



# **Australian Native Food Industry Limited**

ABN 80 123 156 105

## **Annual Financial Report**

for the period ended 30 June 2007

# Corporate Information

**ABN 80 123 156 105**

## **Directors**

A C Fielke (Chair)  
L D Boyd  
D M Brownlow  
R Glover  
S R Hess-Buschmann  
C D Read  
M W Quarmby

## **Company Secretary**

L D Boyd

## **Registered Office**

Section 142/100 of Bowaka  
Princes Highway  
Reedy Creek  
South Australia 5275

## **Bankers**

Westpac Banking Corporation

## **Auditors**

Brian Ramsey of Ramsey & Associates

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# Directors' Report

The directors present their report together with the financial report of Australian Native Food Industry Limited (the "Company") for the period from 15 December 2006 and ended 30 June 2007 and the auditor's report hereon.

## DIRECTORS

The names and details of the Company's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### **Andrew Craig Fielke** (Chair)

Andrew is an award winning Adelaide based chef with 31 years international experience as a chef restaurateur. Andrew has been passionate about Australia's native food resources since 1985. He founded the successful and internationally renowned Red Ochre Restaurants. He now works as a consulting/guest chef, develops numerous new commercial food products and as a TV Chef, presents Australian Food & Wine segments on the ABC's Asia Pacific Satellite Channel. Andrew is currently a director of Australian Food Partners Pty Ltd and has been a director of other companies involved in the food, including Australian native, industry.

### **Lindsay Douglas Boyd**, BHA, MBA, FAIM, AFCHE

Lindsay has an extensive career in implementation of corporate restructuring and venture development globally and has worked actively in all industrial sectors including marketing and agri-business within end to end supply chains. Since 1996 Lindsay has been involved in research and development activities surrounding selection of appropriate finger lime species for generation of large scale commercial production capabilities. Based in the New South Wales Northern Rivers area, Lindsay is the managing director of Finger Limeing Good Pty Ltd.

### **Douglas Morris Brownlow**, BA(Hons), DipEd, MEdAdmin (Communications Officer)

Doug's early career was in education as teacher and school principal. From the late 1980s until recently Doug was employed in Qld state government management positions, with particular focus on transport-related safety and community engagement. Doug has been involved in the native food industry since 1994. He owns and operates "Eden" a small native food plantation based in South East Queensland. Doug was a founding member of the Australian Rainforest Bushfood Industry Association ("ARBIA") in 1996 and from August 2004 to August 2006 was chair of the Queensland Bushfood Association.

### **Russell Glover**, GradCert Integrated Coastal Management

Rus was appointed a director of the Company on 4 September 2007. Based on the New South Wales North Coast, Rus is currently the Australian Government NRM Sustainable Resource Management Facilitator for NSW, working as part of the joint NRM Team between the federal Departments of Agriculture, Fisheries and Forestry, and Environment and Water Resources. Rus has been actively involved in the Native food industry for the past 7 years and holds management, ownership and directorship positions in various Native food industry businesses including commercial production of produce (Woolgoolga Rainforest Products), tube stock (Glovers Tubes) and value-added products (Galeru Pty Ltd). Chairperson Solitary Islands Marine Park Advisory Committee.

### **Sibylla Rosa Hess-Buschmann**

Sibylla is managing director of Australian Rainforest Products Pty Ltd, a New South Wales Northern Rivers located company that specialises in growing, processing and marketing of native Australian foods, herbs, spices, fruits and essential oils. Since 1989 Sibylla has been actively involved in selecting suitable native species for commercial production systems paying particular attention to chemovar composition of individual species as well as developing harvest and post-harvest technology, to assure high quality products with minimal variation. In 1996 she was a founding member of ARBIA and served this organisation as secretary and later president.

**Anne Mary Osborne**, DipSM, LLB, BBus(Accy), GDip App Fin, MBA, CA, ACIS, SF Fin, GAICD

Anne has worked in a variety of roles in financial services for over 15 years in the public and private sectors, listed and unlisted environments, as well as in retail, corporate, wholesale and boutique funds management and administration. She has held strategic positions, been Company Secretary, General Counsel and a Compliance committee member for various public companies as well as managed teams of professionals responsible for risk management, corporate governance, compliance (including dispute resolution), secretariat, finance, management information, technical, training and professional development. In 1999, Anne was a founding member and director of the Queensland Bushfood Association and served the organisation as Treasurer until 2006. Anne was the Rural Industries Research and Development Corporation's Queensland Rural of the Year in 2005 and is the managing director of various south east Queensland companies which grow, distribute, wholesale, value-add and retail Australian native produce and products. Anne authored the Company's Constitution. Anne resigned from her position as Director on 5 April 2007.

#### **Michael William Quarmby**

Mike has over 40 years experience in large scale commercial horticulture with extensive experience in Australian native flora. He has also completed various studies in agronomy and business management. Mike is a director of Reedy Creek Nursery Pty Ltd (based in South Australia) which manages the Outback Pride project which has assisted the inclusion of aboriginal community participation in the Australian native food industry. Over the past 7 years Mike has developed systems and equipment designed and built for economy of labour, plant health and efficient water use for numerous native food species as well as developing best practice guidelines in the areas of post harvest handling, transport, storage and end use value adding of Australian native bushfood.

**Christopher David Read**, BAg Sc, PhD (Financial Controller)

Chris has over 15 years experience in horticultural research culminating in a fellowship with the University of Tasmania. Chris's particular area of interest is in essential oils. Since 1985 Chris has managed a cut flower, essential oil and native pepper farming enterprise which is now his main occupation. Since 1995 Chris has chaired the Natural Plant Extracts Cooperative Society (a Tasmanian essential oil producers group) and he is currently a board member of the Kingborough Community Enterprise Centre.

#### **COMPANY SECRETARY**

From 15 December 2006, Ms Anne Osborne (who was also a Director) was the Company Secretary. Following her resignation from the office of Company Secretary on 5 April 2007, Mr Lindsay Boyd (who is also a Director) has held the office of Company Secretary.

#### **DIRECTORS' MEETINGS**

The number of directors' meetings held during the period to 30 June 2007 and the number of meetings attended by each director were:

Number of meetings held:	6	
	Eligible to attend	Attended
A C Fielke	6	6
L D Boyd	6	6
D M Brownlow	6	6
R Glover	-	-
S R Hess-Buschmann	6	6
A M Osborne	4	4
M W Quarmby	6	4
C D Read	6	6

## COMMITTEES

The directors have not resolved to form any committees.

## DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

During the period none of the Directors or the Board Assistant received any remuneration in respect of their Company positions.

## CORPORATE INFORMATION

### Reporting Entity

The Company is a company limited by guarantee that is incorporated and domiciled in Australia. It is a not-for-profit industry representative body. It does not have a parent entity.

### Objectives

The Company's objectives are:

- to act as a body representative of the Industry
- to provide leadership and direction in relation to the maintenance, improvement and development of the standards of the Industry
- to act as a consulting and advisory body among its Members and in particular to:
- to foster a closer association between persons engaged in, connected with, serviced by or interested in the Industry;
- to establish Regions and work with Regional Councils to promote activities of value to Members; and
- to engage in other activities in support of the above objectives,

### Nature of operations and principal activities

The principal activities of the Company during the period were:

- establishment of initial operating processes;
- facilitation and supervision of research regarding Australian native food properties and classification;
- membership recruitment;
- development of membership communications methods;
- development of initial branding; and
- conducting a workshop with industry members in relation to the strategic direction of the industry.

There were no significant changes in the nature of the activities during the period.

### Employees

The Company had one casual voluntary officer, the Board Assistant, as at 30 June 2007.

## DIVIDENDS

Under the terms of its Constitution the Company is not able to pay dividends to its members.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the period.

## **ENVIRONMENTAL REGULATION AND PERFORMANCE**

Due to the nature of its operations, the Company is not subject to any significant environmental regulations.

## **EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to 30 June 2007, the Company was informed that it had not been successful in obtaining an Industry Partnership Program grant from the Commonwealth Department of Agriculture, Forestry and Fisheries. In addition, Mr Russel Glover was appointed as a new director.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## **LIKELY DEVELOPMENTS**

The Company will continue to pursue its objectives during the next financial year. It is likely that the Company will apply for an extension of the existing research project funded by RIRDC in order to extend the species scope. The Company will continue to liaise with industry members in relation to the strategic direction of the industry.

## **DIRECTORS' INTERESTS**

Each of the directors is an Individual Member of the Company.

## **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Company has not given or agreed to give any indemnity to an officer or auditor of the Company. The Company has not paid any premium for insurance against those officers' or auditors' liabilities.

The Company is currently in the process of arranging insurance in respect of current and former directors' and officers' liability and legal expenses.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is set out on page 18 and forms part of the Directors' Report for the period ended 30 June 2007.

## **ROUNDING OFF**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1 (where rounding is applicable).

This report is made in accordance with a resolution of directors.

A C Fielke  
Director and Chair

Adelaide, 29 October 2007

# Balance Sheet

As at 30 June 2007

	<i>Note</i>	2007 \$
<b>Assets</b>		
Cash		21,755
Trade receivables	3	7,185
<b>Total current assets</b>		<b>28,940</b>
Other financial assets	4	264
<b>Total non-current assets</b>		<b>264</b>
<b>TOTAL ASSETS</b>		<b>29,204</b>
<b>Liabilities</b>		
Trade and other payables	5	22,426
Current tax payable	6	2,484
<b>Total current liabilities</b>		<b>24,910</b>
<b>TOTAL LIABILITIES</b>		<b>24,910</b>
<b>NET ASSETS</b>		<b>4,294</b>
<b>EQUITY</b>		
Retained earnings	7	4,294
<b>TOTAL EQUITY</b>	8	<b>4,294</b>

# Income Statement

For the period ended 30 June 2007

	<i>Note</i>	2007 \$
Revenue	8	37,420
<b>Gross profit</b>		<b>37,420</b>
Other income	9	58
Research expenses		(24,604)
Strategic planning expenses		(6,545)
Administrative expenses		(2,035)
<b>Results from operating activities</b>		<b>4,294</b>
<b>Profit before income tax</b>		<b>4,294</b>
Income tax expense	10	0
<b>Profit for the period</b>		<b>4,294</b>

# Statement of Recognised Income and Expense

For the period ended 30 June 2007

	<i>Note</i>	2007 \$
<b>Profit for the period</b>		<b>4,294</b>
Total recognised income and expense for the period		<b>4,294</b>
<b>Attributable to:</b>		
Members of the Company		<b>4,294</b>
Total recognised income and expense for the period		<b>4,294</b>

# Statement of Cash Flows

For the period ended 30 June 2007

	<i>Note</i>	2007 \$
<b>Cash flows from operating activities</b>		
Cash receipts from RIRDC		27,064
Cash receipts from members		5,450
Cash receipts of donations		1,000
Cash paid to suppliers		(11,817)
Cash generated from operations		21,697
Interest received		58
<b>Net cash from operating activities</b>	11(a)	21,755
<b>Net cash from investing activities</b>		0
<b>Net cash from financing activities</b>		0
Net increase in cash		21,755
Cash at beginning of period		0
<b>Cash at 30 June</b>	11	21,755

# Notes to the Financial Statements

30 June 2007

## 1 Basis of preparation

### (a) *Statement of compliance*

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. IFRS is not relevant to the Company.

### (b) *Basis of measurement*

The financial statements have been prepared on a historical cost basis.

### (c) *Functional and presentation currency*

These financial statements are presented in Australian dollars, which is the Company's functional currency. All financial information has been rounded to the nearest dollar.

### (d) *Use of estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

## 2 Significant accounting policies

### (a) *Cash and cash equivalents*

Cash on hand and in banks are stated at the net realisable value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks.

### (b) *Trade and other receivables*

Trade receivables are recognised and carried at original invoice amount.

Receivables from related parties are recognised and carried at the nominal amount due.

### (c) *Trade and other payables*

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

### (d) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### Rendering of Services

- Where the contract outcome can be reliably measured, control of the right to be compensated for the services has been attained and the likelihood of contract completion can be reliably measured. Contract completion is

measured by reference to the services performed to date as a percentage of total services to be performed and any conditions attaching to settlement.

- Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

#### Interest

- Control of the right to receive the interest payment.

#### (f) *Taxes*

##### Income Tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the tax items are recognised in the financial statements and when items are taken into accounting determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

##### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	<i>Note</i>	<b>2007</b>
		<b>\$</b>
<b>3</b>		
<b>Trade Receivables</b>		
Trade debtors	<i>3(a)</i>	<b>7,185</b>
		<b>7,185</b>
<i>(a)</i>		
<i>Terms and Conditions</i>		
Trade debtors are non-interest bearing and generally on 30 day terms.		
<b>4</b>		
<b>Other Financial Assets</b>		
ASIC establishment cost		<b>330</b>
20% write-down		<b>(66)</b>
		<b>264</b>

	<i>Note</i>	2007 \$
<b>5 Trade and other payables</b>		
Trade payables due to related parties	12	14,031
Other trade payables		8,395
		<b>22,426</b>
<b>6 Current tax payable</b>		
Goods and services tax		2,484
		<b>2,484</b>
<b>7 Movement in equity</b>		
Opening balance		0
Total recognised income and expense		2,494
Balance at 30 June 2007		<b>2,494</b>
<b>8 Revenue</b>		
Research Grant – Rural Industries Research & Development Corporation (“RIRDC”)		24,604
Strategic Planning Workshop Funding - RIRDC		6,532
Membership Fees		4,954
Donations		1,330
		<b>47,420</b>
<b>9 Other income</b>		
Cheque account interest		58
		<b>58</b>
<b>10 Income tax expense</b>		
As the Company is a non-profit organisation established for the purpose of promoting the development of Australia’s agricultural resources it is classified as a Resource Development Organisation and meets the requirements for being an “Income tax exempt Non Profit Organisation”.		
<b>11(a) Cash</b>		
Bank balance		21,755
Cash in the statement of cash flows		<b>21,755</b>
<b>11(b) Cash flows from operating activities</b>		
Profit for the period		4,294
Change in trade receivables		(7,185)
Change in trade and other payables		24,588
		<b>21,697</b>
Interest received		58
Net cash from operating activities		<b>21,755</b>

	<i>Note</i>	<b>2007</b>
		<b>\$</b>
<b>12 Related Parties</b>		
The following were related parties of the Company at any time during the reporting period and unless otherwise indicated were related parties for the entire period:		
<i>Directors</i>		
▪ Mr A C Fielke (chair)		
▪ Mr L D Boyd		
▪ Mr D M Brownlow		
▪ Ms S R Hess-Buschmann		
▪ Ms A M Osborne (resigned 5 April 2007)		
▪ Mr C D Read		
▪ Mr M W Quarmby		
<i>Officers</i>		
▪ Ms A M Osborne (Board Assistant from 5 April 2007)		
A number of the directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.		
A number of those entities transacted with the Company in the reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.		
The aggregate amounts recognised during the period relating to directors and their related parties were as follows:		
L D Boyd	<i>(a)</i>	<b>390</b>
D M Brownlow – Eden Human Services	<i>(b)</i>	<b>136</b>
D M Brownlow	<i>(c)</i>	<b>150</b>
A C Fielke	<i>(d)</i>	<b>878</b>
S R Hess-Buschmann – Australian Rainforest Products Pty Ltd	<i>(e)</i>	<b>13,031</b>
A M Osborne	<i>(f)</i>	<b>88</b>
C D Read	<i>(g)</i>	<b>5,142</b>
M W Quarmby	<i>(h)</i>	<b>584</b>

	<i>Note</i>	<b>2007</b>
		<b>\$</b>
(a)	The Company reimbursed Mr Boyd for the costs incurred by him in relation to a director's teleconference.	
(b)	The Company used the services of Eden Human Services in relation to the preparation and electronic distribution of the first information bulletin.	
(c)	The Company reimbursed Mr Brownlow for printing costs.	
(d)	The Company reimbursed Mr Fielke for costs incurred by him in relation to directors' teleconferences (\$599) and return travel to an industry strategic planning workshop conducted by the Company (\$478).	
(e)	The Company is expecting to reimburse Australian Rainforest Products Pty Ltd for \$31 costs outlaid in establishing and hosting the Company's domain name. In accordance with the terms of the grant provided by the RIRDC the Company is also expecting to pay Australian Rainforest Products Pty Ltd the amount of \$13,000 in respect of services performed by Ms Hess-Buschmann in relation to a research project.	
(f)	The Company reimbursed Ms Osborne for costs incurred in travelling to an industry strategic planning workshop conducted by the Company (\$52) and printing obtained on behalf of the Company (\$36). These costs were incurred by Ms Osborne after she resigned as a director but during the period in which she acted as voluntary casual Board Assistant.	
(g)	The Company reimbursed Mr Read for the costs incurred by him in relation to directors' teleconferences (\$664) and in travelling to an industry strategic planning workshop conducted by the Company (\$478). In addition to this, in accordance with the terms of the RIRDC research project grant, the Company paid Mr Read the amount of \$3,000 in relation to services performed by him in relation to the project. An additional amount of \$1,000 remained due and payable to Mr Read at the end of the period in relation to those services.	
(h)	The Company reimbursed Mr Quarmby for costs incurred in travelling to an industry strategic planning workshop conducted by the Company.	
<b>13</b>	<b>Auditor's remuneration</b>	
	The amount due and receivable by Brian Ramsey of Ramsey and Associates for the audit of the financial report of the entity	<b>600</b>

## Directors' Declaration

In accordance with a resolution of the directors of Australian Native Food Industry Limited (the "Company") made on 29 October 2007, I state that:

In the opinion of the directors of the Company:

- 1 the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance, for the financial period ended on that date; and
  - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A C Fielke  
Chair

Adelaide, 29 October 2007

# Independent Auditor's Report

## AUSTRALIAN NATIVE FOOD INDUSTRY LIMITED ABN 80 123 156 105

### INDEPENDENT AUDIT REPORT

To the members of AUSTRALIAN NATIVE FOOD INDUSTRY LIMITED

#### Scope

We have audited the financial report on Australian Native Food Industry Limited for the financial year ended 30 June 2007 as set out on pages 7 to 15. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian Professional Ethical Pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 18 of the financial report, has not changed as at the date of providing our audit opinion.

#### Audit Opinion

In our opinion, the financial report of Australian Native Food Industry Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Ramsey & Associates  
Brian James Ramsey – Partner

29 October 2007  
Ipswich

# Auditor's Independence Declaration

**Australian Native Food Industry Limited**  
**ABN 80 123 156 105**

## **AUDITOR'S 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 30 June 2007 there have been:

- i no contraventions of the auditor's 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.

Ramsey & Associates  
Brian James Ramsey

29 October 2007  
Ipswich