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ACCOUNTING & TAXATION

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Arboriculture Australia Limited

ABN: A.C.N. 090 873 644

FINANCIAL REPORT FOR THE PERIOD ENDED 31 December 2017

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ARBORICULTURE AUSTRALIA LIMITED
A.C.N. 090 873 644
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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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
Unit 1 6-8 Marker Avenue
Marleston SA 5033

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 2017. 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 2017

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
Craig Robert Hallam	Appointed 9 September 2003	10	10
Jim Roberts	Appointed 14 July 2014	9	10
Catherine Russo	Resigned 14 August 2017	6	8
Bryan Gould	Appointed 15 April 2016	9	10
Robert Fisher	Appointed 18 April 2016	10	10
Robert Boyce	Appointed 7 December 2017	1	1

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
Craig Robert Hallam			Chair
Robert Fisher			Treasurer
Jim Roberts			Deputy Chair
Bryan Gould			Director
Robert Boyce			Director

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
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DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

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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 outlined in Note 1 to the financial statements.

The directors of the company declare that:

the financial statements and notes present fairly the company's financial position as at 31 December 2017 and its performance for the reporting period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

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

R. Bogo

Director

[Signature]

Dated this 26 day of 03 2018

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

Compilation Report
To Arboriculture Australia Limited

For the year ended 31 December 2017

We have compiled the accompanying special purpose financial statements of Arboriculture Australia Limited, which comprise the balance sheet as at 31 December 2017, 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: PO Box 34 Seacliff Park SA 5049

Date:

Signed:

A handwritten signature in black ink, appearing to read 'W. Keller', is written over a light blue circular stamp.

ARBORICULTURE AUSTRALIA LIMITED
A.C.N. 090 873 644
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
INCOME		
National Conference Income	273,040	280,232
Sponsorship	128,478	127,000
Conferences & Seminars Other	12,183	47,012
Redbull Tree Climbing Competition	59,732	
Membership Income	132,285	151,990
Sale of Publications	23,943	18,642
Other Income	<u>64,791</u>	<u>45,169</u>
	694,451	670,045
EXPENSES		
Audit Fees	(600)	(600)
The Bark Expenses	(21,840)	(19,387)
Board of Directors Expenses	(9,659)	(5,458)
National Conference Expenses	(373,837)	(284,520)
Conferences & Seminars Other	(22,458)	(54,485)
Redbull Tree Climbing Competition	(47,587)	
Employee Benefits Expense	(91,339)	(152,583)
Depreciation	(927)	(2,823)
Cost of Sales	(26,365)	(20,293)
Rent	(11,583)	(11,130)
Bookkeeping	(38,678)	
Other Expenses	<u>(44,038)</u>	<u>(52,762)</u>
	(688,911)	(604,041)
Comprehensive income/(loss) for the year	5,540	66,004

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

ABORICULTURE AUSTRALIA LIMITED
A.C.N. 090 873 644
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	This Year	Last Year
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	316,046	261,849
Trade and other receivables	3	23,281	0
Inventories	4	24,704	22,340
Current tax assets	5	23,952	9,649
Other current assets	6	2,762	43,680
TOTAL CURRENT ASSETS		390,745	337,518
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,503	6,429
TOTAL NON-CURRENT ASSETS		5,503	6,429
TOTAL ASSETS		396,248	343,947
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	23,105	28,607
Financial liabilities	9	179,954	137,466
Tax liabilities	5	35,711	7,975
Provisions	10	3,478	6,815
TOTAL CURRENT LIABILITIES		242,248	180,863
NON-CURRENT LIABILITIES			
Provisions	10	0	14,625
TOTAL NON-CURRENT LIABILITIES		0	14,625
TOTAL LIABILITIES		242,248	195,488
NET ASSETS		154,000	148,459
EQUITY			
Retained earnings	11	154,000	148,459
TOTAL EQUITY		154,000	148,459

ARBORICULTURE AUSTRALIA LIMITED
A.C.N. 090 873 644
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and members		712,416	646,828
Payments to suppliers and employees		(657,979)	(543,529)
Finance Costs		(1,078)	-
		<hr/>	<hr/>
NET CASH FLOWS FROM OPERATING CTIVITIES		53,359	103,299
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received		838	2,086
Payment for property, plant & equipment		-	(4,230)
Proceeds on sale of property, plant & equipment		-	-
		<hr/>	<hr/>
NET CASH FLOWS FROM INVESTING ACTIVITIES		838	(2,144)
NET INCREASE/(DECREASE) IN CASH HELD		54,197	105,443
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		261,849	156,406
		<hr/>	<hr/>
CASH AT THE END OF THE FINANCIAL YEAR	2	316,046	261,849

ARBORICULTURE AUSTRALIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2017

	Accumulated Funds \$	Total \$
Balance at 1 January 2015	30,882	30,882
Total Comprehensive Income for the year	51,573	51,573
Other Comprehensive Income	-	-
Balance at 31 December 2015	<u>82,455</u>	<u>82,455</u>
Balance at 1 January 2016	82,455	82,455
Total Comprehensive Income for the year	66,004	66,004
Other Comprehensive Income	-	-
Balance at 31 December 2016	<u>148,459</u>	<u>148,459</u>
Balance at 1 January 2017	148,459	148,459
Total Comprehensive Income for the year	5,540	5,540
Other Comprehensive Income	-	-
Balance at 31 December 2017	<u>154,000</u>	<u>154,000</u>

ARBORICULTURE AUSTRALIA LIMITED
A.C.N. 090 873 644
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

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.

ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

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.

I. 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
<hr/>		
CURRENT		
Cash at bank and in hand	316,046	261,849
TOTAL CURRENT	316,046	261,849
TOTAL	316,046	261,849
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	316,046	261,849
	316,046	261,849
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ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

Note 3: Trade and Other Receivables

	This Year	Last Year
CURRENT		
Trade Debtors	23,281	0
TOTAL CURRENT	23,281	0
TOTAL	23,281	0

Note 4: Inventories

	This Year	Last Year
CURRENT		
Inventory	24,704	22,340
TOTAL CURRENT	24,704	22,340
TOTAL	24,704	22,340

Note 5: Tax Balances

	This Year	Last Year
CURRENT TAX ASSETS		
GST Paid	7507	4,396
GST Adjustment	16,445	5,253
TOTAL CURRENT TAX ASSETS	23,952	9,649
TOTAL TAX ASSETS	23,952	9,649
CURRENT TAX LIABILITIES		
PAYG Withholding Tax Payable	5701	6,895
GST Payable	30,010	1,080
TOTAL CURRENT TAX LIABILITIES	35,711	7,975
TOTAL TAX LIABILITIES	35,711	7,975

ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

Note 6: Other Assets

	This Year	Last Year
CURRENT		
Prepayments	2,762	43,680
TOTAL CURRENT	2,762	43,680
TOTAL	2,762	43,680

Note 7: Property, Plant and Equipment

	This Year	Last Year
Plant and Equipment		
At cost	42,973	42,973
Less Accumulated Depreciation	(37,470)	(36,544)
TOTAL	5,503	6,429
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,503	6,429

Note 8: Trade and Other Payables

	This Year	Last Year
CURRENT		
Trade Creditors	18,045	23,877
Other Creditors	5,060	4,730
TOTAL CURRENT	23,105	28,607
TOTAL	23,105	28,607

ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

Note 9: Financial Liabilities

	This Year	Last Year
CURRENT		
NAB Visa	522	0
Research & Education	29,042	25,260
Redbull Branched Out	5,000	
NSW TCC	4,000	
WEX Motorpass Income	0	1,436
Women in Arboriculture	3,425	3,453
NTAA	3,267	3,267
ACTC	2,298	2,298
Trauma Funds	19,331	19,331
Fees in advance	70,215	65,408
Conf/Seminar Income in Advance	38,785	13,707
Superannuation Payable	4,069	3,306
TOTAL CURRENT	179,954	137,466
TOTAL	179,954	137,466

Note 10: Provisions

	This Year	Last Year
PROVISIONS		
CURRENT		
Provision for Annual Leave	3,478	6,815
Total current provisions	3,478	6,815
NON-CURRENT		
Provision for Long Service Leave	0	14,625
Total non-current provisions	0	14,625
TOTAL PROVISIONS	3,478	21,440

ARBORICULTURE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2017

ANALYSIS OF PROVISIONS	Employee Benefits	Warranties	Dividends	Other	Total
Opening balance at 01-Jan-17	21,440	0	0	0	21,440
Additional provisions	x	0	0	0	x
Closing balance at 31-Dec-17	x	0	0	0	x

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.

Note 11: Retained Earnings

	This Year	Last Year
Retained earnings (accumulated losses) at the beginning of the financial year	148,459	82,455
Net profit attributable to members of the entity	13,105	66,004
Retained earnings (accumulated losses) at the end of the financial year	161,564	148,459