



20 July 2016

Mr Eric Siegers
Executive Director
The Timber Merchants' Association (Victoria),
info@timber.asn.au

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

Dear Mr Siegers,

**The Timber Merchants' Association (Victoria),
Financial Report for the year ended 31 December 2015 - [FR2015/378]**

I acknowledge receipt of the financial report of the Timber Merchants' Association (Victoria). The documents were lodged with the Fair Work Commission on 1 June 2016.

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 2016 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 FWC will confirm these concerns have been addressed prior to filing next year's report.

Going Concern

Last year's financial report contained a going concern note and an emphasis from the auditor raising significant concerns with the financials of the organisation. I note that this year's financial report has moved closer to a positive net asset balance and the organisation's comprehensive income was in profit.

While the current report does not contain a going concern note or an emphasis of matter, the Commission will continue to monitor the organisation's progress in its next financial return.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Please ensure that next year the auditor includes the declaration within their auditor's statement.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Reporting Guideline 17 states that a disclosure must be made even if the figure to be disclosed is NIL. Please ensure next year's financial report includes line items for grants and donations, even if the amounts are NIL.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure has been made.

Please ensure that next year's financial report includes a payable in relation to legal costs, even if the figure is NIL.

Provision of unaudited financial information

Included in the financial return is additional financial data provided in a final Income Statement on page 22. The financial data included in this statement was not covered under the statutory audit and the Auditor has provided a disclaimer in which they do not express an opinion on this financial data and cannot warranty the accuracy or reliability in respect to the data provided.

Please note that the FWC does not accept this information as satisfying the disclosure requirements and unaudited information is not used in the assessment of the financial report.

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 RO Act, 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) 8656 4698 or via email at catherine.bebbington@fwc.gov.au.

Kind regards



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8656 4698

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



Designated Officer's Certificate

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

I, Peter Alexander, 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 22nd of April 2016; and

That the full report was presented to a general meeting of members of the reporting unit on 26th of May 2016, 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 'P. Alexander', is written over a dotted line.

Peter Alexander
President
Timber Merchants Association

Date 1th June 2016

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)

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015**

**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 2015

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TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The Management Committee present this report on the Association for the financial year ended 31 December 2015.

Committee

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

Clive R Dossetor	Peter Bennett	(Appointed 4/6/15)
Myriam Webster	Hugh Turner	(Appointed 4/6/15)
Richard Hill	Sof Manousopoulos	(Appointed 11/2/15 – Resigned 28/7/15)
Peter Alexander		
Ron Caddy		
Glenn Tilling	(Resigned 11/2/15)	
Stephen Iser	(Resigned 19/3/15)	
Garrie James	(Resigned 31/12/15)	
Eric Siegers CEO	(Resigned 30/8/15)	
Anita Trengrove		

Meeting attendances

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

Board or Committee	Number of meetings
Management committee	8

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

Member	Meetings attended		
R Hill	5	Peter Bennett	6
R Caddy	8	Hugh Turner	7
P Alexander	7	Sof Manousopoulos	2
G James	4		
C Dossetor	8		
M Webster	8		
G Tilling	2		
E Siegers	5		
S Iser	1		
A Trengrove	3		

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 aimed at supporting business development initiatives within the timber industry include Wood Products Victoria, Forest and Wood Products Association, Victoria Association of Forest Industries, Shareholder First Super, Timber Training Creswick, ForestWorks (training), Frederick O'Connell Scholarship Fund and the Fair Work Commission.

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Financial results

The surplus for the financial year was \$43,082 (2014 Deficit \$34,062).

Review of operations

The 2015 economic conditions provided a continuous challenge for industry and while Memberships were consistent with last year showroom rental increased by 10% to \$112,895.

The association continues to be able to provide its services to members and maintain its 2016 budget as set out by the committee.

During the year a decision was taken to dispose of the showroom facility operations in Blackburn. This transaction was completed by 31 December 2015 and any financial effects of the disposal are reflected in these financial statements. With the sale of the Timber Centre to The Market Bytes on 31 December 2015 the secretariat position is contracted to The Market Bytes. All staff and their entitlements were transferred to The Market Bytes on 31 December 2015. The Association continues to financially support the Timber Advisory Centre as part of its industry support programme.

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 any liability incurred as a committee member, director, secretary or executive officer of the association.

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 2015**

Members and employees

The number of members of the reporting unit at the end of the financial year was eighty-two (82). The number of employees of the reporting unit at the end of the financial year was five (5) and all transferred to The Market Bytes on 31 December 2015.

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:



Ron Caddy
Vice President



Richard Hill
Committee Member

Dated this 19th Day of April 2016

Committee Member

Committee Member

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Revenue from ordinary activities	2	499,799	479,601
Net gains from sale of showroom division		30,000	-
Depreciation and amortisation expense		(1,272)	(3,003)
Employee entitlements	24	(195,725)	(218,554)
Legal expenses		-	(1,426)
Meeting expenses		(21,297)	(8,345)
Motor vehicle expenses		(1,461)	(1,241)
Office and administration expense		(91,586)	(110,557)
Professional service fees		(45,851)	(36,300)
Publication cost		(20,003)	(15,134)
Rent and associated expenses		(109,522)	(119,103)
Current year surplus/(deficit) before income tax	3	43,082	(34,062)
Income tax expenses	1(b)	-	-
Net current year surplus/(deficit) attributable to members of the entity		43,082	(34,062)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	45,921	51,376
Trade and other receivables	5	189,551	171,379
Other current assets	6	2,753	3,734
TOTAL CURRENT ASSETS		238,225	226,489
NON-CURRENT ASSETS			
Property, plant and equipment	7	-	1,272
TOTAL NON-CURRENT ASSETS		-	1,272
TOTAL ASSETS		238,225	227,761
CURRENT LIABILITIES			
Trade and other payables	8	69,888	51,805
Income in advance	9	175,322	210,218
Provisions	10	-	15,805
TOTAL CURRENT LIABILITIES		245,210	277,828
TOTAL LIABILITIES		(6,985)	277,828
NET ASSETS		(6,985)	(50,067)
EQUITY			
Retained earnings	11	(6,985)	(50,067)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other income		480,405	468,852
Payments to suppliers and employees		(517,082)	(459,709)
Interest Received		1,222	1,762
Net cash provided by operating activities	15(b)	35,455	10,905
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds: Sale of showroom division		30,000	-
Net cash provided by investing activities		30,000	-
Net increase in cash held		(5,455)	10,905
Cash and cash equivalents at beginning of financial year		51,376	40,471
Cash and cash equivalents at end of financial year	15(a)	45,921	51,376

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2015

	Accumulated surplus \$	Total \$
Balance at 1 January 2014	(16,005)	(16,005)
Net surplus for the year	(34,062)	(34,062)
Balance at 31 December 2014	(50,067)	(50,067)
Balance at 1 January 2015	(50,067)	(50,067)
Net Surplus for the year	43,082	43,082
Balance at 31 December 2015	(6,985)	(6,985)

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015

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 governed 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)
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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015

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

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 2015

	2015 \$	2014 \$
NOTE 2: REVENUE AND OTHER INCOME		
<i>Ordinary operating activities</i>		
Sales Revenue		
- sale of publications	31,527	21,530
other revenue		
- sponsorship and commission	51,138	49,484
- interest	1,222	1,762
- showroom rent	112,895	102,054
- member subscriptions	239,261	239,445
- other revenue	63,756	65,326
	499,799	479,601

NOTE 3: SURPLUS FOR THE YEAR

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

Cost of Sales	20,003	15,134
Remuneration of auditors for:		
- audit or review	10,000	10,000
Bad debts	8,553	-
Depreciation	1,272	3,003
Rental expenses on operating leases	102,584	104,420

NOTE 4: CASH AND EQUIVALENTS

Cash on hand	26	195
Cash at bank	45,895	51,181
	45,921	51,376

NOTE 5: TRADE AND OTHER RECEIVABLES

Current

Trade debtors	151,908	140,365
Other debtors	37,643	31,014
	189,551	171,379

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 2015 (2014- 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 2015

	2015	2014
	\$	\$
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	2,753	3,734
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Plant, equipment and website – at cost	81,375	81,375
Less: Accumulated depreciation	(81,375)	(80,103)
	-	1,272
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
		2015
Balance at beginning of year		1,272
Depreciation expense		(1272)
Balance at end of 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
	2015	2014
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade creditors	9,580	13,665
Other payables	60,308	38,140
	69,888	51,805
	2015	2014
	\$	\$
NOTE 9: INCOME IN ADVANCE		
Membership subscriptions in advance	175,322	181,617
Showroom rental in advance	-	28,601
	175,322	210,218

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
NOTE 10: PROVISIONS EMPLOYEES		
Current – Office Holders		
- annual leave entitlements	-	5,326
- long service leave entitlements	-	-
- separations and redundancies	-	-
- other	-	-
Current – Employees other than Office Holders		
- annual leave entitlements	-	2,740
- long service leave entitlements	-	7,739
- separations and redundancies	-	-
- other	-	-
	-	15,805

NOTE 11: RETAINED SURPLUS

Accumulated surplus at beginning of financial year	(50,067)	(16,005)
Less: Retrospective adjustments	-	-
Net (deficit)/surplus for year	43,082	(34,062)
Accumulated surplus at end of financial year	(6,985)	(50,067)

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
- Not later than 12 months	-	19,728
- Between 12 months and 5 years	-	130,508

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance, ending in March 2016. With the disposal of the showroom business the lease was assigned effective from 31 December 2015.

(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)
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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015

NOTE 14: RELATED PARTY TRANSACTIONS

	2015	2014
	\$	\$
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	97,513	115,945
- Post-employment benefits	9,264	10,854

Related parties

Names of committee members:

Clive R Dossetor	Peter Alexander	Peter Bennett
Richard Hill	Glenn Tilling	Hugh Turner
Ron Caddy	Garrie James	Sof Manousopoulos
Peter Matthews	Stephen Iser	
Myriam Webster	Anita Trengrove	

(a) Transactions with the companies controlled by committee members

- (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

	2015	2014
	\$	\$
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	26	195
Cash at bank	45,895	51,181
	45,921	51,376

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

Surplus/(deficit) after income tax	43,082	(34,062)
Non cash flows in profit (loss) depreciation	1,272	3,003
Changes in assets and liabilities		
(Increase) in trade and other debtors	(18,172)	(8,987)
Decrease in other assets	981	2,964
Increase in trade and other payables	18,083	9,789
(Decrease)/increase in income in advance	(34,896)	37,659
Increase/(decrease) in employee benefits	(15,805)	539
Cash inflows/(outflows) from operations	(5,455)	10,905

TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2015

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	
	2015	2014
	\$	\$
<i>Financial assets:</i>		
Cash	45,895	51,181
Total financial assets	45,895	51,181

	Non-Interest Bearing	
	2015	2014
	\$	\$
<i>Financial assets:</i>		
Cash	26	195
Receivables	151,903	140,365
Total financial liabilities	151,929	140,560

	2015	2014
	\$	\$
<i>Financial assets:</i>		
Trade and sundry creditors	69,888	51,805
Total financial liabilities	69,888	51,805

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 2015

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 surplus for the year of \$43,082 (2014: Deficit \$34,052). The Association's liabilities exceed its assets by \$6,985 at balance date.

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

	2015	2014
	\$	\$
Value of Services Provided		
- Financial Statement Audit Services	10,000	10,000
- Other Services	-	-
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 2015

NOTE 24: EMPLOYEE EXPENSES

	2015	2014
	\$	\$
Holders of Office		
- Wages and Salaries	79,978	109,395
- Superannuation	9,264	10,854
- Leave and other entitlements	12,567	11,518
- Separation and redundancies	-	-
- Other employee expenses	777	457
Employees other than Office Holders		
- Wages and Salaries	75,760	71,993
- Superannuation	7,522	7,621
- Leave and other entitlements	9,204	6,419
- Separation and redundancies	-	-
- Other employee expenses	653	297
Total Employee Expenses	195,725	218,554

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.

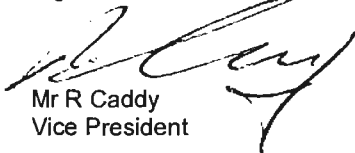
TIMBER MERCHANTS ASSOCIATION (VICTORIA)
ABN 87 146 765 827

On 19 April 2016 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 2015.

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 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 Caddy
Vice President

Date: 19 April 2016



461 Whitehorse Road
Balwyn
Australia 3103

Postal Address:
P.O. Box 307
Balwyn 3103

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

Partners:
John E Volders
Lary R Gilmour
Grant W Petering

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 2015, 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 2015 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.

ORR MARTIN & WATERS

Orr, Martin & Waters
Chartered Accountants

L R Gilmour

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

Date: *22/4/16*



Orr, Martin & Waters

C H A R T E R E D A C C O U N T A N T S

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Balwyn
Australia 3103

Postal Address:
P.O. Box 307
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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 2015. 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

Date: 22/4/16

TIMBER MERCHANTS ASSOCIATION (VICTORIA)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

REVENUE	2015 \$	2014 \$
Advisory Service	7,126	3,717
Event income	21,644	15,338
Industrial relations	10,903	8,092
TTIA risk and audit reports	2,200	20,018
Inspection reports	1,464	2,092
Insurance commission	37,638	37,284
Interest	1,222	1,762
Members subscriptions	239,261	239,445
Sales of publications	33,420	23,355
Secretariat	4,900	3,200
Showroom rental	112,895	102,054
Sponsorship	13,500	12,200
Sundry income	4,516	6,582
Training revenue	9,110	4,462
Net gains on sale of showroom division	30,000	-
	529,799	479,601
EXPENDITURE		
Accounting	6,765	4,785
Advertising	4,371	5,618
Audit	10,000	10,000
Bad debts	8,553	-
Bank charges	1,787	1,461
Cleaning	6,201	6,702
Computer expenses	5,208	5,331
Conference & meeting expenses	3,804	4,056
Consultancy	295	127
Depreciation	1,272	3,003
Electricity	7,788	7,238
Equipment rental	3,276	3,276
General expenses	1,547	1,543
Holiday pay	(5,145)	-
Industrial relations	45,851	36,300
Insurance	4,727	8,299
Long service leave	5,043	777
Legal expenses	-	1,426
Marketing & PR	-	710
Member events	23,834	18,826
Motor vehicle expenses	1,461	1,241
Postage	2,381	2,392
Printing & stationary	1,710	1,900
Publication costs	20,003	15,135
Rent & rates	109,744	119,103
Repairs & maintenance	1,094	31
Security	426	481
Sick leave	3,799	-
Staff training	5,496	3,467
Subscriptions	90	2,081
Superannuation	16,786	17,936
Telephone	8,437	9,561
Travel	1,718	794
TTIA O H & S Members reports	1,700	17,118
Wages	173,811	199,087
Website expenses	1,454	3,104
Work cover	1,430	754
Total expenses	486,717	513,663
NET SURPLUS/(DEFICIT)	43,082	(34,062)