,426)
Other Comprehensive Income	-	-
Balance at 31 December 2012	<u>115,938</u>	<u>115,938</u>
Balance at 1 January 2013	115,938	115,938
Total Comprehensive Income for the year	(78,333)	(78,333)
Other Comprehensive Income	5,507	5,507
Balance at 31 December 2013	<u>43,112</u>	<u>43,112</u>
Balance at 1 January 2014	43,112	43,112
Total Comprehensive Income for the year	(12,230)	(12,230)
Other Comprehensive Income	-	-
Balance at 31 December 2014	<u>30,882</u>	<u>30,882</u>

## **Note 1: Summary of Significant Accounting Policies**

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.

Such accounting policies are consistent with the previous reporting period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

### **a. Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

### **b. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured inventories includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

### **c. Property, Plant and Equipment**

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. Freehold land and buildings are carried at their recoverable amounts, based on periodic, but at least triennial, valuations by the directors. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

### **d. Goodwill**

Goodwill is initially measured at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when the directors consider that there is objective evidence the business has been impaired. Impairment losses are calculated based on the directors' assessment of the business's recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

e. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

f. **Investments**

Investments include equity securities (ie shares) of listed and unlisted entities. The company recognises and measures these investments at cost less any accumulated impairment losses.

g. **Impairment of Assets**

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

**h. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. They are recognised at their transaction price. Trade and other payables are subject to normal credit terms (30-60 days) and do not bear interest.

**i. Provisions**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

**j. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**k. Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

**l. 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 Taxation Office (ATO), in which case 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 stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

**Note 2: Cash and Cash Equivalents**

	This Year	Last Year
CURRENT		
Cash at bank and in hand	129,728	158,778
TOTAL CURRENT	129,728	158,778
TOTAL	129,728	158,778
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	129,728	158,778
	129,728	158,778

**Note 3: Trade and Other Receivables**

	This Year	Last Year
CURRENT		
Trade Debtors	260	3,327
TOTAL CURRENT	260	3,327
TOTAL	260	3,327

**Note 4: Financial Assets**

	This Year	Last Year
CURRENT		
Expenses	4,250	4,250
TOTAL CURRENT	4,250	4,250
TOTAL	4,250	4,250

**Note 5: Inventories**

	This Year	Last Year
CURRENT		
Inventory	13,151	15,472
TOTAL CURRENT	13,151	15,472
TOTAL	13,151	15,472

**Note 6: Tax Balances**

	This Year	Last Year
<b>CURRENT TAX ASSETS</b>		
GST Paid	3,545	1,983
GST Adjustment	11,033	8,731
<b>TOTAL CURRENT TAX ASSETS</b>	<b>14,578</b>	<b>10,714</b>
<b>TOTAL TAX ASSETS</b>	<b>14,578</b>	<b>10,714</b>
<b>CURRENT TAX LIABILITIES</b>		
PAYG Withholding Tax Payable	4,561	4,074
GST Payable	10,456	18,259
<b>TOTAL CURRENT TAX LIABILITIES</b>	<b>15,017</b>	<b>22,334</b>
<b>TOTAL TAX LIABILITIES</b>	<b>15,017</b>	<b>22,334</b>

**Note 7: Other Assets**

	This Year	Last Year
<b>CURRENT</b>		
Prepayments	38,999	12,077
Prepaid Wages	0	494
<b>TOTAL CURRENT</b>	<b>38,999</b>	<b>12,571</b>
<b>TOTAL</b>	<b>38,999</b>	<b>12,571</b>

**Note 8: Property, Plant and Equipment**

	This Year	Last Year
<b>Plant and Equipment</b>		
At cost	38,501	33,604
Less Accumulated Depreciation	-30,301	-28,247
<b>TOTAL</b>	<b>8,200</b>	<b>5,357</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>8,200</b>	<b>5,357</b>

**Note 9: Trade and Other Payables**

	This Year	Last Year
CURRENT		
Trade Creditors	13,390	12,902
Other Creditors	4,620	16,607
TOTAL CURRENT	18,010	29,509
TOTAL	18,010	29,509

**Note 10: Financial Liabilities**

	This Year	Last Year
CURRENT		
Donations	9,232	9,232
Donations	26,531	26,531
Income in advance - HK Members	8,532	8,859
Fees in advance	72,762	67,394
Conf/Seminar Income in Advance	7,909	2,618
Superannuation Payable	2,291	2,169
TOTAL CURRENT	127,257	116,803
TOTAL	127,257	116,803

**Note 11: Provisions**

PROVISIONS		This Year	Last Year
CURRENT			
Provision for Annual Leave		7,572	4,218
Total current provisions		7,572	4,218
NON-CURRENT			
Provision for Long Service Leave		10,429	0
Total non-current provisions		10,429	0
TOTAL PROVISIONS		18,001	4,218
Opening balance at 01-Jan-14	4,218	0	0
Additional provisions	13,783	0	0
Closing balance at 31-Dec-14	18,001	0	0

## Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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## Note 12: Retained Earnings

	This Year	Last Year
Retained earnings (accumulated losses) at the beginning of the financial year	43,112	115,938
Net profit attributable to members of the entity	-12,230	-72,826
Retained earnings (accumulated losses) at the end of the financial year	<u>30,882</u>	<u>43,112</u>