

Arboriculture Australia Limited

ABN 77 090 873 644

Financial Statements

For the Year Ended 31 December 2011

Arboriculture Australia Limited

ABN 77 090 873 644

For the Year Ended 31 December 2011

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Arboriculture Australia Limited

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Directors' Report

31 December 2011

Your directors present their report on the company for the financial year ended 31 December 2011.

1. General information

Directors

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

Names		Appointed/Resigned
Henry Haavisto	Certification and Education Director	
Craig Robert Hallam	Vice President	
Craig Jeffrey Hinton	Treasurer	
Douglas John Sharp	TCC Director	(Resigned 26 July 2011)
Ian Alexander McKenzie		(Resigned 26 July 2011)
Robert Joseph Sutton	President	
Louise Bennett	Company Secretary	
Julia Rhyl Cossins		(Resigned 26 July 2011)
Mark Andrew Hartley		(Resigned 26 July 2011)
Kyle Arthur Hill		
Michael Alan Perry		(Resigned 26 July 2011)
Shaun Michael Talent		(Resigned 26 July 2011)
Bassam Boutros Taouk		(Resigned 26 July 2011)
Hugh Thomas Scott Taylor		
Joseph Patrick Lilley		(Resigned 3 February 2011)
Venesser Ellenor Oakes		(Resigned 3 February 2011)
Lim Miaw Shin		(Appointed 26 July 2011)
Keith William Foster		(Appointed 25 August 2011)
Jessica Kate Malone		(Appointed 9 September 2011, Resigned 16 January 2012)

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

Principal Activities

The principal activities of Arboriculture Australia Limited during the financial year were the operation of the Australian Chapter for the International Society of Arboriculture. This involves the promotion, awareness and education of the Arboricultural industry.

No significant change in the nature of these activities occurred during the year.

Short term objectives

Arboriculture Australia Limited's short term objectives are to:

- To stimulate greater public interest in the planting and preservation of shade and ornamental trees.

Arboriculture Australia Limited

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Directors' Report

31 December 2011

1. General information continued

- 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.
- Promote collaboration throughout the arboricultural industry within Australia to ensure best practices, continuous improvement and national consistency delivers sustainability to industry and the environment.
- 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

Strategy for achieving the objectives

To achieve these objectives, Arboriculture Australia Limited adopted the following strategies:

- Proactively communicate with members to ensure dissemination of knowledge and provide opportunities for networking among members.
- Ensure training requirements are appropriately targeted and adequately address industry requirements.
- Actively drive efficiency and innovation to ensure sustainability for industry and the environment through a collaborative approach with members.
- Engage with State & National bodies in developing policy, guide lines and best management practices
- Work with our members to address concerns and issues relating to specific safety issues

Arboriculture Australia Limited

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Directors' Report

31 December 2011

1. General information continued

- Provide expertise and representation where requested to all associated stakeholders
- Provide members with regular updates and education on relevant matters occurring nationally and internationally through print and electronic media

Members guarantee

Arboriculture Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members, subject to the provisions of the company's constitution.

2. Other items

Auditors Independence Declaration

The auditors independence declaration for the year ended 31 December 2011 has been received and can be found on page 5 of the financial report.

3. Director Information

Information on Directors

Henry Haavisto	Certification and Education Director
Craig Robert Hallam	Vice President
Craig Jeffrey Hinton	Treasurer
Douglas John Sharp	TCC Director
Ian Alexander McKenzie	Director
Robert Joseph Sutton	President
Louise Bennett	Company Secretary
Julia Rhyl Cossins	Director
Mark Andrew Hartley	Director
Kyle Arthur Hill	Director
Michael Alan Perry	Director
Shaun Michael Talent	Director
Bassam Boutros Taouk	Director
Hugh Thomas Scott Taylor	Director
Joseph Patrick Lilley	Director
Venesser Ellenor Oakes	Director
Lim Miaw Shin	Director
Keith William Foster	Director
Jessica Kate Malone	Director

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Directors' Report

31 December 2011

3. Director Information continued

Meetings of Directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Henry Haavisto	8	7
Craig Robert Hallam	8	8
Craig Jeffrey Hinton	8	8
Douglas John Sharp	5	3
Ian Alexander McKenzie	5	1
Robert Joseph Sutton	8	7
Louise Bennett	8	7
Julia Rhyl Cossins	5	4
Mark Andrew Hartley	5	4
Kyle Arthur Hill	8	8
Michael Alan Perry	5	5
Shaun Michael Talent	5	3
Bassam Boutros Taouk	5	3
Hugh Thomas Scott Taylor	8	8
Joseph Patrick Lilley	-	-
Venesser Ellenor Oakes	-	-
Lim Miaw Shin	3	3
Keith William Foster	3	2
Jessica Kate Malone	3	2

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

Director:
Craig Jeffrey Hinton

Director:
Henry Haavisto

Dated this day of April 2012

Arboriculture Australia Limited

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the period ended 31 December 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.

PERKS AUDIT & ASSURANCE

180 Greenhill Road

Parkside

South Australia 5063

PETER J HILL

Director

Registered Company Auditor

Dated this day of April 2012

Arboriculture Australia Limited

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Income Statement

For the Year Ended 31 December 2011

	2011	2010
	\$	\$
Other revenue	260,527	341,996
Employee benefits expense	(99,245)	(64,131)
Depreciation	(2,454)	(3,232)
Cost of sales	(16,815)	(14,037)
Donations	(18,655)	-
Rent	(7,791)	(11,073)
Travel and accommodation	(10,921)	(74,009)
Other expenses	(161,601)	(167,768)
Finance Costs	(163)	(255)
(Loss) / profit before income taxes	(57,118)	7,491

The accompanying notes form part of these financial statements.

Arboriculture Australia Limited

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Statement of Comprehensive Income

For the Year Ended 31 December 2011

	2011	2010
	\$	\$
(Loss) / profit for the year	<u>(57,118)</u>	7,491
Total comprehensive (loss) / income for the year attributable to members	<u><u>(57,118)</u></u>	<u><u>7,491</u></u>

The accompanying notes form part of these financial statements.

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Balance Sheet

31 December 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	216,996	238,199
Trade and other receivables	4	12,545	28,737
Inventories	5	30,109	22,890
Other assets	7	-	1,099
Total current assets		259,650	290,925
Non-current assets			
Property, plant and equipment	6	10,733	10,178
Total non-current assets		10,733	10,178
TOTAL ASSETS		270,383	301,103
LIABILITIES			
Current liabilities			
Trade and other payables	8	60,136	22,742
Short-term provisions	9	7,407	3,563
Other Liabilities	10	42,476	57,316
Total current liabilities		110,019	83,621
TOTAL LIABILITIES		110,019	83,621
NET ASSETS		160,364	217,482
EQUITY			
Retained earnings		160,364	217,482
TOTAL EQUITY		160,364	217,482

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2011

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2010	217,482	217,482
Loss for the year	(57,118)	(57,118)
Balance at 31 December 2011	160,364	160,364

	Retained Earnings	Total
	\$	\$
Balance at	209,991	209,991
Profit for the year	7,491	7,491
Balance at 31 December 2010	217,482	217,482

The accompanying notes form part of these financial statements.

Arboriculture Australia Limited

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Statement of Cash Flows

For the Year Ended 31 December 2011

	2011	2010
Note	\$	\$
Cash from operating activities:		
Receipts from customers and members	292,133	392,705
Payments to suppliers and employees	(319,836)	(332,402)
Interest received	9,672	1,306
Finance costs	(163)	(255)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	12 (18,194)	61,354
	<hr/>	<hr/>
Cash flows from investing activities:		
Payment for plant and equipment	(3,009)	(1,086)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(3,009)	(1,086)
	<hr/>	<hr/>
Cash flows from financing activities:		
Other activities:		
Net increase (decreases) in cash held	(21,203)	60,268
Cash at beginning of financial year	238,199	177,931
	<hr/>	<hr/>
Cash at end of financial year	216,996	238,199
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Arboriculture Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies

(a) General information

The financial report is for Arboriculture Australia Limited as an individual entity, incorporated and domiciled in Australia. Arboriculture Australia Limited is a company limited by guarantee.

(b) Basis of preparation

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. These financial statements are therefore a special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and 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 period unless otherwise stated.

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

(c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Income taxes

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(e) 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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for 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 depreciation rates used for each class of depreciable assets are:

Equipment	20% to 40%
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Computers	66.67%
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The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

(i) Impairment of non-financial assets

At the end of each reporting year, 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Arboriculture Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

(k) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(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) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(n) Revenue

Sale of goods

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 the cessation of all involvement in those goods.

Donations

Donations are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Provision of services

Revenue recognition relating to the provision of services is recognised upon the delivery of the service to the customer.

Arboriculture Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

(n) Revenue continued

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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

(o) 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 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.

(p) Critical accounting estimates and judgments

Key estimates - impairment

The company assesses impairment at the end of each reporting year by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(q) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the company:

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined.

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Notes to the Financial Statements

For the Year Ended 31 December 2011

1 Summary of Significant Accounting Policies continued

Standard name	Effective date for entity	Requirements	Impact
<p>AASB 13 Fair Value Measurement [expected to be released by AASB in July / August 2011].</p> <p>AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>
<p>AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.</p>	30 June 2013	<p>Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).</p>	<p>The items shown in other comprehensive income will be separated into two categories.</p>

2 Revenue and Other Income

(a) Interest Revenue

	2011	2010
Note	\$	\$
Interest revenue from:		
- other interest	9,672	1,306
	<u>9,672</u>	<u>1,306</u>

3 Cash and cash equivalents

	2011	2010
	\$	\$
Cash at bank	216,996	238,199
	<u>216,996</u>	<u>238,199</u>

Arboriculture Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2011

3 Cash and cash equivalents continued

Reconciliation of Cash

	2011	2010
	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	216,996	238,199
	<u>216,996</u>	<u>238,199</u>

4 Trade and other receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	12,545	28,737
	<u>12,545</u>	<u>28,737</u>

5 Inventories

	2011	2010
	\$	\$
CURRENT		
At Cost		
Inventories on hand	30,109	22,890
	<u>30,109</u>	<u>22,890</u>

6 Property, plant and equipment

	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	33,604	30,595
Accumulated depreciation	(22,871)	(20,417)
Total plant and equipment	<u>10,733</u>	<u>10,178</u>
Total property, plant and equipment	<u>10,733</u>	<u>10,178</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2011

6 Property, plant and equipment continued

Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial period

	Plant and Equipment	Total
	\$	\$
Balance at the beginning of year	10,178	10,178
Additions	3,009	3,009
Depreciation expense	(2,454)	(2,454)
	<hr/>	<hr/>
Carrying amount at the end of period	10,733	10,733
	<hr/> <hr/>	<hr/> <hr/>

7 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	-	1,099
	<hr/>	<hr/>
	-	1,099
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements

For the Year Ended 31 December 2011

8 Trade and other payables

	2011	2010
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	3,614	7,614
Accrued expenses	6,600	6,600
Other payables	49,922	8,528
	<u>60,136</u>	<u>22,742</u>

9 Provisions

	2011	2010
	\$	\$
CURRENT		
Employee benefits	7,407	3,563
	<u>7,407</u>	<u>3,563</u>

10 Other Liabilities

	2011	2010
	\$	\$
CURRENT		
Funds held in trust	42,476	57,316
Total	<u>42,476</u>	<u>57,316</u>

11 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the company.

Arboriculture Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2011

12 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax	2011	2010
	\$	\$
(Loss) / profit after tax	(57,118)	7,491
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	2,454	3,232
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	16,192	17,946
(Increase)/decrease in inventories	(7,219)	1,162
(Increase)/decrease in other assets	1,099	(1,099)
Increase/(decrease) in trade payables and accruals	37,394	10,444
Increase/(decrease) in other liabilities and funds	(14,840)	22,505
Increase/(decrease) in provisions	3,844	(327)
Cashflow from operations	(18,194)	61,354

13 Company Details

Registered office

The registered office of the company is:

Arboriculture Australia Limited
180 Greenhill Road
Parkside
South Australia 5063

The principal place of business is:

Arboriculture Australia Limited
24 South Road
West Hindmarsh
South Australia 5007

Arboriculture Australia Limited

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Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Craig Robert Hallam

Director
Henry Haavisto

Dated this day of April 2012.

Arboriculture Australia Limited

ABN 77 090 873 644

Independent Audit Report to the members of Arboriculture Australia Limited

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Arboriculture Australia Limited, which comprises the balance sheet as at 31 December 2011, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgement, 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Arboriculture Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Arboriculture Australia Limited

ABN 77 090 873 644

Independent Audit Report to the members of Arboriculture Australia Limited Opinion

In our opinion the financial report of Arboriculture Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

PERKS AUDIT & ASSURANCE

180 Greenhill Road

Parkside

South Australia 5063

PETER J HILL

Director

Registered Company Auditor

Dated this day of April 2012.