

2011

ANNUAL REPORT

Leschenault Community Nursery
Incorporated



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COVER PICTURE:

Plants from the Leschenault Community Nursery ready to be put in the ground at Willoughby Offset Area Restoration Project, within the Doral Mineral Sands Dardanup Mine Project (photo by Chris Howe, June 2011)

Thank you

We are grateful to the Department of Water and the Bunbury Port Authority for a lease arrangement that allows us to use the Department of Water depot at Johnston Road, Bunbury.

We acknowledge with thanks the additional support services that continue to be provided by the Department of Water and especially thank Mike McKenna for his interest and attention.

Mission and Vision

Leschenault Community Nursery Inc (LCN) holds the intention of being an effective partner in the restoration, conservation and maintenance of healthy natural ecosystems in the South West, particularly in the Leschenault Catchment.

As an organisation we aim:

- to work in partnership with the community and with government to achieve our goals
- to provide leadership in fostering local expertise on endemic species
- to be accessible to our community of interest

Mission

To provide local plants for revegetation work in the Leschenault Catchment

Vision

A region where the conservation and diversity of plants and native fauna are assured.

Objects of the association

1. To provide local native plant species for land, waterway, wetland and coastal rehabilitation.
2. To involve the community in creating a sustainable and productive environment.
3. To foster an appreciation of the value of local plants and their role in ecosystems.

Chair's report

It has been very satisfying to see how smoothly the nursery is operating under Helen Doe's management. It is a joy to see how regular volunteers, encouraged in their interests, take pride in their responsibility for particular functions within the nursery. Helen's business management and people skills, initiative and forward thinking have lead to happy staff, happy volunteers and a suite of improvements. Thank you, Helen.

Peter Duane has continued to be reliable and unflappable – an important asset when things appear to be going pear-shaped. Tammy Godsell has been the perfect choice for the new administration position with her pleasant manner, willingness to tackle anything and her total efficiency with our financial records.

The quality management system has continued to provide a framework for all aspects of the organisation and has been audited quarterly by Jacqueline Stenhouse of Dinnie Enterprises. We have appreciated her frank and fearless advice on our compliance with standards. We can credit our 2010 achievement of accreditation by the Nursery Industry Association of Australia and its renewal in 2011 to the improvements the quality management system has spearheaded.

During the year Board members have had some rostered hands-on experience as volunteers - checking the irrigation system during the Christmas-New Year break and lending a hand on Saturday market days. Some have also boosted the volunteer numbers during pricking-out time in January. These experiences are enjoyable while bringing home the practicalities of the place as we do our strategic planning.

I appreciate the time and effort and the sharing of expertise that Board members have provided this year. Adrian Colley as deputy chair has been a good sounding Board for discussion of issues and has consistently encouraged us to aim higher. Sandra Fussell as secretary has ably documented meetings, copied reports and instigated new storage arrangements for all the Board's paper records (and a host of other things). Thank you for your efficiency, Sandra.

Thanks are due to treasurer, Peter Eckersley for his precision development of our annual budget and for his monthly cash flow analysis that shows us just where we are in an easy to read format.

Kevin Haylock played a lead role in negotiating new lease arrangements with the Department of Water and in liaising with the Bunbury Port Authority. He also lead us through the development of a charter of the characteristics we wanted for the LCN Board and an evaluation of how we met this. I am grateful to Kevin for his sound, considered thinking on difficult issues and for his positive encouragement in all that we do.

Leigh Shinde has been good at challenging the status quo and making us think about things we took for granted. She has also demonstrated her excellent public relations skills.

We will miss the contributions of retired members of the Board. Rae McPherson for providing middle ground options in many debates and for being a willing standby minute-taker; Mel Strang for her forthright analysis and web design skills; and Stacey Hughsan for providing us with great clarity on the implications of our annual financial report for 2010.

New members have provided some extra energy to meetings – Chris Howe has been very willing to participate whenever asked and has deputised as minute-taker. Gus Williams has helped the manager with the development of a new database system in the nursery by sharing his experience.

As for me, the nursery Board has provided an opportunity for maintaining former job skills and exercising my obsession with organisation!

I am reminded that to be a good volunteer – you have to be selfish! You have to know what your own drivers and satisfiers are – and see they are fulfilled. If not, you will rapidly get grumpy and dissatisfied. If it's using a practised skill or developing a new one, or meeting with like-minded people – the opportunities are there with the Leschenault Community Nursery.

Carolyn Switzer

Chairperson

Manager's report

Many changes in production and administration have occurred in the 2010/2011 season, some of which were immediately evident, some which will become so in 2011/2012.

The change to forestry tubes proved successful with the majority of clients choosing plants in this size (71%).

Developing databases has been a major and time consuming element; however, the outcome of these should improve client liaison as well as production and reporting. Volunteer records have been converted from spreadsheets to Access database giving additional flexibility in information storage and reporting. A seed bank database has been established and is in use. The landscape section database is completed and will be used in the 2012 season. The revegetation orders database will be ready for the 2012 season.

The advent of new sizes for landscape plant products has improved income in this area and production in the new season should see an increase in our ability to provide to the landscape sector.

Client relationships are still high on our priority list to stabilise and keep improving.

Financially we knew that this would be a difficult year but I have been pleasantly surprised by the outcome considering the unexpected expenses that were incurred. I feel very confident now in the future financial position of the Nursery. Cost of sales was below budget even with the inclusion of \$13,181 back payments for contractors (Fair Work decision). The decision not to replace the staff member who resigned in January helped us get this result.

Staff have willingly encompassed the new changes made throughout the year and worked extremely hard to implement them successfully and with minimal disruption to work and volunteers. I am particularly pleased at their enthusiasm to undertake additional training for the benefit of the nursery.

Volunteers, as always have astounded me. Growing self-confidence in their abilities is creating a true working team with established duties and positions within the team and an optimistic outlook.

Finally, some quotes from volunteers:

"Under the new management I can see there is a clear vision for the future of the nursery and understand the changes happening are of benefit. The nursery is looking really good."

"They've been good changes and I'm happy to work here. The atmosphere is great."

"As a regular volunteer I appreciate the camaraderie and team work and value the positive progression towards the nursery function and community service."

Helen Doe

Business Manager

Achieving our objectives

Achieving Objective 1

To provide local native plant species for land, waterway, wetland and coastal rehabilitation

Species variety: November 2010 – Oct 2011

South west species for revegetation

226 species mostly grown from seed (includes 23 species grown from cuttings and some grown from root division). Also includes 25 species of rushes and sedges.

Landscaping plants – 164 species grown from cuttings.

Repeat revegetation orders over 1000 plants

	2010-11	(2009-10)
Department of Water	2280	2144
City of Bunbury	6100	3500
Shire of Harvey	4924	6045
Southern Seawater Alliance	5833	11,493
Bilbunya	2770	1080
Carbone Brothers	1680	1343
Shire of Collie	7130	1000
South West Catchments Council	3416	1666

Revegetation customers now ordering more than 1000 plants

	2010-11	(2009-10)
Doral	9523	390
Water Corporation	4262	304
Binningup Coastcare	2982	0
Sandalwest	2195	709
Tranen	9866	0

Catering for the landscape market and waterwise gardens

This has been a successful effort at product development in providing the pot sizes and a variety of attractive species that landscapers and gardeners like. As well as forestry tubes, plants are provided in 140 ml pots with some advanced specimens of trees in 5 litre pots.

Landscape clients were provided with a monthly email update on available stocks. These measures, plus a renovated sales area and professional labelling and information have increased sales in this area from less than \$3000 in 2009 to \$15,109 in the 2010 trial period, reaching \$21,042 in 2011.

Improving operations

Quality assurance

In March 2011, after a year of monthly audits of the Quality Management System, quarterly audits were instigated starting from June 2011.

Jacqueline Stenhouse of Dinnie Enterprises, who developed the system carries out the audits and reports back to the Board at a meeting. She tracks all aspects of the system and notes any non-compliance and the remedial action needed.

Corrective actions per audit were zero or one from November 2010 to March 2011, peaked at 7 in June 2011 and declined after that (Sep = 4; Dec = 3). Most corrective actions were from the management and operational system areas. The clear up rate was lengthy for some actions, but the Board could see that nursery operations were not actually jeopardised. It tended to reflect that the manager had evolved a different timetable for what needed attention than the schedule set for audits at the beginning of the year.

Nursery Industry Accreditation

After becoming a member of the Nursery and Garden Industry Western Australian branch in 2009, LCN achieved accreditation with the Nursery Industry Accreditation Scheme Australia (NIASA) in September 2010 and this was renewed after the annual inspection in September 2011.

Customer satisfaction

In August 2011 a four question survey was emailed to 20 customers and responses were received from 13 of these. The issues canvassed were those seen as critical to success in the 2009 telephone survey. They were: plant quality, range of species, communication and pot sizes. On the whole our customers were reasonably well satisfied with our product and service, but there were some areas we are now improving to better meet their needs.

Business Plan

A Business Plan was finalised in January 2011 and is currently being reviewed for 2012. The six operational goals for 2011 became key performance indicators for the Business Manager who achieved and exceeded them all before 31st October.

1. Generate repeat orders from 50% (8)2010 customers who ordered more than 1000 plants.
2. Increase the number of customers ordering over 1000 plants by 15% of 2010 figures (i.e. 3 new customers).
3. Establish and maintain adequate numbers of well-trained volunteers showing a high level of satisfaction.

4. Develop landscaping products (130-140ml pots) to achieve sales of \$4,500 by 31 October.
5. Maintain a safe worksite with zero incidents.
6. All employees report a high level of job satisfaction at their annual performance reviews.

Strategic Plan

A Strategic Plan is being developed as an overarching document for the next 3-4 years, making clear the values, mission and overall direction of LCN.

LCN maintains the ethos of a not for profit social enterprise. LCN provides a community service in collecting seed and growing local native plants while also supporting development of people. There is a reciprocal relationship between the work carried out by community volunteers and the role of the nursery in providing a suitable place for volunteers of all ages and abilities.

Marketing Plan

The first marketing plan, a companion document to the Business Plan, was reviewed in September 2011 and updated for use in 2012.

Waterwise Garden Centre

LCN continues to fly the banners of its Waterwise Garden Centre status achieved through a Water Corporation program of specific online training for staff.

Risk management update

The Risk Management Register developed with MYR Consulting last year has been reviewed at six-monthly intervals since then. The Board is pleased to see that the number of risks has been reduced and that control actions are integrated into normal Board and operational practices.

Strategic Development

The end in mind is a redeveloped nursery that provides better facilities for volunteer work and also becomes more water efficient. LCN aims to minimise water use and use run-off, both from irrigation overspill, and from rainfall. In order to do this we need to install a hard top 'floor' under the stock benches and design drainage to channel water through a biological filter (artificial wetland) and hence to storage tanks.

Achieving Objective 2

To involve the community in creating a sustainable and productive environment

Volunteers

We are indebted to all the people who contribute their time to help LCN fulfil its mission. Volunteers perform a variety of tasks including general maintenance, minor construction, welding, reticulation, pot washing, soil preparation, weeding, general cleaning, producing plant cuttings, sowing seeds, and monitoring plant health.

- 74 people were listed on the LCN volunteer register in the 2011 financial year and each gave an average of 23 hours a month (compared to previous year's 16 hours).

Total volunteer hours = 8314 (previous year 4535)

Volunteers have assumed leadership in all aspects of the nursery – Revegetation Production; Landscape Plant Production; and Nursery Care and Maintenance.

Volunteer South West in Bunbury is a key source of referrals. In addition to this, other agencies also provide volunteers. Work for the Dole referrals come from Community First and Skill Hire. Other referrals are from People Sense, Forrest Personnel, and Enable.

Training

The Board allocated a training budget to be made available to volunteers as well as staff. Thus, volunteer Pat Oliver and staff member Peter Duane completed a series of Orchid Propagation workshops run by Jeff Hardwick, SW Institute of Technology (SWIT). The nursery is pleased to have trained people with an interest in this area of propagation – formerly the province of SWIT students only.

For part of the year, one volunteer was undertaking a horticulture course by correspondence and using her practical experience in the nursery.

Trip to WA Garden Show at Perry Lakes

In the spring, two carloads of volunteers and Board members visited the WA Garden Show at Perry Lakes in Perth and enjoyed the talks and displays there.

Seed harvesting

Along with staff members Helen Doe and Peter Duane, there are several volunteers licensed by the Department of Environment and Conservation to collect seed for the 2011-12 season: Rhonda Ashton (Team Leader - Cutting Propagation), Julie Clarke, Peter Eckersley, Sandra Fussell (Team Leader - Seed Harvesting), Heidi Martin, Jess Parker, Cheryl Stiles and Gay Widmer.

Stakeholders

Department of Water

In early October this year we renegotiated a Memorandum of Understanding with the Department of Water for the use of the Johnston Road site that they lease from the Bunbury Port Authority. This will be in operation for ten years up to the end of June 2021.

Donation from Worsley Alumina (BHP Billiton)

We are still holding the donation of \$11,000 from Worsley-BHP Billiton's Collie refinery with the intention of allocating it to infrastructure development as our plans progress.

We are grateful to Andy Van Dijk, Worsley's Community Relations Manager for his interest in our work and future plans.

Transition Bunbury

LCN became an associate of the Transition Bunbury project in August 2011. www.transitionbunbury.org.au

This is a community initiative to encourage the transition of our city to one where our environment is enhanced through

- reducing our energy and water consumption
- improving our natural places; and by
- promoting the benefits of eating locally grown food.

Achieving Objective 3

To foster an appreciation of the value of local plants and their role in ecosystems

Waterwise garden workshop

On 15 April at the launch of LCN as a waterwise garden centre by staff from the Water Corporation, the nursery ran a very well attended event demonstrating how to plan for and develop a waterwise garden – using native plants. Mel Strang supplied her expertise and kept everyone interested with her colourful presentation and samples of materials recommended.

Plants for Group TENG

LCN continues to supply the Dalyellup residents' Group TENG (To Encourage Native Gardens) with the plants they give away at community events in this new housing area.

Plants for Schools

Plants were made available free of charge to a number of local schools and Girl Guides when requested.

Market Days

Market Days were held on the second Saturday morning each month from April to October to allow members of the public to buy South West plants and to encourage water-wise gardens. The nursery has also been open on Tuesday mornings throughout the year for market sales.

We now have descriptive labelling for each selection of plants and every pot is labelled.

Regular volunteers and members of the Board support the Business Manager on monthly Market Days and enjoy the experience.

Website

The professional website designed and developed by Mel Strang is a flagship for information about the nursery including the range of plants grown and the current price list: www.leschenaultcommunitynursery.com.au

Native orchid project

The orchid house constructed in October 2009 by SW Regional College of TAFE students (now SW Institute of Technology) with lecturer Jeff Hardwick has seen the growth and flowering of its first batch of 12 species of orchid. Jeff has conducted orchid propagation workshops attended by a number of interested members of the community including Peter Duane and volunteer Pat Oliver.

LCN plans to expand orchid propagation in partnership with Jeff and using the expertise of committed volunteers who have completed the technical workshops at SWIT.

Looking ahead

2012 will be a year of further development.

The wetland section will continue to expand on the new raised 'wet beds' set up for this purpose, old benches will be replaced with new ones manufactured on the premises. The orchid propagation section will be further developed.

We will seek funding to start strategic redevelopment in line with the new Strategic Plan, the highest priority being a new 'shed' that will accommodate volunteers and staff and provide better amenities and more pleasant working conditions.

LCN Board

The LCN Board held twelve ordinary meetings in this financial year with a full program of responsibilities to accomplish. Committees met as needed during the year to plan for marketing; strategic development; succession planning and finance and budget development.

Key achievements were

- completing and endorsing the 2011 Business Plan
- evaluating the Board's performance (May)
- quarterly management reviews with the quality assurance consultant
- updating the Risk Management Register (July)
- reviewing finances and developing a budget for 2012

During the year, two members (Adrian Colley and Kevin Haylock) undertook training seminars ('Better Boards' and Succession Planning).

During the year, the Board learned a hard lesson about the legalities of contractual employment under the Fair Work Act when we were faced with a claim from a former contractor. We are pleased we had made the decision in the previous year to put all paid workers on wages with the full range of benefits that go with this.

Two new members were recruited during the year and add youth and experience in resource industries to the palette of Board skills and characteristics.

Board membership

Name	Member since	Position	Resigned from Board	Ordinary Meetings attended (12)
Carolyn Switzer	1998	Chair; March 2005 -		11
Adrian Colley	Nov 2008	Deputy Chair, Feb 2010 -		7
Peter Eckersley	Feb 2006	Treasurer, February 2011 -		11
Sandra Fussell	Jun 2008	Secretary, Feb 2010 -		7
Kevin Haylock	Mar 2010			9
Stacey Hughan	Oct 2010	Treasurer, Oct 2010 – January 2011	January 2011	3
Rae McPherson	2001		July 2011	5
Melanie Strang	1999		Oct 2011	6
Leigh Shinde	Dec 2010			5
Chris Howe	May 2011			5
Angus Williams	May 2011			1

Board Profiles – members at 31 October 2011

Carolyn Switzer

Carolyn retired in 2009 after 20 years working in natural resource management, in areas ranging from project management to planning and communication.

Adrian Azarri Colley, Red Ochre Consulting

Adrian has had over thirty years working with government agencies advising on, and implementing community and economic developments projects.

Sandra Fussell

Sandra is an experienced educator, retired in 2007, after 35 years specialising in Technology, Art and Design and was formerly a curriculum designer and faculty coordinator with TAFE, Catholic and Anglican education.

Peter Eckersley, Eckersley Rural Consulting

Peter has had 40 years experience as a rural/resource economist, project manager and line manager in State Government with skills in Economic Analysis, Land Use Policy Analysis, Biosecurity Investment Analysis, Sustainable Rural Development Planning, Strategic Planning & Project Management. He is also active in community affairs being Chairman of SW Opera Co since 2002.

Kevin Haylock

Kevin is the principal of Sandalwest, a small forest management consultancy. Kevin is currently works with remote Aboriginal communities to develop business opportunities in tune with cultural and environmental values.

Leigh Shinde

Leigh has over 10 years experience in natural resource management. With a focus on waterways and community engagement she has worked for Dept of Water, South West Catchments Council and Leschenault Catchment Council. She has completed River Action Plans for the Brunswick and Collie Rivers. Currently Leigh runs her own small consultancy.

Chris Howe

Chris is currently the Environmental Officer for the Doral Mineral Sands Dardanup Mine Project. Chris is involved with developing and implementing plans for native rehabilitation of mined areas and wetlands, where he has promoted community involvement with activities such as tree planting.

Angus Williams

Gus is currently working on Barrow Island as the Quarantine Scientist for the Gorgon Project Construction team. Gus previously worked for Strategen Environmental Consultants on a range of environmental approvals and revegetation projects. He also has experience in broad acre research agronomy, tropical horticulture research and entomology.

Staff

We gratefully acknowledge the dedication of the people who have worked for LCN in the 2010-2011 year.

Name	Responsibility	Started	Finished
Helen Doe	Business Manager	1 Feb 2010	
Peter Duane	Production Coordinator	19 Nov 2007	
Tammy Godsell	Administration Coordinator	8 Nov 2010	
Cait Gordon	Cutting Coordinator	26 July 2010	Jan 2011

During the year, the manager reduced her working time to 4 days a week and we established a new position of administrative assistant. This has made a great difference to the efficiency of dealing with customers and suppliers while freeing up the manager's time for floor management, planning and implementing changes.

As the Manager has restructured the way the nursery functions, responsibilities have been re-assigned among the staff and new job descriptions developed. Hence it was decided not to replace the cuttings coordinator but to maintain and increase the hours of the administration person.

Helen, Peter and Tammy have all undertaken further horticultural training through Farm Information Services (Diploma in Horticulture). Peter and volunteer Pat Oliver attended the orchid propagation workshops so that this part of the nursery can be more fully integrated into production. Peter also undertook a Water Works course run by the Nursery and Garden Industry Association.

In house training has been conducted for all staff in different aspects of their work, from use of Access databases to propagation and quality control.

Financial Statements for the year ending 31 October 2011

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- Income Statement
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- Statement of Income and Expense
- Notes to the Financial Statements
- Certificate by Members of the Board

Board's Report

31 October 2011

Your Board members submit the financial report of Leschenault Community Nursery Inc. for the financial year ended 31 October 2011.

1. General Information

Board Members

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

<i>Name</i>	<i>Appointed/Resigned</i>
Carolyn Switzer	1998/
Melanie Strang	1999/Oct 2011
Rae McPherson	2001/July 2011
Peter Eckersley	Feb 2006/
Sandra Fussell	June 2008/
Adrian Azzari Colley	Nov 2008/
Kevin Haylock	Feb 2010/
Stacey Hughan	Sep 2010/Jan 2011
Leigh Shinde	Dec 2010/
Chris Howe	May 2011/
Angus Williams	May 2011/

Under the Leschenault Community Nursery Inc. Constitution, no committee member is permitted to receive fees or a salary.

Principal Activities

The principal activities of the Leschenault Community Nursery Inc. are to provide local native species for land, waterway, wetland and coastal rehabilitation; to involve the community in creating a sustainable and productive environment; and to foster an appreciation of the value of local plants and their role in ecosystems.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Business Review

Operating Result

The loss of the association for the financial year amounted to \$-5,717.

3. Other Items

After Balance Date Events

No matters or circumstances have arisen since the end of the Financial Year which affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.

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

Board Member:

Board Member:

Dated thisday of 2012.

Income & Expenditure Statement for the year ended 31 Oct 2011

	For the year ended 31 October 2011	For the year ended 31 October 2010
Income		
Ordered Sales		71,354
Plant Sales	113,758	1,063
Market Day Sales	17,084	14,489
Plant Supplies		190
Vouchers & Subsidies	1,233	
Late Fees	393	
Grants Brought Forward	11,223	17,525
Grants Received		-
Cfwd Unspent Grants	(11,223)	(11,223)
Interest Received	5,540	6,998
Other Income	7,795	4,159
Total Income	145,803	104,555
COGS		
<i><u>Direct Nursery Expenditure</u></i>		
Freight	819	
Chemicals		793
Equipment Rental		270
Fertiliser	1,894	291
Irrigation	110	2,481
Planting Materials		-
Plant Purchases		579
Potting Medium	2,634	2,827
Pot Levy	512	
Pots, Trays & Stakes	17,443	3,098
Pruning Equipment		52
Seeds	2,256	735
Closing Inventory	(20,863)	(19,735)
<i><u>Direct Employment Expenses</u></i>		
Sub-Contractors	5,755	22,479
Wages - Direct	27,191	23,621
Superannuation	9,874	2,105
Workers Compensation	652	4,188
Staff Entitlements	1,245	1,839
Total COGS	49,522	45,624
Gross Profit	96,281	58,931

	For the year ended 31 October 2011	For the year ended 31 October 2010
Expenses		
<u>Indirect Expenses</u>		
Accounting Fees	3,178	638
AGM		105
Bank Fees	260	
Board Expenses	496	467
Bookkeeping Fees		3,463
Cleaning	92	176
Computer Expenses	926	692
Consulting Fees	318	-
Database Maintenance		500
Depreciation	5,105	4,670
Donations		-
Equipment	4,381	-
Grant Expenditure		6,302
Insurance		376
Lease Expenses	2,992	
Licenses & Fees		-
Management Expense		-
Personal Protective Equipment	317	191
Postage & Couriers	329	233
Printing & Stationery	1,373	1,607
Project Expenses		-
Publicity / Promotion		-
QA implementation	2,700	8,171
Repairs & Maintenance	2,314	3,873
Staff Training	120	515
Subscriptions	1,068	1,687
Telephone	256	39
Travel & Entertainment		244
Volunteer / Staff Amenities	2,091	1,667
Workshop Expenses	221	130
<u>Indirect Employment Expenses</u>		
Wages - Indirect	65,279	41,784
Superannuation - Indirect	5,875	3,620
Workers Compensation	(813)	
Staff Entitlements - Indirect	2,760	552
Staff Recruitment		1,595
Total Expenses	101,638	83,297
Other Expenses		
Loss on Disposal of Assets	360	400
Net Surplus (Deficit)	(5,717)	(24,766)

Balance Sheet as at 31 October 2011

	Note No.	As at 31 October 2011 \$	As at 31 October 2010 \$
Current Assets			
Cash	2	146,351	166,057
Debtors	3	9,204	3,477
Inventory	4	40,598	19,735
		<hr/>	<hr/>
Total Current Assets		196,153	189,269
Non-Current Assets			
Plant & Equipment	5	22,422	27,887
		<hr/>	<hr/>
Total Non-Current Assets		22,422	27,887
		<hr/>	<hr/>
Total Assets		<u>218,575</u>	<u>217,156</u>
Current Liabilities			
Creditors & Accruals	6	13,437	974
Payroll Liabilities	7	1,462	1,772
Other Current Liabilities	8	11,223	19,544
BAS Liabilities	9	533	1,234
Employee Entitlements	10	6,800	2,794
		<hr/>	<hr/>
Total Current Liabilities		33,454	26,318
		<hr/>	<hr/>
Total Liabilities		<u>33,454</u>	<u>26,318</u>
Net Assets			
		<hr/> 185,122 <hr/>	<hr/> 190,839 <hr/>
Equity	11	<hr/> 185,122 <hr/>	<hr/> 190,839 <hr/>

NOTES TO THE BALANCE SHEET

Note 2 - Cash

CBA Business Account		26,265
ANZ Cheque Account	28,367	8,770
ING Business Optimiser	117,485	130,945
Petty Cash	500	78
	<hr/>	<hr/>
	146,352	166,058

Note 3 - Debtors & Prepayments

Trade Debtors	6,821	3,477
Prepayments	2,383	
	<hr/>	<hr/>
	9,204	3,477

Note 4 - Inventory

Inventory	40,598	19,735
	<hr/>	<hr/>
	40,598	19,735

Note 5 - Plant & Equipment

Plant & Equipment	45,157	46,057
	(22,735)	(18,170)
	<hr/>	<hr/>
	22,422	27,887

Note 6 - Creditors & Accruals

Trade Creditors	105	974
Accrued Expenses	1,280	
Prepaid Income / Overpaid Accounts	12,052	
	<hr/>	<hr/>
	13,437	974

Note 7 - Payroll Liabilities

PAYG Payable	845	1,107
Superannuation Payable	617	666
	<hr/>	<hr/>
	1,462	1,772

Note 8 - Other Current Liabilities

Secured Deposits - Pre Orders		8,321
Grants In Advance	11,223	11,223
	<hr/>	<hr/>
	11,223	19,544

Note 9 - BAS Liabilities

GST Collected	1,052	1,508
GST Paid	(519)	(273)
	<hr/>	<hr/>
	533	1,234

<u>Note 10 - Staff Entitlements</u>		
Provision for Annual Leave	6,800	2,794
	6,800	2,794
Total Liabilities	33,454	26,318
 <u>Note 11 - Equity</u>		
Retained Earnings	190,839	215,605
Current Year Earnings	(5,717)	(24,766)
Total Equity	185,122	190,839

Notes to the Financial Statements

Statement of Significant Accounting Policies

(a) General Information

This financial report is a special purpose financial report prepared for use by the Board of Management and members of the organisation. The Board has determined that the organisation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB1031: Materiality

AASB 110: Events occurring after balance date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Standards Board have been applied.

(b) Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

(c) Cash & Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(d) Plant and Equipment

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

Plant and equipment are measured on the cost basis less depreciation and impairment of losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives 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.

Depreciation Rates

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Furniture, Fixtures and Fittings	15-25%
Computer Equipment	33%
Plant & Equipment	10-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(e) Income Tax

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

(f) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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.

(h) Funding / Grants

Funding and Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the expenses they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income at the expected useful life of the asset on a straight line basis.

(i) Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

Certificate by members of the Board

The financial report was authorised for issue on 26 day of February 2012.

I, Carolyn Switzer, c/- Leschenault Community Nursery Inc., Johnston Road, Bunbury and
I, Peter Eckersley, c/- Leschenault Community Nursery Inc., Johnston Road, Bunbury
certify that:

- a) We are members of the Board of the Leschenault Community Nursery Inc.
- b) We will be attending the annual general meeting of the organisation scheduled for 26 February 2012.
- c) We are authorised by the attached resolution of the Board to sign this certificate.
- d) This annual statement will be submitted to the members of the association at its annual general meeting.

.....
Carolyn Switzer

.....
Peter Eckersley

Dated..... 2012

Resolution of the Board

Resolution of the Board agreed this 14th day of November, 2011

It is resolved that Carolyn Switzer and Peter Eckersley be authorised to sign the certificate authorising the release of the annual financial statement to members of the Leschenault Community Nursery Incorporated at its Annual General Meeting.