



24 July 2015

Mr Garrie James
Vice President
The Timber Merchants' Association (Victoria),
accounts@outdoortimber.com.au

CC: Orr, Martin & Waters, auditor, ATTN Larry Gilmour by email: Amanda.nott@omw.com.au

Dear Mr James,

**The Timber Merchants' Association (Victoria),
Financial Report for the year ended 31 December 2014 - [FR2014/403]**

I acknowledge receipt of the financial report of The Timber Merchants' Association (Victoria). The documents were lodged with the Fair Work Commission on 18 June 2015.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Provision of unaudited Statements to members

The Designated Officers Certificate indicates that the financial reports were provided to members on 12 May 2015. This was three days before the auditor's report was signed on 15 May 2015. These dates were confirmed with the organisation by telephone.

Section 265 of the RO Act requires that the full audited report is provided to members at least 21 days before the General Meeting. While this appears to be an oversight in this instance, please ensure that next year's report is audited prior to being provided to members.

Please note that subsection 265(1) is a civil penalty provision and future failure to meet this requirement may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, any officer whose conduct led to the non-compliance.

Going Concern

The organisation has made a loss in excess of \$30,000 for the second year in a row. Total current liabilities exceed current assets by \$50,000.

The Auditor's report states that there is 'the existence of a material uncertainty which may cast significant doubt about the association's ability to continue as a going concern.' The Committee of Management Statement indicates that the Committee of Management believes that 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.' Further, the Operating Report includes a brief summation of how the organisation's result was a deficit and asserts that the 'Budget should see the Association revert to a small surplus by the end of the calendar year.' While it is unclear whether the surplus spoken of is in relation to the comprehensive income or the total assets of the organisation, there are concerns about the branch's ability to prepare its next General Purpose Financial Report on a going concern basis. The Regulatory Compliance Branch will carefully examine next year's report.

Additionally, I remind the officers of the union of their duties under sections 285 and 287 of the RO Act in relation to the financial management of the union. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation (these are civil penalty provisions). It is incumbent on the officers of the union to take appropriate steps to address the net operating loss and ensure its ongoing solvency.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. 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. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
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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 12th of May 2015; and

That the full report was presented to a general meeting of members of the reporting unit on 4th of June 2015, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009 (the Act).

Signature

A handwritten signature in blue ink, appearing to read 'Richard Hill', followed by a long horizontal flourish.

.....

Richard Hill
President
Timber Merchants Association

Date 12th June 2015

The Timber Merchants' Association (Victoria)

ABN: 87 146 765 827

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TIMBER MERCHANTS ASSOCIATION (VICTORIA)

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The Management Committee present this report on the Association for the financial year ended 31 December 2014.

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
Glenn Tilling
Stephen Iser
Garrie James
Eric Siegers
Anita Trengrove (appointed on 12th February, 2014)

Meeting attendances

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

Board or Committee	Number of meetings
Management committee	9

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

Member	Meetings attended
R Hill	9
R Caddy	8
P Alexander	8
G James	9
C Dossetor	7
M Webster	8
G Tilling	5
E Siegers	9
S Iser	5
A Trengrove	7

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. In this capacity the association provides services to members to ensure that the work place for the employees is safe, compliant and focused on business growth so as to maintain harmonious and proactive work places. Activities include staff and employee training, market analysis and support (through the Timber Advisor Centre), Occupational Health and Safety Audits and other ancillary business support services. This ensures that members are able to meet customer needs through strong employee practices.

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 has been the only merchant representative organisation on the Forest Wood Products Council (Chaired by the Parliamentary Secretary for Agriculture, Fisheries and Forestry) until its cessation in March 2014, and while an alternative body is being created, remains the principal consultant for the sector on issues of biosecurity and Illegal Logging Bills. The association 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 2014**

Financial results

The deficit for the financial year was \$34,062 (2013 Deficit \$33,191).

Review of operations

The 2014 economic conditions provided a significant challenge for industry and while Memberships increased 4% to \$239,445, a number of exhibitors departed the showroom decreasing Showroom rental by 35% to \$102,054. Additionally a change in accounting policy in relation to prepaid showroom rental as outlined in Note 1 to the financial report has impacted the result adversely by \$15,115.

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 2013 year, has provided the Committee of Management confidence that the association will continue to be able to provide its services and maintain its 2015 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 2014

Members and employees

The number of members of the reporting unit at the end of the financial year was eighty eight (88). 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



Garrie James
Vice President

Dated this 23rd Day of April 2015

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue from ordinary activities	2	479,601	501,012
Depreciation and amortisation expense		(3,003)	(7,644)
Donations		-	(100)
Employee entitlements	24	(218,554)	(233,969)
Legal expenses		(1,426)	(2,606)
Meeting expenses		(8,345)	(35,866)
Motor vehicle expenses		(1,241)	(614)
Office and administration expense		(110,557)	(87,349)
Professional service fees		(36,300)	(36,617)
Publication cost		(15,134)	(16,491)
Rent and associated expenses		(119,103)	(112,947)
Current year surplus/(deficit) before income tax	3	(34,062)	(33,191)
Income tax expenses	1(b)	-	-
Net current year surplus/(deficit) attributable to members of the entity		(34,062)	(33,191)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	51,376	40,471
Trade and other receivables	5	171,379	162,392
Other current assets	6	3,734	6,698
TOTAL CURRENT ASSETS		226,489	209,561
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,272	4,275
TOTAL NON-CURRENT ASSETS		1,272	4,275
TOTAL ASSETS		227,761	213,836
CURRENT LIABILITIES			
Trade and other payables	8	51,805	42,016
Income in advance	9	210,218	172,559
Provisions	10	15,805	15,266
TOTAL CURRENT LIABILITIES		277,828	229,841
TOTAL LIABILITIES		277,828	229,841
NET ASSETS		(50,067)	(16,005)
EQUITY			
Retained earnings	11	(50,067)	(16,005)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other income		468,852	509,193
Payments to suppliers and employees		(459,709)	(545,812)
Interest Received		1,762	3,205
Net cash provided by operating activities	15(b)	10,905	(33,414)
Net increase in cash held		10,905	(33,414)
Cash and cash equivalents at beginning of financial year		40,471	73,885
Cash and cash equivalents at end of financial year	15(a)	51,376	40,471

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2014

	Accumulated surplus \$	Total \$
Balance at 1 January 2013	17,186	17,186
Net surplus for the year	(33,191)	(33,191)
Balance at 31 December 2013	<u>(16,005)</u>	<u>(16,005)</u>
Balance at 1 January 2014	(16,005)	(16,005)
Net Deficit for the year	(34,062)	(34,062)
Balance at 31 December 2014	<u>(50,067)</u>	<u>(50,067)</u>

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014

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 2014

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. Changes in Accounting Policy

During the current year the entity changed its policy in reporting prepaid showroom rental to full accrual reporting with all prepaid revenue taken to a liability as compared with only taking one month in prior years. The effect of the policy change is to increase the deficit by \$15,115. Comparative figures have not been adjusted for this item.

j. 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.

k. 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.

l. Comparative Figures

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 2014

	2014	2013
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
<i>Ordinary operating activities</i>		
Sales Revenue		
- sale of publications	21,530	23,689
other revenue		
- sponsorship and commission	49,484	38,582
- interest	1,762	3,205
- showroom rent	102,054	158,147
- member subscriptions	239,445	230,253
- other revenue	65,326	47,136
	479,601	501,012

NOTE 3: SURPLUS FOR THE YEAR

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

Cost of Sales	15,134	16,491
Remuneration of auditors for:		
- audit or review	10,000	10,000
- other services	-	-
Bad debts	-	840
Depreciation	3,003	7,644
Rental expenses on operating leases	104,420	104,063

NOTE 4: CASH AND EQUIVALENTS

Cash on hand	195	208
Cash at bank	51,181	40,263
	51,376	40,471

NOTE 5: TRADE AND OTHER RECEIVABLES

Current

Trade debtors	140,365	132,094
Other debtors	31,014	30,298
	171,379	162,392

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 2014 (2013- 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)
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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	3,734	6,698
 NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Plant, equipment and website – at cost	81,375	81,375
Less: Accumulated depreciation	(80,103)	(77,100)
	1,272	4,275
 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
		2014
Balance at beginning of year		4,275
Depreciation expense		(3,003)
Balance at end of year		1,272
Furniture, showroom, fittings & office equipment		Total
		2013
Balance at beginning of year		11,919
Depreciation expense		(7,644)
Balance at end of year		4,275
	2014	2013
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade creditors	13,665	7,683
Depreciation expense	38,140	34,333
	51,805	42,016
	2014	2013
	\$	\$
NOTE 9: INCOME IN ADVANCE		
Membership subscriptions in advance	181,617	159,073
Showroom rental in advance	28,601	13,486
	210,218	172,559

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 10: PROVISIONS EMPLOYEES		
Current – Office Holders		
- annual leave entitlements	5,326	4,491
- long service leave entitlements	-	-
- separations and redundancies	-	-
- other	-	-
Current – Employees other than Office Holders		
- annual leave entitlements	2,740	3,813
- long service leave entitlements	7,739	6,962
- separations and redundancies	-	-
- other	-	-
	15,805	15,266

NOTE 11: RETAINED SURPLUS

Accumulated surplus at beginning of financial year	(16,005)	36,846
Less: Retrospective adjustments	-	(19,660)
Net (deficit)/surplus for year	(34,062)	(33,191)
Accumulated surplus at end of financial year	(50,067)	(16,005)

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	110,780	107,553
- Not later than 12 months	19,728	130,508
- Between 12 months and 5 years	130,508	238,061

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.

(a) 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 2014

NOTE 14: RELATED PARTY TRANSACTIONS

	2014	2013
	\$	\$
Key Management Personnel		
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.		
Key management personnel compensation		
- Short term benefits	115,945	132,793
- Post-employment benefits	10,854	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	Anita Trengrove

(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

	2014	2013
	\$	\$
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	195	208
Cash at bank	51,181	40,263
	51,376	40,471

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

Surplus after income tax	(34,062)	(33,191)
Retrospective adjustments	-	(19,660)
Non cash flows in profit (loss) depreciation	3,003	7,644
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	(8,987)	11,388
(Increase)/decrease in other assets	2,964	(548)
Increase in trade and other payables	9,789	12,340
(Decrease)/increase in income in advance	37,659	(19,828)
Increase in employee benefits	539	8,441
Cash inflows/(outflows) inflows from operations	10,905	(33,414)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014

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 weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate	
	2014	2013
	\$	\$
<i>Financial assets:</i>		
Cash	51,181	40,263
Total financial assets	51,181	40,263

	Non-Interest Bearing	
	2014	2013
	\$	\$
<i>Financial assets:</i>		
Cash	195	208
Receivables	140,365	132,094
Total financial liabilities	140,560	132,302

	2014	2013
	\$	\$
<i>Financial assets:</i>		
Trade and sundry creditors	51,805	42,015
Total financial liabilities	51,805	42,015

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 of those financial assets (net of any provisions) as presented in the statement of financial position.

The association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered 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 2014

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 \$34,062 (2013: Deficit \$33,191). A change in reporting prepaid showroom rental increased the deficit by \$15,115. The Association's liabilities exceed its assets by \$50,067 at balance date. The budget for 2015 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

	2014	2013
Value of Services Provided	\$	\$
- Financial Statement Audit Services	10,000	10,000
- Other Services	-	0
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 2014

NOTE 24: EMPLOYEE EXPENSES

	2014	2013
	\$	\$
Holders of Office		
- Wages and Salaries	109,395	127,117
- Superannuation	10,854	12,116
- Leave and other entitlements	11,518	8,294
- Separation and redundancies	-	-
- Other employee expenses	457	525
Employees other than Office Holders		
- Wages and Salaries	71,993	72,700
- Superannuation	7,621	7,082
- Leave and other entitlements	6,419	5,830
- Separation and redundancies	-	-
- Other employee expenses	297	305
Total Employee Expenses	218,554	233,969

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 23rd April 2015 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 2014.

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:

23rd April 2015



461 Whitehorse Road
Balwyn
Australia 3103

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Balwyn 3103

Partners:
John E Volders
Larry R Gilmour
Grant W Petering

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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 2011, 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 2014 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 \$34,062 during the year ended 31 December 2014 and, as at that date, the association's current liabilities exceeded its total assets by \$50,067. 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

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

15/5/15



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Timber Merchants Association (Victoria)

Compilation Report

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 2014.

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

Orr Martin & Waters

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

L R Gilmour
15/5/15

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

REVENUE	2014 \$	2013 \$
Advisory Service	3,717	-
Event income	15,338	32,576
Industrial relations	8,092	4,532
TTIA risk and audit reports	20,018	-
Inspection reports	2,092	-
Insurance commission	37,284	34,264
Interest	1,762	3,205
Members subscriptions	239,445	230,253
Sales of publications	23,355	25,480
Secretariat	3,200	3,095
Showroom rental	102,054	158,147
Sponsorship	12,200	4,318
Sundry income	6,582	5,142
Training revenue	4,462	-
	<hr/>	<hr/>
	479,601	501,012
	<hr/>	<hr/>
EXPENDITURE		
Accounting	4,785	1,311
Advertising	5,618	5,762
Audit	10,000	10,000
Bad debts	-	840
Bank charges	1,461	1,292
Cleaning	6,702	6,379
Computer expenses	5,331	7,994
Conference & meeting expenses	4,056	4,120
Consultancy	127	-
Debt recovery	-	1,809
Depreciation	3,003	7,644
Donations	-	100
Electricity	7,238	7,519
Equipment rental	3,276	3,276
Fringe benefits tax	-	-
General expenses	1,543	1,435
Holiday pay	-	1,479
Industrial relations	36,300	36,616
Insurance	8,299	3,360
Long service leave	777	777
Legal expenses	1,426	2,606
Marketing & PR	710	3,264
Member events	18,826	40,002
Motor vehicle expenses	1,241	613
Postage	2,392	2,612
Printing & stationary	1,000	2,939
Publication costs	15,135	16,491
Rent & rates	119,103	112,947
Repairs & maintenance	31	87
Security	481	541
Showroom expenses & refurbishment	-	4,346
Staff training	3,467	-
Subscriptions	2,081	1,871
Superannuation	17,936	19,198
Telephone	9,561	7,975
Travel	794	2,546
TTIA O H & S Members reports	17,118	-
Wages	199,087	211,683
Website expenses	3,104	1,934
Work cover	754	835
Total expenses	<hr/>	<hr/>
	513,663	534,203
NET SURPLUS/(DEFICIT)	<hr/>	<hr/>
	(34,062)	(33,191)