



25 July 2014

Richard Hill
President
Timber Merchants Association, Victoria
PO Box 97
BLACKBURN VIC 3130

Dear Mr Hill

Timber Merchants Association Victoria Financial Report for the year ended 31 December 2013 - [FR2013/449]

I acknowledge receipt of the financial report of the Timber Merchants Association Victoria. The documents were lodged with the Fair Work Commission (FWC) on 10 June 2014.

I also acknowledge receipt of supplementary information on 18 July 2014 and 25 July 2014 in relation to addressing the issues raised in my letter dated 4 July 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



Orr, Martin & Waters

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25 July 2014

Ms J Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch
Fairwork Commission
GPO Box 1994
MELBOURNE VIC 3001

via email: joanne.fenwick@fwc.gov.au

Dear Ms Fenwick

TIMBER MERCHANTS ASSOCIATION (VICTORIA) FINANCIAL STATEMENTS 2013

We act as auditors of Timber Merchants Association Victoria, and on their behalf herewith enclose the signed amended Financial Statements for the year ended 31 December 2013.

We take this opportunity to thank Ms J Fenwick of your office for her assistance and guidance in our finalising of these financial statements.

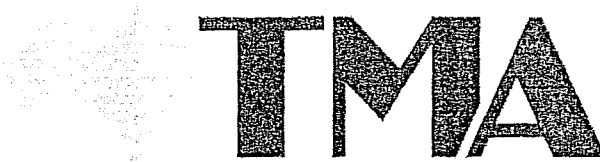
Should you have any queries in relation to the above, please do not hesitate to contact me.

Yours faithfully
ORR MARTIN & WATERS

L.R. Gilmour
Partner

Cc Mr R Hill, Timber Merchants Association PO Box 97 Blackburn Vic 3130

Ref #: 126793_1



TIMBER MERCHANTS ASSOCIATION

Designated Officer's Certificate

s268 of Schedule 1 Fair Work (Registered Organisations) Act 2009 (the Act)

I, Richard Hill, being the President of the Timber Merchants Association (Victoria) certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and

That the full report was provided to members on the 14th of April 2014; and

That the full report was presented to a general meeting of members of the reporting unit on 14th of May 2014, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009 (the Act).

Signature

Richard Hill
President
Timber Merchants Association

Date... 10/06/2014

The Timber Merchants' Association (Victoria)
ABN: 87 146 765 827

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TIMBER MERCHANTS ASSOCIATION (VICTORIA)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

**TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827**

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Table of Contents	Page
Management Committee Report	2
Statement of Comprehensive Income	5
Statement of Financial Position	6
Cash Flow Statement	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Statement by Committee of Management	18
Independent Auditors Report	19

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The Management Committee present this report on the Association for the financial year ended 31 December 2013.

Directors

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

Clive R Dossetor
Myriam Webster
Richard Hill
Peter Alexander
Ron Caddy
Peter Matthews (resigned 10 July 2013)
Glenn Tilling
Stephen Iser
Garrie James
Eric Siegers

Meeting attendances

The number of meetings of the committee during the year was:

Board or Committee	Number of meetings
Management committee	10

The meeting attendances of the Management Committee during the year is noted below:

Member	Meetings attended
R Hill	10
R Caddy	10
P Alexander	7
G James	8
C Dossetor	9
M Webster	7
G Tilling	5
E Siegers	10
S Iser	7
P Mathews	0 (resigned 10 July 2013)

Principal Activities

The Timber Merchants Association (Victoria) continued its operations as a registered industrial body servicing the industrial relations needs of the timber manufacturing and merchandising sector. The association has also actively pursued the development of member business via the promotion of the use of timber, provision of the Timber Advisory Centre and technical service, occupational health and safety and other business support services.

Representation

The Association's has continued its representation of industry to government and regulatory bodies at Federal and State levels, as well as participating and supporting businesses and allied associations.

At the Federal level the TMA is the only merchant representative organisation on the Forest and Wood Products Council Chaired by the Parliamentary Secretary for Agriculture, Fisheries and Forestry, and is active on other Federal initiatives such as Work Safe, Fair Work, and Forest Works.

At the state level the TMA coordinates with the Departments of Justice and Business with specific interest in Consumer Affairs and Small Business Victoria.

Activities supporting business development initiatives within the timber industry include Wood Products Victoria, Forest and Wood Products Association and Victoria Association of Forest Industries.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Financial results

The deficit for the financial year was \$33,190 (2012 Surplus \$11,310).

Review of operations

The 2013 economic conditions provided a significant challenge for industry and resulted in a number of significant members departing the association. These departures resulted in an 8% decline in membership fees to \$230,253 and the showroom rental decrease by 12% to \$158,147.

The shortfall is not representative of the efforts of the association to service member and industry needs. The acquisition of new members late in the year, and operating costs held in line with the 2012 year, has provided the Committee of Management confidence that the association will continue to be able to provide its services and maintain its 2014 budget as set out by the Committee. This Budget should see the Association revert to a small surplus by the end of the calendar year.

Indemnification of officers

During the financial year the association paid a premium in respect of a contract insuring the management committee of the association, the executive director and executive officers and related bodies against the liability incurred as such a director, secretary or executive officer.

The association has not otherwise during or since the financial year indemnified or agreed to indemnify and officer of the association or of any related body corporate against the liability incurred as such an officer or body.

Remuneration of management committee

The management committee of the association are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly from the association or any related party.

Events subsequent to balance date

There are no known matters or circumstances that have arisen since the end of the financial year which significantly affect 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.

Likely developments and future results

The Association expects to continue to exist as a registered industrial relations association to service those members who are respondent to the Timber Industry Award.

Environmental issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory,

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

**MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

Members and employees

The number of members of the reporting unit at the end of the financial year was eighty six (86). The number of employees of the reporting unit at the end of the financial year was six (6).

Right of members to resign

In accordance with Schedule 174 of the Fair Work (Registered Organisations) Act 2009 (the Act) and under rule 8 of the association's rules, a member may resign from membership by written notice addressed and delivered to the Executive Director.

Trustee of superannuation entity

No officer or member of the reporting unit holds a position as a trustee at a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Actions

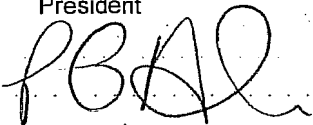
No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of these proceedings.

The Association was not a party to any such proceedings during the year.

This statement is made in accordance with a resolution of the management committee and is signed for and on behalf of the committee by:



Richard Hill
President



Peter Alexander
Vice President

Dated this 27th Day of March 2014

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue from ordinary activities	2	501,012	562,232
Depreciation and amortisation expense		(7,644)	(9,200)
Donations		(100)	(700)
Employee entitlements	24	(233,969)	(213,588)
Legal expenses		(2,606)	(248)
Meeting expenses		(35,866)	(34,686)
Motor vehicle expenses		(614)	(17,885)
Office and administration expense		(87,349)	(103,847)
Professional service fees		(36,617)	(39,544)
Publication cost		(16,491)	(16,812)
Rent and associated expenses		(112,947)	(114,412)
Current year surplus/(deficit) before income tax	3	(33,191)	11,310
Income tax expenses	1(b)	-	-
Net current year surplus/(deficit) attributable to members of the entity		(33,191)	11,310

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4	40,471	73,885
Trade and other receivables	5	162,392	173,780
Other current assets	6	6,698	6,150
TOTAL CURRENT ASSETS		209,561	253,815
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,275	11,919
TOTAL NON-CURRENT ASSETS		4,275	11,919
TOTAL ASSETS		213,836	265,734
CURRENT LIABILITIES			
Trade and other payables	8	42,016	29,676
Income in advance	9	172,559	192,387
Provisions	10	15,266	6,825
TOTAL CURRENT LIABILITIES		229,841	228,888
TOTAL LIABILITIES		229,841	36,846
NET ASSETS		(16,005)	36,846
EQUITY			
Retained earnings	11	(16,005)	36,846

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other income		509,193	576,493
Payments to suppliers and employees		(545,812)	(608,829)
Interest Received		3,205	4,884
Net cash provided by operating activities	15(b)	(33,414)	(27,452)
Net increase in cash held		(33,414)	(27,452)
Cash and cash equivalents at beginning of financial year		73,885	101,337
Cash and cash equivalents at end of financial year	15(a)	40,471	73,885

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2013

	Accumulated surplus \$	Total \$
Balance at 1 January 2012	25,536	25,536
Net surplus for the year	11,310	11,310
Balance at 31 December 2012	36,846	36,846
Retrospective adjustments	(19,660)	(19,660)
Adjusted Balance at 31 December 2012	17,186	17,186
Balance at 1 January 2013	17,186	17,186
Net Deficit for the year	(33,191)	(33,191)
Balance at 31 December 2013	(16,005)	(16,005)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

The financial report covers Timber Merchants Association (Victoria) as an individual entity. Timber Merchants Association (Victoria) is an association incorporated in Victoria under the Associations Incorporation Reform Act (2012) and government by the Fair Work (Registered Organisations) Act 2009 (the Act).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009 (the Act).

Australian Account Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis on historical costs, modified, where applicable, by the measurement at fair value of selected non-currents assets and financial liabilities.

a. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

Revenue recognition relating to the provision of services is recognised on completion of rendition of the service.

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

Revenue from the provision of membership subscriptions and showroom rental is recognised over the period which the charges relate.

Revenue from the sale of goods is recognised at the point of delivery of the goods.

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

b. Income Tax

The association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

c. Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

Depreciation

Depreciation on all fixed assets is calculated on a straight-line basis over their expected useful lives commencing from the time the asset is held ready for use. Estimates of remaining useful lives are made on a regular basis for all assets.

The depreciation rates used for each class of assets are:

Office furniture and equipment	7.5-25%
Computer website costs	20%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount these gains or losses are included in the statement of comprehensive income.

d. Impairment of assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible assets to determine where there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the association are classified as finance leases. Finance leases are capitalised by recording an asset and liability at the lower of the amount equal to the fair value of the lease property or the present value of the minimum lease payments, including guaranteed residual values. Lease payments are allocated between a reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over their useful lives where it is likely that the association will obtain ownership of the asset or over the term lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

f. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related co-costs.

Contributions made to superannuation plans are expensed when incurred.

g. Cash and cash equivalents

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

h. 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 Australia 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Critical accounting estimates and judgements

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and as based on current trends and economic data, obtained both externally and within the association.

Key estimates

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

j. New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to significantly impact the Association's financial report.

k. Comparative Figures

The association has made a retrospective restatement or reclassified items in its financial statements. Accordingly Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
NOTE 2: REVENUE AND OTHER INCOME		
<i>Ordinary operating activities</i>		
Sales Revenue		
- sale of publications	23,689	26,318
other revenue		
- sponsorship and commission	38,582	39,144
- interest	3,205	4,884
- showroom rent	158,147	181,475
- member subscriptions	230,253	253,405
- other revenue	47,136	57,006
	501,012	562,232

NOTE 3: SURPLUS FOR THE YEAR

The surplus/(deficit) from ordinary activities has been determined after the following expenses:

Cost of Sales	16,491	16,812
Remuneration of auditors for:		
- audit or review	10,000	7,000
- other services	-	3,000
Bad debts	840	3,264
Depreciation	7,644	9,200
Rental expenses on operating leases	104,063	102,231

NOTE 4: CASH AND EQUIVALENTS

Cash on hand	208	131
Cash at bank	40,263	73,754
	40,471	73,885

NOTE 5: TRADE AND OTHER RECEIVABLES

Current

Trade debtors	132,094	145,344
Other debtors	30,298	28,436
	162,392	173,780

Current trade receivables are non-interest bearing loans and generally are receivable within 60 days. A provision for impairment is recognised against debts due where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 31 December 2013 (2012- Nil).

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full where applicable.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	6,698	6,150
 NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Plant, equipment and website – at cost	81,375	156,527
Less: Accumulated depreciation	(77,100)	(144,608)
	4,275	11,919
 Movements in carrying amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:		
Furniture, showroom, fittings & office equipment		Total
		2013
Balance at beginning of year	11,919	11,919
Depreciation expense	(7,644)	(7,644)
Balance at end of year	4,275	4,275
Furniture, showroom, fittings & office equipment		Total
		2012
Balance at beginning of year	21,119	21,119
Depreciation expense	(9,200)	(9,200)
Balance at end of year	11,919	11,919
	2013	2012
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade creditors	7,683	8,349
Sundry creditors	34,333	21,327
	42,016	29,676
	2013	2012
	\$	\$
NOTE 9: INCOME IN ADVANCE		
Membership subscriptions in advance	159,073	173,696
Showroom rental in advance	13,486	18,690
	172,559	192,386

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
NOTE 10: PROVISIONS EMPLOYEES		
Current - Office Holders		
- annual leave entitlements	4,491	2,256
- long service leave entitlements	-	-
- separations and redundancies	-	-
- other	-	-
Current – Employees other than Office Holders		
- annual leave entitlements	3,813	4,569
- long service leave entitlements	6,962	-
- separations and redundancies	-	-
- other	-	-
	15,266	6,825

NOTE 11: RETAINED SURPLUS

Accumulated surplus at beginning of financial year	36,846	25,536
Less: Retrospective adjustments	(19,660)	-
Net (deficit)/surplus for year	(33,191)	11,310
Accumulated surplus at end of financial year	(16,005)	36,846

NOTE 12: CAPITAL AND LEASING

(a) Operating lease commitments

Non-cancellable operating leases contracted for not capitalised in the financial statements:

Payable – minimum lease payments	107,553	115,142
- Not later than 12 months	130,508	227,310
- Between 12 months and 5 years	238,061	342,452

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions with the lease agreement require that the minimum lease payments shall be increased by 3% annually. An option exists to renew the lease at the end of the three-year term for an additional one term of three years. The lease allows for subletting of all lease areas.

(b) Capital expenditure commitments

Capital expenditure commitments contracted for:

Plant and equipment purchases	
- Not later than 12 months	Nil
- Between 12 months and 5 years	Nil

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

There were no other events subsequent to the reporting date that had a material effect on any of the disclosures contained in the financial statements.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

NOTE 14: RELATED PARTY TRANSACTIONS

	2013	2012
	\$	\$
Key Management Personnel		
<p>Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.</p>		
Key management personnel compensation		
- Short term benefits	132,793	
- Post employment benefits	12,116	

Related parties

Names of directors:

Clive R Dossetor	Peter Alexander
Richard Hill	Glenn Tilling
Ron Caddy	Garrie James
Peter Matthews	Stephen Iser
Myriam Webster	

- (a) Transactions with the companies controlled by directors
- (i) The director-related entities of members of the committee of management are required to pay membership fees, showroom rentals and industrial relations advice fees on the same terms and conditions as all other members.

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of cash

	2013	2012
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the balance sheet as follows:		
Cash on hand	208	131
Cash at bank	40,263	73,754
	40,471	73,885

(b) Reconciliation of cash flow operations with profit (loss)
 After income tax

Surplus after income tax	(33,191)	11,310
Retrospective adjustments	(19,660)	-
Non cash flows in profit (loss) depreciation	7,644	9,200
Changes in assets and liabilities		
(Increase) decrease in trade and other debtors	11,388	19,144
(Increase) decrease in other assets	(548)	1,685
(Decrease) increase in trade and other payables	12,340	(19,066)
(Decrease) increase in income in advance	(19,828)	(49,725)
(Decrease) increase in employee benefits	8,441	-
Cash (outflows) inflows from operations	(33,414)	(27,452)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

NOTE 16: SEGMENT REPORTING

The association operates in one business and geographical segment as a registered industrial body servicing the industrial relations needs of the timber manufacturing and merchandising sector.

NOTE 17: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

a. Interest rate risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective Weighed average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate	
	2013	2012
	\$	\$
<i>Financial assets:</i>		
Cash	40,263	73,754
Total financial assets	40,263	73,754

	Non-Interest Bearing	
	2013	2012
	\$	\$
<i>Financial assets:</i>		
Cash	208	131
Receivables	132,094	145,341
Total financial liabilities	132,302	145,472

	2013	2012
	\$	\$
<i>Financial assets:</i>		
Trade and sundry creditors	42,015	29,676
Total financial liabilities	42,015	29,676

b. Credit risk

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification those financial assets (net of any provisions) as presented in the statement of financial position.

The association does have any material credit risk exposure to any single debtor or group of debtors under financial instruments earned into by the association.

c. Net fair values

The net fair value of assets and liabilities approximates their carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

Aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 18: INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 (the Act), the attention of the members is drawn to the provision of subsections (1), (2) and (3) of section 272, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 19: FINANCIAL PERFORMANCE

The Association incurred a deficit for the year of \$33,191 (2012: Surplus \$11,310). Retrospective prior year adjustments of \$19,660 were also required to reflect a long service liability and a fringe benefits tax expense not previously taken to account. The combination of these outcomes results in the Association's liabilities exceeding its assets by \$16,005 at balance date. The budget for 2014 reflects a small surplus is expected.

NOTE 20: ASSOCIATION DETAILS

The principal place of business of the association is:

Timber Merchants Association (Victoria)
1/180 Whitehorse Road
Blackburn, Victoria

NOTE 21: RECOVERY OF WAGES

The Association does not engage in the activity of recovery of wages as described in the Fair Work Act 2009.

NOTE 22: AASB 1054 FOR PROFIT OR NOT-FOR-PROFIT REPORTING

For the purposes of preparing the financial statements the Association is a not-for-profit entity.

NOTE 23: REMUNERATION OF AUDITORS

	2013	2012
Value of Services Provided	\$	\$
- Financial Statement Audit Services	10,000	7,000
- Other Services	0	3,000
Total Remuneration of Auditors	<u>10,000</u>	<u>10,000</u>

No other services were provided by the auditors of the financial statements

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

NOTE 24: EMPLOYEE EXPENSES

	2013	2012
	\$	\$
Holders of Office		
- Wages and Salaries	127,117	114,911
- Superannuation	12,116	10,845
- Leave and other entitlements	8,294	
- Separation and redundancies	-	
- Other employee expenses	525	547
Employees other than Office Holders		
- Wages and Salaries	72,700	81,567
- Superannuation	7,082	5,340
- Leave and other entitlements	5,830	-
- Separation and redundancies	-	-
- Other employee expenses	305	378
Total Employee Expenses	233,969	213,588

NOTE 25: REPORTING GUIDELINES PURSUANT TO SECTION 255 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Items 14,16,18, 20, 22 and 26 of the Reporting Guidelines require activities identified in items 10, 11, 13, 15, 17, 19, 21 and 25 to be included in the notes to the General Purpose Financial Report or if they have not occurred a statement to this effect must be included.

Activities identified in items 10, 11, 13, 15, 17, 19, 21 and 25 of the Reporting Guidelines have not occurred during the reporting period.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT BY THE COMMITTEE OF MANAGEMENT

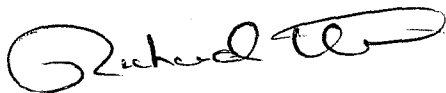
On 25 March 2014 the Committee of Management of the Timber Merchants Association (Victoria) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2013.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the general manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the statement comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - (i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) The financial affairs of the reporting unit *have* been managed in accordance with the rules of the organisation including the rules of a branch concerned: and
 - (iii) The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 (the Act) and the Fair Work (Registered Organisations) Regulations 2009 (the Regulations); and
 - (iv) The organisation consists of only one reporting unit; and
 - (v) No information has been sought in any request of a member of the reporting unit or the General Manger of Fair Work Australia under Section 272 of the Fair Work (registered Organisations) Regulations 2009 (the Regulations); and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009 (the Act).

Signed for and on behalf of the Committee of Management:

Mr R Hill
President



Date:

25th JULY 2014



461 Whitehorse Road
Balwyn
Australia 3103

Postal Address:
P.O. Box 307
Balwyn 3103

Partners:
John E Volders
Larry R Gilmour
Grant W Petering

Tel: 03 9836 8222
Fax: 03 9836 8331
ABN: 90 040 794 950

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

Independent Auditor's Report

To the members of Timber Merchants Association (Victoria)

Report of the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Timber Merchants Association (Victoria) (the association), an organisation of employers registered pursuant to the Fair Work (Registered Organisations) Act 2009, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the statement by Association Committee of Management's declaration.

Association Committee of Management's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Associations Incorporation Act 1981 (Victoria) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australia Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence

In conducting our audit, we have complied with the independence requirements of Australia professional ethical pronouncements.

Auditor's declaration

I am an approved auditor for the purposes of the Fair Work (Registered Organisations) Act 2009 and I am a member of the Institute of Chartered Accountants in Australia and I hold a Public Practice Certificate.

Auditor's Opinion

In our opinion the general purpose financial report of Timber Merchants Association (Victoria) an organisation of employers registered pursuant to the Associations Incorporations Act (1981) and the Fair Work (Registered Organisations) Act 2009, including:

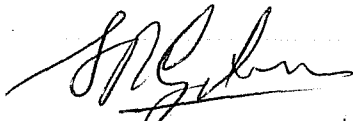
- i. Giving a true and fair view of the association's financial position at 31 December 2013 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009; and
- iii. The requirement imposed by Part 3 chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 19 in the financial report which indicates that the association incurred a net loss of \$33,191 during the year ended 31 December 2013 and, as at that date, the association's current liabilities exceeded its total assets by \$16,005. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the association's ability to continue as a going concern.

Orr Martin & Waters

**Orr, Martin & Waters
Chartered Accountants**



L. R. Gilmour FCA
Partner
461 Whitehorse Road
Balwyn Vic 3103

2/4/14



Designated Officer's Certificate

s268 of Schedule 1 Fair Work (Registered Organisations) Act 2009(the Act)

I , Richard Hill, being the President of the Timber Merchants Association (Victoria) certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and

That the full report was provided to members on the 14th of April 2014; and

That the full report was presented to a general meeting of members of the reporting unit on 14th of May 2014, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009(the Act).

Signature

A handwritten signature in black ink, appearing to read 'Richard Hill', is written over a horizontal dotted line.

Richard Hill
President
Timber Merchants Association

Date...10/06/2014.....

The Timber Merchants' Association (Victoria)

ABN: 87 146 765 827

Tel:(03) 9875 5000 Fax (03) 9877 6663 Email: info@timber.asn.au

1/180 Whitehorse Road Blackburn VIC 3130

Mail: P.O. Box 97, Blackburn Victoria 3130

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

ABN: 87 146 765 827

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2013**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**Prepared by :
Orr, Martin & Waters
Chartered Accountants**

461 Whitehorse Road, Balwyn VIC. 3103
PO BOX 307, Balwyn VIC. 3103

Telephone: (03) 9836 8222
Facsimile: (03) 9836 8331
Email: info@omw.com.au

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Table of Contents

Management Committee Report	2-4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Cash Flow Statement	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9-16
Statement by Committee of Management	17
Independent Auditors Report	18-19
Compilation Report	20
Detailed Income Statement (Unaudited)	21

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The Management Committee present this report on the Association for the financial year ended 31 December 2013.

Directors

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

Clive R Dossetor
Myriam Webster
Richard Hill
Peter Alexander
Ron Caddy
Peter Matthews (resigned 10 July 2013)
Glenn Tilling
Stephen Iser
Garrie James
Eric Siegers

Meeting attendances

The number of meetings of the committee during the year was:

Board or Committee	Number of meetings
Management committee	10

The meeting attendances of the Management Committee during the year is noted below:

Member	Meetings attended
R Hill	10
R Caddy	10
P Alexander	7
G James	8
C Dossetor	9
M Webster	7
G Tilling	5
E Siegers	10
S Iser	7
P Mathews	0 (resigned 10 July 2013)

Principal Activities

The Timber Merchants Association (Victoria) continued its operations as a registered industrial body servicing the industrial relations needs of the timber manufacturing and merchandising sector. The association has also actively pursued the development of member business via the promotion of the use of timber, provision of the Timber Advisory Centre and technical service, occupational health and safety and other business support services.

Representation

The Association's has continued its representation of industry to government and regulatory bodies at Federal and State levels, as well as participating and supporting businesses and allied associations.

At the Federal level the TMA is the only merchant representative organisation on the Forest and Wood Products Council Chaired by the Parliamentary Secretary for Agriculture, Fisheries and Forestry, and is active on other Federal initiatives such as Work Safe, Fair Work, and Forest Works.

At the state level the TMA coordinates with the Departments of Justice and Business with specific interest in Consumer Affairs and Small Business Victoria.

Activities supporting business development initiatives within the timber industry include Wood Products Victoria, Forest and Wood Products Association and Victoria Association of Forest Industries.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Financial results

The deficit for the financial year was \$33,190 (2012 Surplus \$11,310).

Review of operations

The 2013 economic conditions provided a significant challenge for industry and resulted in a number of significant members departing the association. These departures resulted in an 8% decline in membership fees to \$230,253 and the showroom rental decrease by 12% to \$158,147.

The shortfall is not representative of the efforts of the association to service member and industry needs. The acquisition of new members late in the year, and operating costs held in line with the 2012 year, has provided the Committee of Management confidence that the association will continue to be able to provide its services and maintain its 2014 budget as set out by the Committee. This Budget should see the Association revert to a small surplus by the end of the calendar year.

Indemnification of officers

During the financial year the association paid a premium in respect of a contract insuring the management committee of the association, the executive director and executive officers and related bodies against the liability incurred as such a director, secretary or executive officer.

The association has not otherwise during or since the financial year indemnified or agreed to indemnify and officer of the association or of any related body corporate against the liability incurred as such an officer or body.

Remuneration of management committee

The management committee of the association are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly from the association or any related party.

Events subsequent to balance date

There are no known matters or circumstances that have arisen since the end of the financial year which significantly affect 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.

Likely developments and future results

The Association expects to continue to exist as a registered industrial relations association to service those members who are respondent to the Timber Industry Award.

Environmental Issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory,

**TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827**

**MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

Members and employees

The number of members of the reporting unit at the end of the financial year was eighty six (86). The number of employees of the reporting unit at the end of the financial year was six (6).

Right of members to resign

In accordance with Schedule 174 of the Fair Work (Registered Organisations) Act 2009 (the Act) and under rule 8 of the association's rules, a member may resign from membership by written notice addressed and delivered to the Executive Director.

Trustee of superannuation entity

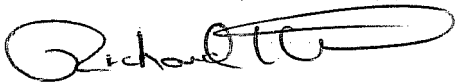
No officer or member of the reporting unit holds a position as a trustee at a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Actions

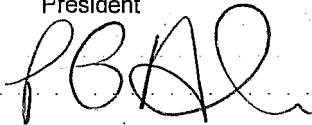
No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of these proceedings.

The Association was not a party to any such proceedings during the year.

This statement is made in accordance with a resolution of the management committee and is signed for and on behalf of the committee by:



Richard Hill
President



Peter Alexander
Vice President

Dated this 27th Day of March 2014

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue from ordinary activities	2	501,012	562,232
Depreciation and amortisation expense		(7,644)	(9,200)
Donations		(100)	(700)
Employee entitlements		(233,969)	(213,588)
Legal expenses		(2,606)	(248)
Meeting expenses		(35,866)	(34,686)
Motor vehicle expenses		(614)	(17,885)
Office and administration expense		(87,349)	(103,847)
Professional service fees		(36,617)	(39,544)
Publication cost		(16,491)	(16,812)
Rent and associated expenses		(112,947)	(114,412)
Current year surplus/(deficit) before income tax	3	(33,191)	11,310
Income tax expenses	1(b)	-	-
Net current year surplus/(deficit) attributable to members of the entity		(33,191)	11,310

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4	40,471	73,885
Trade and other receivables	5	162,392	173,780
Other current assets	6	6,698	6,150
TOTAL CURRENT ASSETS		<u>209,561</u>	<u>253,815</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,275	11,919
TOTAL NON-CURRENT ASSETS		<u>4,275</u>	<u>11,919</u>
TOTAL ASSETS		<u>213,836</u>	<u>265,734</u>
CURRENT LIABILITIES			
Trade and other payables	8	42,016	29,676
Income in advance	9	172,559	192,387
Provisions	10	15,266	6,825
TOTAL CURRENT LIABILITIES		<u>229,841</u>	<u>228,888</u>
TOTAL LIABILITIES		<u>229,841</u>	<u>36,846</u>
NET ASSETS		<u>(16,005)</u>	<u>36,846</u>
EQUITY			
Retained earnings	11	(16,005)	36,846

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other income		509,193	576,493
Payments to suppliers and employees		(545,812)	(608,829)
Interest Received		3,205	4,884
Net cash provided by operating activities	15(b)	<u>(33,414)</u>	<u>(27,452)</u>
Net increase in cash held		(33,414)	(27,452)
Cash and cash equivalents at beginning of financial year		73,885	101,337
Cash and cash equivalents at end of financial year	15(a)	<u>40,471</u>	<u>73,885</u>

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2013

	Accumulated surplus \$	Total \$
Balance at 1 January 2012	25,536	25,536
Net surplus for the year	11,310	11,310
Balance at 31 December 2012	36,846	36,846
Retrospective adjustments	(19,660)	(19,660)
Adjusted Balance at 31 December 2012	17,186	17,186
Balance at 1 January 2013	17,186	17,186
Net Deficit for the year	(33,191)	(33,191)
Balance at 31 December 2013	(16,005)	(16,005)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

The financial report covers Timber Merchants Association (Victoria) as an individual entity. Timber Merchants Association (Victoria) is an association incorporated in Victoria under the Associations Incorporation Reform Act (2012) and government by the Fair Work (Registered Organisations) Act 2009 (the Act).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009 (the Act).

Australian Account Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis on historical costs, modified, where applicable, by the measurement at fair value of selected non-currents assets and financial liabilities.

a. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

Revenue recognition relating to the provision of services is recognised on completion of rendition of the service.

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

Revenue from the provision of membership subscriptions and showroom rental is recognised over the period which the charges relate.

Revenue from the sale of goods is recognised at the point of delivery of the goods.

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

b. Income Tax

The association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

c. Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

Depreciation

Depreciation on all fixed assets is calculated on a straight-line basis over their expected useful lives commencing from the time the asset is held ready for use. Estimates of remaining useful lives are made on a regular basis for all assets.

The depreciation rates used for each class of assets are:

Office furniture and equipment	7.5-25%
Computer website costs	20%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount these gains or losses are included in the statement of comprehensive income.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

d. Impairment of assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible assets to determine where there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the association are classified as finance leases. Finance leases are capitalised by recording an asset and liability at the lower of the amount equal to the fair value of the lease property or the present value of the minimum lease payments, including guaranteed residual values. Lease payments are allocated between a reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over their useful lives where it is likely that the association will obtain ownership of the asset or over the term lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

f. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related co-costs.

Contributions made to superannuation plans are expensed when incurred.

g. Cash and cash equivalents

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

h. 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 Australia 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Critical accounting estimates and judgements

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and as based on current trends and economic data, obtained both externally and within the association.

Key estimates

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

j. Comparative Figures

The association has made a retrospective restatement or reclassified items in its financial statements. Accordingly Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
<i>Ordinary operating activities</i>		
Sales Revenue		
- sale of publications	23,689	26,318
other revenue		
- sponsorship and commission	38,582	39,144
- interest	3,205	4,884
- showroom rent	158,147	181,475
- member subscriptions	230,253	253,405
- other revenue	47,136	57,006
	501,012	562,232

NOTE 3: SURPLUS FOR THE YEAR

The surplus/(deficit) from ordinary activities has been determined after the following expenses:

Cost of Sales	16,491	16,812
Remuneration of auditors for:		
- audit or review	10,000	7,000
- other services	-	3,000
Bad debts	840	3,264
Depreciation	7,644	9,200
Rental expenses on operating leases	104,063	102,231

NOTE 4: CASH AND EQUIVALENTS

Cash on hand	208	131
Cash at bank	40,263	73,754
	40,471	73,885

NOTE 5: TRADE AND OTHER RECEIVABLES

Current

Trade debtors	132,094	145,344
Other debtors	30,298	28,436
	162,392	173,780

Current trade receivables are non-interest bearing loans and generally are receivable within 60 days, A provision for impairment is recognised against debts due where there is objective evidence that an individual trade receivable is impaired, No impairment was required at 31 December 2013 (2012- Nil).

There are no balances within trade and other receivables that contain assets that are impaired and are past due, It is expected these balances will be received when due. Impaired assets are provided for in full where applicable.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	6,698	6,150

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Plant, equipment and website – at cost	81,375	156,527
Less: Accumulated depreciation	(77,100)	(144,608)
	4,275	11,919

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Total	
	2013	
Balance at beginning of year	11,919	11,919
Depreciation expense	(7,644)	(7,644)
Balance at end of year	4,275	4,275

	Total	
	2012	
Balance at beginning of year	21,119	21,119
Depreciation expense	(9,200)	(9,200)
Balance at end of year	11,919	11,919

	2013 \$	2012 \$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade creditors	7,683	8,349
Sundry creditors	34,333	21,327
	42,016	29,676

	2013 \$	2012 \$
NOTE 9: INCOME IN ADVANCE		
Membership subscriptions in advance	159,073	173,696
Showroom rental in advance	13,486	18,690
	172,559	192,386

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
NOTE 10: PROVISIONS		
Current	8,304	6,825
Employee provisions - annual leave entitlements	6,962	-
- long service leave entitlements		
	15,266	6,825

NOTE 11: RETAINED SURPLUS		
Accumulated surplus at beginning of financial year	36,846	25,536
Less: Retrospective adjustments	(19,660)	-
Net (deficit)/surplus for year	(33,191)	11,310
Accumulated surplus at end of financial year	(16,005)	36,846

NOTE 12: CAPITAL AND LEASING

(a) Operating lease commitments

Non-cancellable operating leases contracted for not capitalised in the financial statements:

Payable – minimum lease payments	107,553	115,142
- Not later than 12 months	130,508	227,310
- Between 12 months and 5 years	238,061	342,452

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions with the lease agreement require that the minimum lease payments shall be increased by 3% annually. An option exists to renew the lease at the end of the three-year term for an additional one term of three years. The lease allows for subletting of all lease areas.

(b) Capital expenditure commitments

Capital expenditure commitments contracted for:

Plant and equipment purchases

- Not later than 12 months	Nil
- Between 12 months and 5 years	Nil

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

There were no other events subsequent to the reporting date that had a material effect on any of the disclosures contained in the financial statements.

NOTE 14: RELATED PARTY TRANSACTIONS

(a) Related parties

Names of directors:

Clive R Dossetor	Peter Alexander
Richard Hill	Glenn Tilling
Ron Caddy	Garrie James
Peter Matthews	Stephen Iser
Myriam Webster	

(b) Transactions with the companies controlled by directors

- (i) The director-related entities of members of the committee of management are required to pay membership fees, showroom rentals and industrial relations advice fees on the same terms and conditions as all other members.

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of cash

	2013	2012
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the balance sheet as follows:		
Cash on hand	208	131
Cash at bank	40,263	73,754
	<u>40,471</u>	<u>73,885</u>

(b) Reconciliation of cash flow operations with profit (loss)

After income tax

Surplus after income tax	(33,191)	11,310
Retrospective adjustments	(19,660)	-
Non cash flows in profit (loss) depreciation	7,644	9,200
Changes in assets and liabilities		
(Increase) decrease in trade and other debtors	11,388	19,144
(Increase) decrease in other assets	(548)	1,685
(Decrease) increase in trade and other payables	12,340	(19,066)
(Decrease) increase in income in advance	(19,828)	(49,725)
(Decrease) increase in employee benefits	8,441	-
Cash (outflows) inflows from operations	<u>(33,414)</u>	<u>(27,452)</u>

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

NOTE 16: SEGMENT REPORTING

The association operates in one business and geographical segment as a registered industrial body servicing the industrial relations needs of the timber manufacturing and merchandising sector.

NOTE 17: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

a. Interest rate risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective Weighed average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate	
	2013	2012
	\$	\$
<i>Financial assets:</i>		
Cash	40,263	73,754
Total financial assets	40,263	73,754

	Non-Interest Bearing	
	2013	2012
	\$	\$
<i>Financial assets:</i>		
Cash	208	131
Receivables	132,094	145,341
Total financial liabilities	132,302	145,472

	2013	2012
	\$	\$
<i>Financial assets:</i>		
Trade and sundry creditors	42,015	29,676
Total financial liabilities	42,015	29,676

b. Credit risk

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification those financial assets (net of any provisions) as presented in the statement of financial position.

The association does have any material credit risk exposure to any single debtor or group of debtors under financial instruments earned into by the association.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

c. Net fair values

The net fair value of assets and liabilities approximates their carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 18: INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 (the Act), the attention of the members is drawn to the provision of subsections (1), (2) and (3) of section 272, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 19: FINANCIAL PERFORMANCE

The Association incurred a deficit for the year of \$33,191(2012: Surplus \$11,310). Retrospective prior year adjustments of \$19,660 were also required to reflect a long service liability and a fringe benefits tax expense not previously taken to account. The combination of these outcomes results in the Association's liabilities exceeding it's assets by \$16,005 at balance date. The budget for 2014 reflects a small surplus is expected.

NOTE 20: ASSOCIATION DETAILS

The principal place of business of the association is:

Timber Merchants Association (Victoria)
1/180 Whitehorse Road
Blackburn, Victoria

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

03 APR 2014

STATEMENT BY THE COMMITTEE OF MANAGEMENT

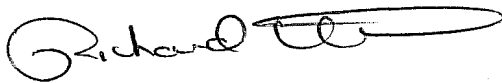
In April 2014 the Committee of Management of the Timber Merchants Association (Victoria) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2013.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the general manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the statement comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - (i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 (the Act) and the Fair Work (Registered Organisations) Regulations 2009 (the Regulations); and
 - (iv) The organisation consists of only one reporting unit; and
 - (v) No information has been sought in any request of a member of the reporting unit or the General Manger of Fair Work Australia under Section 272 of the Fair Work (registered Organisations) Regulations 2009 (the Regulations); and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009 (the Act).

For Committee of Management:
Title of office held:

Signature:



Date:

27-3-2014



461 Whitehorse Road
Balwyn
Australia 3103

Postal Address:
P.O. Box 307
Balwyn 3103

Partners:
John E Volders
Larry R Gilmour
Grant W Petering

Tel: 03 9836 8222
Fax: 03 9836 8331
ABN: 90 040 794 950

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

Independent Auditor's Report

To the members of Timber Merchants Association (Victoria)

Report of the Financial Report

We have audited the accompanying financial report of Timber Merchants Association (Victoria) (the association) which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Associations Incorporation Act 1981 (Victoria) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australia Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

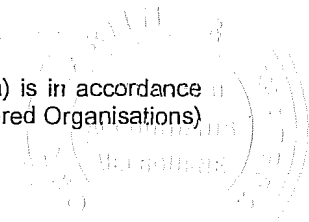
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence

In conducting our audit, we have complied with the independence requirements of Australia professional ethical pronouncements.

Auditor's Opinion

In our opinion the general purpose financial report of Timber Merchants Association (Victoria) is in accordance with the requirements of the Associations Incorporations Act (1981) and the Fair Work (Registered Organisations) Act 2009, including:



Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 19 in the financial report which indicates that the association incurred a net loss of \$33,191 during the year ended 31 December 2013 and, as at that date, the association's current liabilities exceeded its total assets by \$16,005. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the association's ability to continue as a going concern.

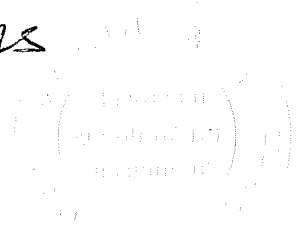
Orr, Martin & Waters
Chartered Accountants

ORR, MARTIN & WATERS

L. R. Gilmour

L. R. Gilmour
Partner
461 Whitehorse Road
Balwyn Vic 3103

2/4/14





461 Whitehorse Road
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Postal Address:
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Partners:
John E Volders
Larry R Gilmour
Grant W Petering

Timber Merchants Association (Victoria)

Compilation Report

Tel: 03 9836 8222
Fax: 03 9836 8331
ABN: 90 040 794 950

To the members of Timber Merchants Association (Victoria)

We have compiled the accompanying special purpose report of Timber Merchants Association (Victoria) which comprises the attached income statement for the year ended 31 December 2013.

The specific purpose for which the special purpose financial statement has been prepared is to provide financial information to the committee of management.

Responsibility of the Committee of Management

The committee of Management is solely responsible for the information contained in the special purpose report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Association's constitution.

Our Responsibility

On the basis of the information provided by the Committee of Management we have compiled the accompanying special purpose financial statement in accordance with APES 315: Compilation of Financial information.

Our procedures use accounting expertise to collect, classify and summaries the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial report was prepared for the benefit of the Association and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Orr, Martin & Waters

L. R. Gilmour
Partner
461 Whitehorse Road
Balwyn Vic 3103

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
REVENUE	\$	\$
Event income	32,576	36,600
Industrial relations	4,532	6,135
Inspection reports	-	709
Insurance commission	34,264	39,144
Interest	3,205	4,884
Members subscriptions	230,253	253,405
Sales of publications	25,480	28,198
Secretariat	3,095	3,000
Showroom rental	158,147	181,475
Sponsorship	4,318	-
Sundry income	5,142	6,469
Website subscriptions	-	2,213
	501,012	562,232
EXPENDITURE		
Accounting	1,311	4,347
Advertising	5,762	11,810
Audit	10,000	7,000
Bad debts	840	3,264
Bank charges	1,292	1,509
Cleaning	6,379	6,229
Computer expenses	7,994	5,451
Conference & meeting expenses	4,120	2,550
Consultancy	-	12,527
Debt recovery	1,809	-
Depreciation	7,644	9,200
Donations	100	700
Electricity	7,519	8,692
Equipment rental	3,276	3,276
Fringe benefits tax	-	4,628
General expenses	1,435	-
Holiday pay	1,479	-
Industrial relations	36,616	33,139
Insurance	3,360	12,576
Long service leave	777	-
Legal expenses	2,606	248
Marketing & PR	3,264	-
Member events	40,002	39,047
Motor vehicle expenses	613	17,885
Postage	2,612	2,421
Printing & stationary	2,939	1,848
Publication costs	16,491	16,812
Rent & rates	112,947	114,319
Repairs & maintenance	87	93
Security	541	434
Showroom expenses & refurbishment	4,346	-
Staff training	-	890
Subscriptions	1,871	958
Superannuation	19,198	16,185
Telephone	7,975	9,020
Travel	2,546	4,328
Wages	211,683	192,311
Website expenses	1,934	6,300
Work cover	835	925
Total expenses	534,203	550,922
NET SURPLUS/(DEFICIT)	(33,191)	11,310

This statement should be read in conjunction with the attached compilation report of Orr Martin & Waters