

ALMOND BOARD *of* AUSTRALIA



Annual Report
2004 - 2005



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Association Directory

EXECUTIVE COMMITTEE

Stephen Lynch – Chairman
Neale Bennett
John Bird
Frank Condo
James Pierson
Richard Smart
Corinna Steeb
Brenton Woolston

COMPANY SECRETARY

Christopher Bennett

OFFICE

“Horticulture House”
7 Wilson Street, Berri S.A. 5343
PO Box 52, Berri S.A. 5343
Phone: (08) 8582 2055
Fax: (08) 8582 3503
Email: aba@riverland.net.au
www.australionalmonds.com.au

ABN

31 709 079 099

AUDITORS

Tilley Murphy Hughes
Chartered Accountants
Kay Avenue, Berri S.A. 5343

BANK

Bank of South Australia
William Street, Berri S.A. 5343

Notice of Annual General Meeting

The Annual General Meeting of members of Almond Board of Australia Incorporated will be held at the Berri Resort Hotel, Riverview Drive, Berri, South Australia, during the Annual Almond Industry Conference on Thursday 10th November 2005, commencing at 5:00pm.

Chairman's Report

This Chairman's report is brought to you at the end of a year in which we have experienced further growth in world almond prices, combined with continuing significant growth in our Australian industry, and commensurate growth in the ABA's organisational development and activities.

At this time last year, we were still resolving a number of financial management and reporting issues in the ABA. Therefore, it is pleasing that this report and the ABA financial accounts are signed off by the ABA Executive and the auditors, and are forwarded to members in advance of the Annual General Meeting.

As I write this report for 2005, new orchard plantings bring the industry's total area under crop to somewhere between 25-30,000 acres, a significant increase from some eight years ago when it was less than 10,000 acres. The ABA is planning on the assumption that this acreage will continue to grow at similar rates for at least the next 3-4 years, which may see Australia's production approach 50,000 acres. At this point we may well match Spain's production as these trees come into maturity, which would make Australia a significant world almond producer behind California.

The year has been extremely busy for the ABA Executive and IAC. The key objective of the past year has been to work towards developing long term structure, organisational planning and robustness in the ABA organisation and finances, to provide for the long-term management of a rapidly growing industry.

The ABA Executive has worked hard in the past year to anticipate requirements to manage this growth and the consequent organisational impact, and I summarise below some of the activity.

Firstly, it is important that the industry assume a strong professional and representation position in Australian horticulture, the world almond industry, and the Australian economy generally.

Along with continuation of our marketing activities, which will be detailed at the Annual Conference on 10th – 11th November, the ABA is now presenting a new brand image of the industry via our new logos and letterhead. This image is designed to provide differentiation from California, a clear representation of fresh Australian almonds and a distinctive brand which we can use in generic marketing, and something of which we hope all industry members will be proud.

Initiatives which support the increased industry presence include the current conference itself. We have secured a number of commercial sponsors and noteworthy guest speakers; combining to present what we hope will prove to be a more professional and interesting conference format.

With the introduction of a marketing levy in 2004, we are now into the second year of our marketing program with consultant Joseph Ebbage of Consumer Insights. Joseph has worked closely with the marketing subcommittee and has been integral to the developments we are seeing, and longer term strategies as part of a 5 year plan. The Executive is very pleased with the commitment of the marketing team, and the current and pending output and exposure, which we can see emerging from those activities.

Early this year the ABA retained a facilitator to manage a one day workshop incorporating members of the Executive and the Industry Advisory Committee. We addressed the ABA organisational structure, together with future needs and direction. In particular, the need for a clear structure and understanding of roles and responsibilities came out of this workshop. While there were some differences and concerns about the way in which we could develop, it was clear in the resolutions of the workshop that an organisation which has a rapidly growing budget and industry to support requires development and resource changes to meet the requirements of the organisation and industry. To this end we are continuing to consider the requirement for further organisational management staff, and at this stage have undertaken the following:

- Julie Haslett has an expanded Administration/Financial Management role, and works 4 days a week.
- Kim French, formerly employed by Riverland Horticultural Council, is now an ABA employee and has a high proportion of her time allocated to ABA activities. Kim is welcomed to the team. Kim continues to provide some services to other organisations in Horticulture House.
- With the increased administration support, Chris Bennett's activities are increasingly focused more directly on the true IDM responsibilities revolving around agronomy and R&D. Chris continues to be supported by his team of Phil Watters and more recently John Kennedy.

Other initiatives to support the new ABA image and provide increased communication information to members include:

- a) A new website –all members are encouraged to visit the website. Increased use will lead to additional services via this medium.
- b) Julie Haslett has issued the first of regular newsletters aimed to keep members informed.

Finances

Following the comments and concerns regarding our financial management and review last year, Julie Haslett has assumed more formally the mantle of Administration/Finance Manager and with support from Executive members has reformatted the presentation and reporting of accounts. As a result we are pleased to present a set of accounts, which the Executive have approved and are comfortable provide a good and thorough representation of the activities.

The financial position across the organisation is currently healthy and we anticipate this situation to continue. However, we note that while levies will expand, the significant research program is also contingent on the significant ABA income from the commercial budwood nursery source. The Executive recognises that any problem of lack of sales from this activity would significantly diminish the financial position of the organisation, and we are addressing ways to manage and protect this aspect. I believe it is important that all members are aware that this significant source of income requires careful consideration and risk management.

Research

As you are all aware, 2005 represents the five year review period for the R&D program. An independent research review was conducted earlier in the year. Together with the 2006-2011 Strategic Plan that is currently being developed, this will assist in setting priorities and direction for the R&D program,

Strategic Planning

The ABA has appointed a consultant Phil Herd, who in conjunction with the Executive Committee, the IAC and HAL, are undertaking the five year strategic plan.

We are just commencing the process, and while it will not be complete at the time of the Annual Meeting, we will be briefing all members on the program and providing opportunities for commentary and participation in the process.

Membership

I noted in last year's report that membership had declined, and am pleased to record that membership has now started to increase, I am hopeful that the developments and activities summarised above will encourage a much higher percentage of levy payers also being members of the ABA.

I continue to remind everyone who is not a member that the ABA provides an important medium for industry voice, and your right to vote on ABA finance and organisational matters is separate to R&D levy matters.

We are also seeking a resolution at the Annual General Meeting to provide for associate members. We believe it is important that our related businesses, particularly nurseries and beekeepers, participate in the industry. Providing for associated members allows other related industries to fully participate, while preserving the voting power within the grower base of members. I encourage you all to positively consider the resolution at the Annual General Meeting.

Acknowledgements

In what has been a busy year for all office bearers, I wish to acknowledge and thank the following:

1. Chris Bennett, Phil Watters & John Kennedy for the ongoing industry development work.
2. Julie and Kim for accepting the increased load and in particular Julie for initiative in assisting with many of the new developments.
3. John Oakeshott from HAL, who has had a busy year supporting our development and reorganisation.
4. Members of the IAC who have overseen the program, while being requested to also provide their input to developments and change, and have a busy period coming during the five year review.
5. Finally to the members of the Executive who have in 2004/05 been requested to provide an increased period of input at meetings and travel.
6. Joseph Ebbage, our marketing consultant.

I have accepted the Executive's request to provide a further year as Chairman, and in doing so note that one of our reorganisations is that the process of developing responsibilities and guidelines for all office bearers is currently being better developed to provide for delegation of roles, handover of office bearer positions etc.

I look forward to a good conference and forthcoming season for everyone.



Stephen Lynch
Chairman

**Almond Board of Australia Inc.
November 2005**

Members & Affiliations

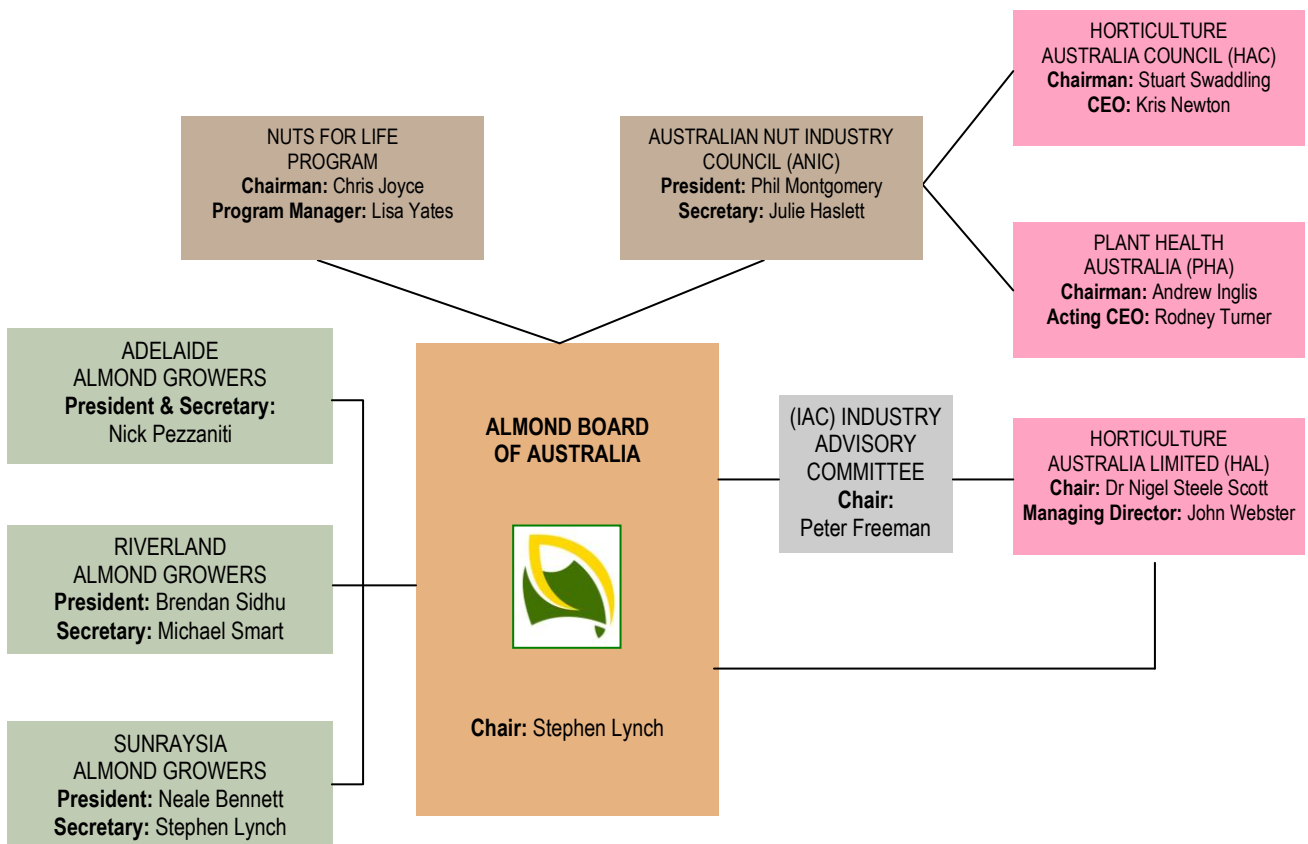
MEMBERS

The ABA has 102 members. Almond growers, processors and marketers are eligible to become a member upon payment of the annual subscription.

AFFILIATIONS

Horticulture Australia Council (HAC)
Horticulture Australia Limited (HAL)
Australian Nut Industry Council (ANIC)
Plant Health Australia (PHA)
Riverland Horticultural Council (RHC)

Industry Chart



Executive Committee

The ABA is managed by an eight person Executive Committee, which consists of three marketing and five grower representatives:

- one from the Adelaide region
- two from the Riverland region
- two from the Sunraysia region



Chairman
Sunraysia Region
Grower Representative

STEPHEN LYNCH



Sunraysia Region
Grower Representative

NEALE BENNETT



Adelaide Region
Grower Representative

JIM PIERSON



Marketing
Representative

JOHN BIRD



Riverland Region
Grower Representative

FRANK CONDO



Marketing
Representative

CORINNA STEEB



Riverland Region
Grower Representative

RICHARD SMART



Marketing
Representative

BRENTON WOOLSTON

Regional Representatives

ADELAIDE REGION

All of South Australia other than that portion included in "Riverland".



President & Secretary
NICK PEZZANITI

RIVERLAND REGION

Areas in South Australia and the area west of Lake Cullulleraine in Victoria, which are irrigated from the River Murray.



President
BRENDAN SIDHU



Secretary
MICHAEL SMART

SUNRAYSIA REGION

All areas east of Lake Cullulleraine.



President
NEALE BENNETT



Secretary
STEPHEN LYNCH

IAC Committee

The Almond Industry Advisory Committee (IAC) is a committee of HAL that oversees the Almond R&D program.



Chairman
PETER FREEMAN



ANDREW LACEY



BEN HASLETT



PAUL MARTIN



GRAHAM JOHNS



VIC SZABO



BRENT KAISER



MAX TOLSON



Ex-officio (HAL)
JOHN OAKESHOTT

Staff

The ABA has a small, dedicated staff. The office is based in “Horticulture House” in Berri, in the Riverland region of South Australia.



Industry Development Manager
CHRIS BENNETT



Technical Officer
PHIL WATTERS



Technical Officer
JOHN KENNEDY



Admin/Finance Manager
JULIE HASLETT



Administration Assistant
KIM FRENCH



Marketing Program Manager (Consultant)
JOSEPH EBBAGE

Financials

**ALMOND BOARD OF AUSTRALIA INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
Revenues from ordinary activities		20,973	17,164
Other expenses from ordinary activities		<u>(21,395)</u>	<u>(25,542)</u>
Profit/(loss) from ordinary activities		<u>(422)</u>	<u>(8,378)</u>
Total changes in equity other than those resulting from transactions with owners as owners	8	<u>(422)</u>	<u>(8,378)</u>

**ALMOND BOARD OF AUSTRALIA INC.
RESEARCH & DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
Revenue from ordinary activities		403,391	412,766
HRDC - Facilitate Aust Almond Industry		-	-
Other expenses from ordinary activities		<u>(337,673)</u>	<u>(244,222)</u>
Profit/(loss) from ordinary activities		65,718	168,544
Total changes in equity other than those resulting from transactions with owners as owners	8	<u>65,718</u>	<u>168,544</u>

The accompanying notes form part of this financial report.

**ALMOND BOARD OF AUSTRALIA INC. - MARKETING
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
Revenue from ordinary activities		222,480	30,211
Other expenses from ordinary activities		<u>(115,052)</u>	<u>(1,638)</u>
Profit/(loss) from ordinary activities		107,428	28,573
Total changes in equity other than those resulting from transactions with owners as owners	8	<u>107,428</u>	<u>28,573</u>

**ALMOND BOARD OF AUSTRALIA INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash	2	516,298	256,085
Receivables	3	56,056	92,677
Other	4	<u>8,227</u>	<u>896</u>
TOTAL CURRENT ASSETS		<u>580,581</u>	<u>349,658</u>
NON CURRENT ASSETS			
Plant and equipment	5	<u>18,449</u>	<u>15,069</u>
TOTAL NON CURRENT ASSETS		<u>18,449</u>	<u>15,069</u>
TOTAL ASSETS		<u>599,030</u>	<u>364,727</u>
CURRENT LIABILITIES			
Payables	6	74,323	52,911
Provisions	7	48,384	30,662
Unspent Project Funds	9	<u>3,294</u>	<u>(11,513)</u>
TOTAL CURRENT LIABILITIES		<u>126,001</u>	<u>72,060</u>
TOTAL LIABILITIES		<u>126,001</u>	<u>72,060</u>
NET ASSETS		<u>473,029</u>	<u>292,667</u>
EQUITY			
Retained Surplus	8	<u>473,029</u>	<u>292,667</u>
TOTAL EQUITY		<u>473,029</u>	<u>292,667</u>

The accompanying notes form part of this financial report.

**ALMOND BOARD OF AUSTRALIA INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
General			
Receipts from Members		13,594	13,309
Other Receipts		654,724	385,687
Payments to Suppliers		(461,848)	(329,725)
Interest Received		<u>2,330</u>	<u>3,971</u>
Net Cash provided by (used in) Operating Activities	2(b)	208,800	73,242
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Plant and Equipment		(10,788)	(5,029)
Proceeds from sale of Plant and Equipment		<u>1,423</u>	<u>-</u>
Net Funds (used by) investing Activities		(9,365)	(5,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Project Receipts - IDM		601,273	461,165
Interest Received		2,913	366
Other Receipts		-	827
Project Expenditure		<u>(543,408)</u>	<u>(527,377)</u>
Net Cash provided by (used in) Financing Activities		60,778	(65,019)
Net Increase (Decrease) in Cash held		260,213	3,194
Cash at beginning of the year		<u>256,085</u>	<u>252,891</u>
Cash at end of the financial year	2(a)	<u>516,298</u>	<u>256,085</u>

The accompanying notes form part of this financial report.

**ALMOND BOARD OF AUSTRALIA INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
2. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at Bank - IDM	15,414	52,229
Cash at Bank - Research & Development	238,648	6,015
Cash at Bank - Marketing	160,479	27,847
Cash at Bank - ABA	102,413	106,620
Bank SA Visa - IDM	(856)	(3,466)
US Dollar Account	-	66,040
Cash on Hand	-	400
Cash on Hand - IDM	200	400
	<u>516,298</u>	<u>256,085</u>
(b) Reconciliation of net cash provided by operating activities to operating surplus/(deficit) after income tax		
Operating surplus/(deficit)	172,724	188,738
Transfer to R & D Provision	-	(75,000)
Changes in assets and liabilities:		
Decrease/(Increase) in Receivables	31,391	(57,175)
Increase/(Decrease) in Creditors	<u>4,685</u>	<u>16,679</u>
Net cash provided by (used in) operating activities	<u>208,800</u>	<u>73,242</u>
3. RECEIVABLES		
Accounts receivable	-	1,072
Accounts receivable - IDM	30,117	33,030
Accounts receivable - Marketing	(10,361)	24
Accounts receivable - R&D	36,300	56,233
Sundry Debtors - IDM	-	2,318
	<u>56,056</u>	<u>92,677</u>
4. OTHER		
Prepayments	<u>8,227</u>	<u>896</u>

**ALMOND BOARD OF AUSTRALIA INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
5. PLANT AND EQUIPMENT		
Plant and Equipment - General at cost	17,346	6,861
Less Accumulated Depreciation	<u>(5,830)</u>	<u>(3,713)</u>
	<u>11,516</u>	<u>3,148</u>
Plant and Equipment - TO at cost	11,283	10,799
Less Accumulated Depreciation	<u>(6,272)</u>	<u>(4,900)</u>
	<u>5,011</u>	<u>5,899</u>
Irrigation Equipment at cost	29,646	29,646
Less Accumulated Depreciation	<u>(27,724)</u>	<u>(23,624)</u>
	<u>1,922</u>	<u>6,022</u>
Total Plant and Equipment	<u>18,449</u>	<u>15,069</u>

(a) Movement in Carry Value

	Plant & Equipment General	Plant and Equipment	Irrigation Equipment	Total
Balance at beginning of year	3,148	5,899	6,022	15,069
Additions	10,304	484	-	10,788
Disposals	182	-	-	182
Depreciation Expense	(2,118)	(1,372)	(4,100)	(7,590)
Balance at carrying amount at end of year	11,516	5,011	1,922	18,449

2005	2004
\$	\$

6. PAYABLES

Accounts Payable - TO	337	-
Accounts Payable - IDM	21,500	29,315
Accounts Payable - R & D	22,000	-
Accounts Payable - Marketing	18,480	-
PAYG Withholding - IDM	2,252	2,418
GST Payable - IDM	(10,789)	3,591
GST Payable	(690)	1,482
GST Payable - R&D	18,686	16,806
GST Payable - Marketing	<u>2,547</u>	<u>(701)</u>
	<u>74,323</u>	<u>52,911</u>

7. PROVISIONS

CURRENT

Provision for Annual Leave	30,382	30,662
Provision for Professional Development	18,002	-
	48,384	30,662

**ALMOND BOARD OF AUSTRALIA INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
8. TOTAL EQUITY		
Retained Surpluses		
Balance at beginning of year	292,667	103,928
Transfer from Technical Officer project	7,637	-
ABA	(422)	(8,378)
R&D	65,718	168,544
Marketing	<u>107,429</u>	<u>28,573</u>
Retained Surpluses at end of Year	<u>473,029</u>	<u>292,667</u>
8. a	The transfer from Technical Officer project is a re-allocation necessary to reconcile opening equity.	
9. PROJECT FUNDS UNSPENT		
Funds unexpended are reflected as liabilities at balance date. It is anticipated that the balance of funds unexpended will be fully utilized on the nominated project.		
AL 01001 Technical Officer		
Project Funds Not Expended/(Over Expended) at beginning of year	4,686	22,730
Transfer to ABA	(7,637)	-
Add: Income	241,427	94,504
Less: Expenses	<u>(217,803)</u>	<u>(112,548)</u>
Project Funds Not Expended/(Over Expended) at end of year	<u>20,673</u>	<u>4,686</u>
AL 99001 IDM Project		
Project funds Not Expended at beginning of year	<u>(11,442)</u>	(29,811)
Add: Income	<u>272,145</u>	344,534
Less: Expenses	<u>(288,317)</u>	(326,165)
Project Funds Not Expended at end of year	<u>(27,614)</u>	(11,442)

**ALMOND BOARD OF AUSTRALIA INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
9. PROJECT FUNDS UNSPENT (cont)		
RAP Project (Monash)		
Project funds Not Expended at beginning of year	(2,069)	51,000
Add: Income	34,000	-
Less: Expenses	<u>(32,208)</u>	<u>(53,069)</u>
Project Funds Not Expended at end of year	<u>(<u>277</u>)</u>	<u>(<u>2,069</u>)</u>
HAL Project (Monash)		
Project funds Not Expended at beginning of year	-	-
Add: Income	32,200	-
Less: Expenses	<u>(23,305)</u>	<u>-</u>
Project Funds Not Expended at end of year	<u><u>8,895</u></u>	<u><u>-</u></u>
ALO 3000 Partnership Agreement Project		
Project funds Not Expended at beginning of year	6	-
Add: Income	10,500	40,500
Less: Expenses	(6,682)	(40,494)
Project Funds Not Expended at end of year	3,824	6
Water Management Best Practice Project		
Project funds Not Expended at beginning of year	(2,694)	-
Add: Income	11,000	15,850
Less: Expenses	(10,513)	(18,544)
Project Funds Not Expended at end of year	(2,207)	(2,694)
Total Project Funds Not Expended/(Over Expended) 30 June 2005	3,294	(11,513)

**ALMOND BOARD OF AUSTRALIA INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

NOTE 10: RELATED PARTIES

Committee Members

The names of committee members who have held office during the financial year are:

S Lynch (Chairman), P Martin (retired), J Pierson, J Bird, G Strutton (resigned),
B Woolston, N Bennett, R Smart, C Steeb (appointed), F Condo.

No committee members received remuneration for their services.

Loans to Committee Members

No loans have been made, guaranteed or secured by the association to a committee member or a related entity of a committee member or by the association to a director of any related party or director related entity.