

AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED

Driving professionalism and growth



atfa[®]

Australian timber flooring association
Local professionals, world-class standards

ATFA Foundation Members 2009-2010 Financial Year

Platinum

Boral Timber Flooring
Hurford Hardwood

Gold

Bostik
Cabot's
Embelton Flooring
Floorworld
Gunns Timber Products
J Notaras and Sons
Swadesir

Silver

Clarke American Sanders
Polycure
Premium Floors
Selleys
Sika Australia
Wonderful Floor

Bronze

Australian Solar Timbers
Dale and Meyer Operations
ITC Timber
Lagler Australia
Northern Suburbs Timber Flooring
Queensland Timber Flooring
Whittakers Timber Products

Blue

Abcor
Absolutely Flawless Timber Flooring
Auswest Timbers
Be Floored
Bellbird Building Supplies
Clarkefield Floors
Coates and Associates
Connollys Timber and Flooring
ESDA International
Everwood Floors
Harmony Timber Floors
Holdfast Adhesives
J&L Timber
Kronotex Australia
Loba Australia
Manufacturing Agencies
Norton Abrasives
Oakdale Industries
Phil Grant Flooring
Planet Timbers
Queensland Parquetry and Cork Floors
Quicksand and Polish
RLA Polymers
SE Timber Floors
Style Flooring
Style Limited
Style Plantation Holdings
Sydney Flooring
Synteko
Tait Timber and Hardware
Urethane Coatings
Victorian Designer Floors
Whittle Waxes
Wondai Dry Mill (Parkside Timber)

*Timber floors
Naturally better*

atfa[®]
Australian timber flooring association

President's Message

Dear Members

On reflection of my fifth year as a director of ATFA and the completion of my first year as your president, I am pleased to report your association has continued to grow in membership and member services consistent with every year since foundation. Despite the uncertainties of the economic times, we have seen our membership pass 500 for the first time. We have also seen our full time staff increase to three with the appointment of a Marketing Coordinator, which is expected to drive member services and increase the brand awareness to consumers throughout the country.

ATFA is increasingly seen as an education focused organisation with the core activity of its initiatives centred around the collection, analysis and dissemination of information to improve the delivery of industry services to the consumers of our product. The delivery of education material and services relies on the forensic investigations by the many ATFA standing committees in every state. To support the future delivery of education based services, the ATFA board has recently approved the formation of a building fund as the first step in the long term goal to have an ATFA training facility together with partnering with existing Registered Training Organisations (RTOs) to achieve better training outcomes.

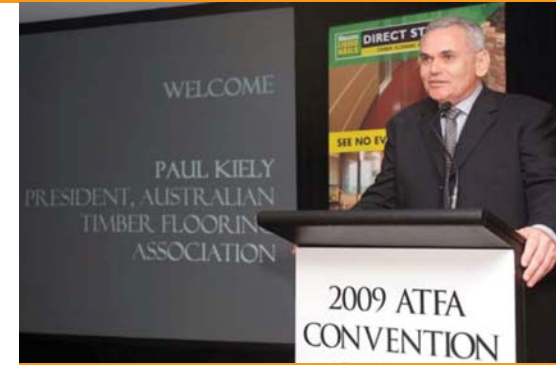
As we now embrace year six in ATFA's history, I am confident the focus of the ATFA staff and the ATFA board continues to reflect the values of the ATFA mission statement and remain in very good hands. In saying this, the ATFA mission remains vulnerable without strong industry support. Accordingly, I urge my industry colleagues to expand their support for ATFA where possible, and at the very least take up or maintain membership with ATFA to enable the continued development of educational initiatives, scientific research and member services.

Finally, I extend my appreciation to the ATFA staff for their dedication and outstanding performance in the past year. Equally, my appreciation extends to the members of the ATFA board of directors and members of the ATFA standing committees around the country, without whom ATFA would fail in its mission.

Kind Regards



Paul Kiely *President*



Chief Executive Officer's Foreword

The 2009-2010 financial year has witnessed continued growth of ATFA, despite a continuation of a slow market for the timber flooring industry across some parts of Australia. While the second half of the 2008-2009 financial year was when the Global Financial Crisis (GFC) impacted most on the global community and via the media, the real impact of this has affected the timber flooring industry more through this financial year. Despite this the positive consumer sentiment portrayed in the media has seemingly outweighed the downturn some timber flooring businesses are experiencing.

The economic impact on our industry across the States is not consistent – Victoria continues to defy the experienced downturn and demonstrate healthy trade. Western Australia appears to have bounced back relatively well from the GFC, while South Australia, Tasmania and the ACT are relatively stable. New South Wales has followed a series of years still in a somewhat depressed nature and Queensland seems the State most impacted upon and still feeling the effects of the GFC. At the time of writing, however, business sentiment in both Qld and NSW was showing positive signs.

On the ATFA front, the association appointed a new staff member in February 2010 to work on and improve marketing activities. This has witnessed ATFA's activities becoming more consumer focussed – with more consumer awareness comes increased business for our members.

ATFA continues to grow its services and during this year has updated the Timber Flooring - Problems, Causes and Remedial Measures manual, added to the now long list of information sheets, introduced a fuel deal with Caltex, introduced discounts with Optus, focused its training activities and introduced a new Product Endorsement system.

ATFA now has over 500 members, it will continue to do its part in assisting members by increasing services and increasing market awareness of its members.

In closing, my thanks to my Technical Manager David Hayward, Marketing Coordinator Lauran Hofman, the many organisations (Pure Graphics, MK Graphics, RACT Travel, SAS Global, Emma Watts, Inca and Team Perfect) that support us to fulfil all of the services to our membership. My thanks also to a hard working ATFA Board, the many Standing Committees of ATFA and most importantly to you, our members for the support you provide to ensure the future of our industry.



Randy Flierman B. Ed, M.Sc, FAITD
Chief Executive Officer

ATFA at a glance

As the peak association for the industry, ATFA's role is clear:

- ❖ To provide services to members which assist their business to operate better
- ❖ To provide constant technical advice and updates
- ❖ To raise the industry's profile and that of members
- ❖ To keep members informed of industry information, events and training
- ❖ To improve environmental conditions within the industry
- ❖ To raise the skill level of members and improve quality workmanship
- ❖ To grow the membership and be representative of the greater flooring industry.

The following vision and mission statements describe the strategic direction that the ATFA is continuing to follow and is likely to for the foreseeable future:

Vision

'A timber flooring industry that is professional, flexible, transparent, all-inclusive and innovative in order to meet the expectations and demands of the greater community'

Mission

'To improve effectiveness, quality and competitiveness in the industry through a nationally industry driven organisation ensuring betterment for the industry, its members and respective clients'

Through its vision and mission statements, ATFA will aim to service the broad interests of the timber flooring industry as well as the specific interests of individual operators for the long term to ensure the sustained success of the industry, the organisation and its members.



Key achievements in 2009 – 2010

The period of July 1st 2009 to June 30th 2010 has not only witnessed continued growth for ATFA, it has seen the organisation continue to thrive and provide new services and products during a further period of downturn.

- This 12 month period has once again been a substantial period of growth for ATFA, we entered the year with 405 members and **finished the year with 506 members**, a 25% increase on the previous year, quite remarkable in a year where the Global Financial Crisis impacted more on our sector than it had the previous year.
- ATFA's publication, the **Timber Flooring , Problems – Causes and Remedial Measures** was redeveloped and published during this year after lengthy research and consultation. Despatch to members occurring in the new financial year.
- The mention of trade nights in the industry have left people uninspired in the past, however, **ATFA's focused trade nights** operated during this year have been a major highlight and are attracting larger audiences as they grow in popularity. Of particular note are those held in Melbourne where ATFA trade nights have attracted audiences of 80 or 90 people on the night.
- During this year ATFA introduced its **Product Endorsement Program**, designed to fill the missing space for manufacturers of products such as coatings, adhesives, fillers, moisture barriers, abrasives, machines and equipment.

- The **discounted fuel deal with Caltex Australia** provides members with a great opportunity to reduce their operating expenses. Similarly, a series of offers have also been established with **Optus, offering regular discounts on telecommunication services.**
- In this year ATFA has refocused its one day **training activities** to act as seminars which not only provide valuable education and insight but also seek input and feedback from those who attend. Not only are the seminars a training activity, they also inform development and redevelopment of guidelines for timber flooring installation, engineered flooring, decking, bamboo and more.
- ATFA introduced a new logo tag line to provide greater awareness of its members and services – **ATFA local professionals, world-class standards**, now appears on most literature.
- As **workplace health and safety (WH&S) compliance** becomes more vital to contractor operations, the success of the September 2009 issued WH&S disk containing the necessary JSA and WSMS templates and more, has witnessed greater take up of compliance requirements during this year.

Servicing our members

Over the past 12 months ATFA has purposefully expanded its services to ensure all possible services are provided to members. To this end members can benefit from the following assistance:

Technical Advice Hotlines – regularly used by members, these exist for Coatings, Adhesives and Edge Bonding, Timber, Installation, Equipment and Sanding, Training.

National Floor Inspection Service – services providing inspectors in all States of Australia and the ACT to provide reports on the status of floors.

Oven Testing – this service provides the opportunity to undertake precautionary or diagnostic investigation of timber moisture levels.

Timber ID – scientific identification service to ascertain what species a particular timber could be.

Industrial Relations (IR) Support – with the assistance of Emma Watt, supplying basic IR support over the phone when it's needed.

WH&S Compliance – partnering with Inca Business Services (Workplace Health and Safety Specialists) to provide national assistance with this legal requirement.

Insurance – In conjunction with SAS Global Insurance Brokers, ATFA has negotiated tailored insurance solutions for your every need, both business and personal.

Website Recognition – listing members and their accreditation level, making them known to the public, and now able to list their own website address with a direct link.

In House Training Services – with ATFA's technical expertise, ATFA provides in house training services where required.

Master Forms – ATFA has developed and refined a range of master forms available in the member only section of its website, these include a standard contract format, contract variation, quote, invoice and contract information statement.

Major Service Discounts – discounted fuel with Caltex Australia and telecommunication discounts with Optus.

Constant Information – technical publications, information sheets, electronic bulletins and magazines designed to provide regular updates on the information you require.

Training – one day workshop and seminars operate throughout the year and practical schools are regularly scheduled.

Accreditation – to recognise your experience, qualifications, training and contribution to the industry.

Find a Member – available on the ATFA website to promote our members to the public.

Leading technical development for our industry

ATFA continues to develop further information and conduct research aimed at improving industry systems as well as removing uncertainties. This has occurred through:

Research projects – moisture barrier penetration, bamboo and general floor performance issues.

Technical Standing Committee Projects – re-humidification, flooring profiles, sub floor insulation, fire ratings, acclimatisation, moisture correction factors.

Timber Manufacturing Accreditation – quality auditing of timber flooring production resulting in those companies involved displaying the ATFA accredited logo.

Technical Publications – the *Timber Flooring manual*, *Timber Flooring – Problems, Causes and Remedial Measures* manual and the upcoming *Consumer Guide for Timber Flooring*.

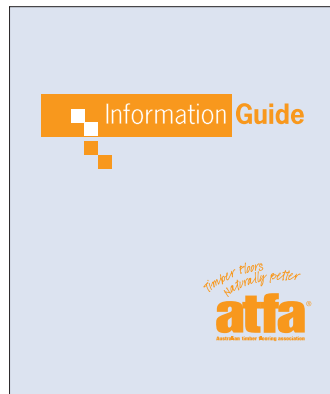
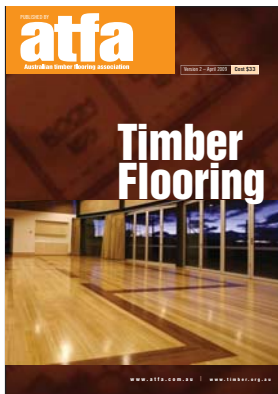
Data sheets – essential technical specifications to assist contractors on a daily basis.

New Information Sheets – Portable Long Service Leave, Getting Paid for your Work, Taber Testing, Timber Floors in Dry Conditions, Hardness Rating, Acclimatisation, Fire Ratings and Insulating Sub Floors.

Product Endorsement – quality assurance and ATFA logo endorsement for coatings, adhesives, moisture barriers, abrasives, fillers, machines and equipment.

Industry Seminars – to establish feedback on industry technical views.

Setting Guidelines – development of guidelines for floor performance, bamboo, engineered flooring and decking are all commencing.



Raising industry's profile

The key to the success of ATFA is the way in which ATFA promotes its members, it does this via:

ATFA Website – updated in early 2010, listing all members in the Find a Member section. The website attracts over 3000 visitors a month. Now members are also able to list their own website address with a direct link.

Member Accreditation – the capacity for members to increase their profile and demonstrate this to the public.

ATFA Convention – a showcase of the industry's finest products and services and the largest networking opportunity for the industry in the Southern Hemisphere.



Print Media Promotion – all opportunities to promote the benefits of timber flooring and the ATFA membership.

Consumer Expos – embarking on a presence at consumer frequented events, with the goal of increasing awareness of our members.

Trade Nights – focused trade nights designed to maximise attendance and interest in the subject matter.

Information Sheets – designed to educate consumers and inform them on expectations.

Consumer Guide – a full information booklet to be produced as an e-book and available online.

Industry Awards – involved in the national Timber Design Awards to begin increasing awareness among builders and architects.



ATFA Apprentice of the Year, sponsored by Oakdale Industries – Adam Mills of Inside Out Timber Floors and Decks.



ATFA Employee of the Year sponsored by J Notaras and Sons – Ivan Kirton of Greaves Parquetry.



ATFA Contractor of the Year sponsored by Lagler Australia – Floormania (Joe Elasi pictured).

Standards Development – influencing national standards development, including existing standards and modifications to existing services such as Natspec.

Keeping industry informed

The want for information continues to be of greatest demand from the membership, considerable work is undertaken to address this via:

Off the Floor Electronic Bulletin – informative six weekly updates keeping the industry informed on current affairs and ATFA events.

Timber Floors Magazine – the quarterly and highly professional ATFA magazine distributed to over 2500 businesses with a readership in excess of 6000.

Brochures – targeted to assist members in their dealings with consumers.

Information and Data Sheets – designed to inform members and consumers on specific technical or user issues.

Technical support – direct phone contact with the ATFA Technical Manager or one of the technical hotlines.

Government liaison – ongoing negotiations with Government departments to improve industry conditions.

Information Guide – a comprehensive and regularly updated set of information sheets and operational guidelines.

Technical Publications – the Timber Flooring manual, Timber Flooring – Problems, Causes and Remedial Measures manual and the soon to be released Timber Flooring Consumer Guide.

ATFA Convention – keeping industry informed on essential and new products and services.

Driving improved environmental practices

ATFA continues to examine issues within the industry which potentially have affect upon our members or in the community. ATFA has already developed information on:

Volatile Organic Compounds (VOCs) – informing users and consumers of VOC content in coatings and adhesives.

Timber Sustainability – chain of custody and life cycle assessment of timber flooring.

Wood Naturally Better – supporting the FWPA campaign to promote the benefits of timber.

Flooring Waste Disposal and Recycling – an information sheet to assist members on what to do with waste.

Raising the skills of our industry

A major focus of ATFA continues to be its quest for educational growth of the industry including:

US – Australian Installation and Finishing Schools – practical skills targeted at helping beginners, salespeople through to the most experienced.

Floor Inspector Courses – providing advanced level training for ATFA inspection services.

Workshops and Seminars – covering a wide range of topics including timber installation, sanding and finishing, parquetry and cork, engineered and laminate flooring, bamboo, coatings and adhesives and more.

Apprenticeship Training – continued involvement in the quality of training and the employment systems for apprentices and trainees within the timber flooring industry.



Participants and Instructors from the 2010 Intermediate School in Melbourne, May 2010.

Growing our membership

As at June 30th 2010, ATFA had 506 members (details of each member and their area of operation are all available on the ATFA website www.atfa.com.au).

ATFA is approximately 85% contractor based including installers, sanders and finishers of solid timber, engineered and laminate flooring, decking, cork, parquetry, floating floors and bamboo plus a few additional sidelines. Approximately 15% of the membership is corporate based including the greater majority of timber flooring manufacturers, coatings and adhesives manufactures, abrasives manufacturers, major, moderate and small supplier

organisations as well as retailers. ATFA also has a small but growing international membership.

The percentage of membership breakup is approximately:

| | |
|-----|------------------------------|
| 29% | Victoria |
| 23% | Western Australia |
| 20% | Queensland |
| 16% | New South Wales |
| 4% | International |
| 3% | South Australia |
| 3% | Tasmania |
| 2% | Australian Capital Territory |

Being a part of the Company

The Australian Timber Flooring Association Limited (ATFA) is a company limited by guarantee. The organisation is directed by a hard working Board of Directors and a staff of three personnel.

The Board – ATFA continues to maintain an active Board, as at the end of June 2010 the Board of Directors were:

| | |
|----------------|-------------------------|
| President | – Paul Kiely (WA) |
| Vice President | – Julia Hall (Vic) |
| Secretary | – Robert Clague (Qld) |
| Treasurer | – Cameron Luke (Vic) |
| Director | – Paul Blackshaw (NSW) |
| Director | – John Hollis (Tas) |
| Director | – John Elasi (NSW) |
| Director | – Robert Engwirda (NSW) |
| Director | – Glyn Taylor (Vic) |
| Director | – Leon Travis (NSW) |



From left to right: Julia Hall (Vice President), Glyn Taylor, Bob Engwirda, John Elasi, Paul Blackshaw, Cameron Luke (Treasurer), Paul Kiely (President), Leon Travis, John Hollis and Robert Clague (Secretary).

The Standing Committee Structure – The committees and members are:

Technical

Protocol – To deal with all technical issues, ongoing and as they arise, oversee updating of technical publications, provide direction on national consultation of technical issues, investigate environmental issues pertaining to timber floors, coatings and adhesives, advise on technical training requirements, oversee technical research projects including research needs and associated funding options, and feedback on relevant Australian Standards.

Paul Kiely (Chair)
David Smith
Geoff Eberhardt
Michael Lee
Sam Marafiotti
Tony Kellman
Tony Powell
Trevor Bailey
David Hayward (Staff)
Randy Flierman (Staff)

Training

Protocol – To assess training requirements at the local, State and National level for ATFA based training programs, training which may require contracting of outside expertise and nationally recognised training under Australia's National Training Framework. This committee also has carriage of the US Schools.

Jim Hillston (Chair)
Andrew Sherriff
Chris Lowry
Grant Whitehead
Mark Kelly
Peter Newitt

Phil Holgate
Robert Clague
Randy Flierman (Staff)
David Hayward (Staff)

US – Australian Schools

Protocol – To develop contractors in the timber flooring industry and promote the benefits of practical training.

Robert Clague (Chair)
Andrew Sherriff
Chris Stringer
Malcolm Johnston
Tony Powell
Randy Flierman (staff)

Membership, Marketing & Promotion

Protocol – To continually increase membership and develop continually changing strategies which grow membership for the ATFA in regard to standard membership and patron membership.

To develop marketing and promotion activities and strategies which further enhance the recognition of ATFA members in the market place and with the public as well as increasing the reputation and recognition of the ATFA as an association. This will encompass marketing and promotional materials, strategies and events (including the ATFA Convention).

David Embelton (Chair)
Cameron Luke
John Elasi
Leon Travis
Lyn Marafiotti
Robyn Barnes
Saxon Robinson
Lauran Hofman (staff)
Randy Flierman (Staff)

Timber Floors Magazine

Protocol – To develop and promote the ATFA national journal on a quarterly basis ensuring invaluable and insightful content and maintaining an advertising level which produces a profitable return for the association.

Lucy Perry (Pure Graphics)
Jane Lawrence (Pure Graphics)
Randy Flierman (Staff)

Legal Protection

Protocol – To provide assistance to the CEO and ATFA Board on any matters which may have legal ramifications or matters of a legal nature which may arise from time to time. Particularly to focus on ascertaining legal vulnerabilities in the operations and communications of the ATFA.

Paul Blackshaw
Paul Kiely
Randy Flierman (Staff)

Board Governance and Finance

Protocol – To ensure the transparent, ethical, accountable and unbiased operation of the board, to ensure due process is followed, skill and knowledge balance of board make up is achieved while managing risk, social responsibility, fairness, legitimacy of decision making and best performance of all. To maintain financial arrangements in accordance with legislation.

The Executive Committee of the Board:

Paul Kiely (chair)
Cameron Luke
Julia Hall
Robert Clague
Randy Flierman (Staff)

Timber Sustainability

Protocol – To develop policies, position statements and targets for the reduction of energy use, sustainable use of timber, GBCA and other environment and sustainable imperatives.

David Head
Julia Hall
Paul Blackshaw
Tony Pepper
Randy Flierman (staff)

Coatings and Adhesives

Protocol – To develop policies, position statements and targets for the reduction of VOC and other environmental imperatives. To consider advice and dissemination of information pertaining to coatings and adhesives.

Bruce Harris (chair)
Brett Scarpella
Chris Stringer
Claire Waterman
Denis Gray
Giles Whittle-Herbert
Ian McGregor
Kendall Waller
Phil Holgate
Phil Mowbray
Randy Flierman (staff)

State Standing Committees

Protocol – To provide advice and guidance on specific state requirements and where able provide support to implementing initiatives at a state level.

NSW Peter Sykes (chair)
Bill Durkowskyak
Bruce Harris
Charlie Herbert
David Head
Ian McGregor
John Elasi
Jose Zaragoza
Wayne Dungey
Zak Rafai
Ted Riddle (secretariat)
Randy Flierman (staff)

WA Sam Marafioti (chair)
Chris Bestall
David Watson
Grant Whitehead
Lodi Admiraal
Lyn Marafioti
Paul Kiely
Peter Ferguson
Roy Fetzner

VIC Chris Stringer (chair)
Andrew Sherriff
Anthony Aquilina
Bob Turnbull
Brett Scarpella
Dave Meyer
Josh Triplett
Peter King
Steven Keats
Terry Potten
Tony Pepper

QLD Warren Fletcher (chair)
Alan Aldridge
Barry Dycer
Barry Olszak
Chris Hunter
Christian Larsen
Denis Gray
Frank Ryan
Glyn Skelhorn
Jim Hilston
Peter Berndt
Rob Arnold
Robert Clague
Roy Hinchy

TAS Cameron Luke or Glyn Taylor (chair)
Hugh Maclaine
John Hollis
Justin Lovell
Richard Evans
Stuart Blackwell
Trevor Johnston

South Australian and Australian Capital Territory committees are yet to be formed.

The national ATFA team – Currently a three person, full-time operation with CEO – Randy Flierman, Technical Manager – David Hayward and Marketing Coordinator – Lauran Hofman.



ATFA staff left to right: David Hayward Technical Manager, Randy Flierman CEO and Lauran Hofman Marketing Coordinator.

Reporting the Financial Position of ATFA for 2009 – 2010

The following graphical representation provides a quick snapshot while the audited report following provides a detailed outline of ATFA finances.

ATFA Yearly Income

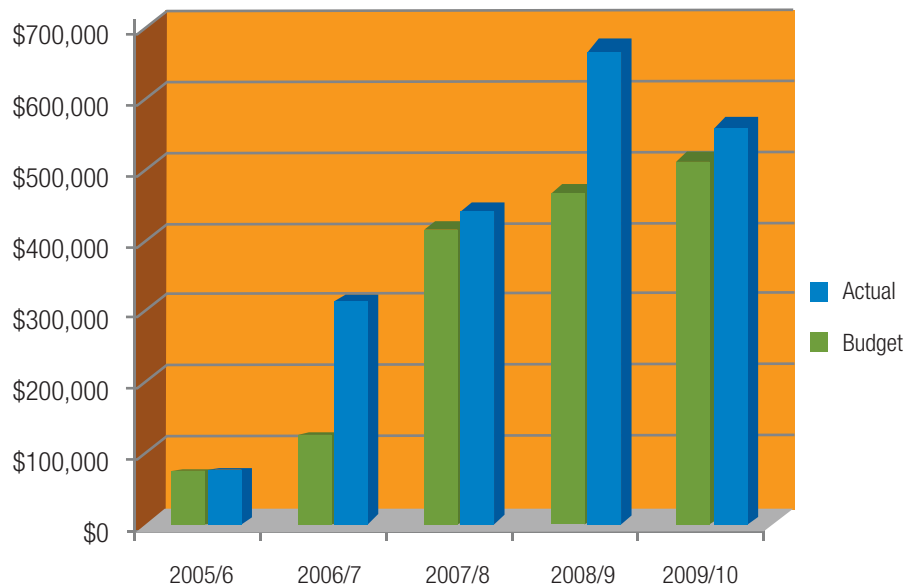


Fig 1: ATFA yearly income displaying budget versus actual. (ATFA Operational account only).

ATFA Distribution of Income (\$K)

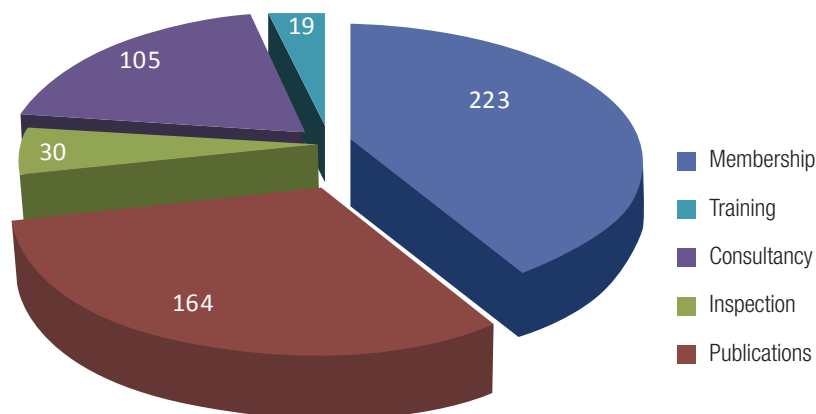


Fig 2: Distribution of ATFA income. (ATFA Operational account only).

ATFA Audited Financial Accounts for 2009 – 2010

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2010.

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

Paul Kiely (President), Julia Hall (Vice President), Cameron Luke (Treasurer), Robert Clague (Secretary), Glyn Taylor, John Hollis, John Elasi, Paul Blackshaw, Bob Engwirda, Leon Travis and Wayne Dungey.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The profit of the company for the financial year after providing for income tax amounted to \$102,804. The profit includes an amount of \$94,305 which is prepayments of the 2010-11 membership fees.

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of the company during the financial year were Timber Flooring Association.

No significant change in the nature of these activities occurred during the year.

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

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

No dividends were paid during the year and no recommendation is made as to the dividends.

The directors do not recommend the payment of a dividend.

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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

Secretary
Robert Clague

Treasurer
Cameron Luke

this 3rd day of September 2010

AUDITOR'S INDEPENDENCE DECLARATION

UNDER s 307C OF THE CORPORATIONS ACT 2001 to the Directors of Australian Timber Flooring Association Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- i no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit.

Bruce Coombes



Address: Level 1, 1 Chifley Square
Sydney NSW 2000

Dated 30th June, 2010

Financial Report for the year ended 30 June 2010

Profit and Loss Statement for the year ended 30 June 2010

| | 2010 | 2009 |
|-----------------------------------|-------------------|-------------------|
| INCOME | | |
| Membership Income | 83,653.06 | 212,802.29 |
| 2011 Membership Income in advance | 94,305.50 | – |
| Promotional Income | 18,763.92 | 22,262.22 |
| Convention Income | 120,567.95 | 251,309.17 |
| Course Fees | 155,655.36 | 109,461.58 |
| Consulting Income | 15,163.72 | – |
| | <u>688,109.51</u> | <u>595,835.26</u> |
| OTHER INCOME | | |
| Interest Received | 9,731.14 | 6,383.07 |
| Other Income | 119,257.07 | 185,158.19 |
| | <u>128,988.21</u> | <u>191,541.26</u> |
| | <u>817,097.72</u> | <u>787,376.52</u> |
| EXPENSES | | |
| Accountancy Fees | 6,810.85 | 6,900.00 |
| Promotion Expenses | 20,151.46 | 4,983.77 |
| Bank Charges | 3,896.04 | 3,320.14 |
| Borrowing costs & Amortisation | 347.00 | 578.00 |
| Car Allowance | 13,800.00 | – |
| Contract Work | 2,954.55 | – |
| Computer Expense | 3,567.69 | 1,945.45 |
| Depreciation | 9,538.00 | 6,114.00 |
| Electricity | – | 28.95 |
| Fees & Permits | – | 226.37 |
| Filing Fees | 40.00 | 105.00 |
| Meeting/Course Expenses | 84,435.12 | 27,501.98 |
| Hire of Plant & Equipment | – | 468.75 |
| Insurance | 3,325.02 | 4,369.41 |
| Interest Paid | 1,586.77 | 2,187.53 |
| Legal Costs | 3,800.00 | 4,217.64 |
| Convention Expenses | 137,811.10 | 261,495.95 |
| Motor Vehicle Expenses | 10,649.80 | 5,710.66 |
| Postage | 4,929.23 | 2,810.73 |
| Printing & Stationery | 30,028.98 | 46,674.19 |
| Events – Expense | 30,673.45 | 8,757.08 |
| Secretarial Fees | – | 2,005.69 |
| Avenir Service Charge | 26,586.22 | 185,704.06 |
| Staff Welfare | 3,863.64 | – |
| Subscriptions | 90.91 | – |

Profit and Loss Statement for the year ended 30 June 2010

| | 2010 | 2009 |
|---|-------------------|-------------------|
| Sundry Expenses | 727.85 | 454.59 |
| Superannuation Contributions – Employees | 18,407.08 | 7,443.00 |
| Telephone | 8,658.49 | 3,708.98 |
| Governance | 2,336.36 | 1,228.99 |
| Travelling Expenses | 29,949.21 | 25,617.90 |
| Other Expense Timber ID | 309.08 | – |
| Wages | 240,268.95 | 84,239.15 |
| Web Expenses | 14,750.91 | 5,603.64 |
| | <u>714,293.76</u> | <u>704,401.60</u> |
| Profit before income tax | <u>102,803.96</u> | <u>82,974.92</u> |
| Profit before income tax | 102,803.96 | 82,974.92 |
| Income tax expense | – | – |
| Profit after income tax | 102,803.96 | 82,974.92 |
| Retained earnings at the beginning of the financial year | 227,578.92 | 144,604.00 |
| | <u>330,382.88</u> | <u>227,578.92</u> |
| Total available for appropriation | <u>330,382.88</u> | <u>227,578.92</u> |
| Retained earnings at the end of the financial year | <u>330,382.88</u> | <u>227,578.92</u> |

Balance Sheet as at 30 June 2010

| | Note | 2010 | 2009 |
|----------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | <u>339,854.26</u> | <u>326,512.66</u> |
| TOTAL CURRENT ASSETS | | <u>339,854.26</u> | <u>326,512.66</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | <u>43,400.52</u> | <u>27,533.34</u> |
| TOTAL NON-CURRENT ASSETS | | <u>43,400.52</u> | <u>27,533.34</u> |
| TOTAL ASSETS | | <u>383,254.78</u> | <u>354,046.00</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 4 | 40,213.58 | 33,954.93 |
| Financial liabilities | 5 | 12,658.32 | 92,679.15 |
| Tax liabilities | 6 | – | (167.00) |
| TOTAL CURRENT LIABILITIES | | <u>52,871.90</u> | <u>126,467.08</u> |
| TOTAL LIABILITIES | | <u>52,871.90</u> | <u>126,467.08</u> |
| NET ASSETS | | <u>330,382.88</u> | <u>227,578.92</u> |
| EQUITY | | | |
| Retained earnings | 7 | <u>330,382.88</u> | <u>227,578.92</u> |
| TOTAL EQUITY | | <u>330,382.88</u> | <u>227,578.92</u> |

Cash Flow Statement for the year ended 30 June 2010

| | 2010 | 2009 |
|--|--------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from members, courses, conventions | 660,263.06 | 757,396.14 |
| Payments to suppliers and employees | (558,343.00) | (569,672.99) |
| Interest received | 9,731.14 | 6,383.07 |
| General administration expenses and direct expenses | (138,053.34) | (115,397.08) |
| Net cash provided by (used in) operating activities | <u>(26,402.14)</u> | <u>78,709.14</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Other current liabilities received | 73,551.76 | 50,905.00 |
| Payments for plant and equipment | (25,752.18) | (3,023.64) |
| Net cash provided by investing activities | <u>47,799.58</u> | <u>47,881.36</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | (8,055.84) | (8,055.84) |
| Net cash used in financing activities | <u>(8,055.84)</u> | <u>(8,055.84)</u> |
| Net increase in cash held | 13,341.60 | 118,534.66 |
| Cash at beginning of financial year | <u>326,512.66</u> | <u>207,978.00</u> |
| Cash at end of financial year | <u>339,854.26</u> | <u>326,512.66</u> |

Notes to the Financial Statements for the year ended 30 June 2010

1 Statement of Significant Accounting Policies

This financial report is a special purpose report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity.

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

| | |
|------------|-------------------------------------|
| AASB 107: | Cash Flow Statements |
| AASB 110: | Events after the Balance Sheet Date |
| AASB 112: | Income Taxes |
| AASB 116: | Property, Plant and Equipment |
| AASB 1031: | Materiality |

No other Accounting Standards, Australian Accounting Interpretations or other authoritative

pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on a cash basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent of directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any

guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Notes to the Financial Statements for the year ended 30 June 2010

| | 2010 | 2009 |
|------------------------------------|-------------------|-------------------|
| 2 Cash and Cash Equivalents | | |
| Current | | |
| Deposits Paid | 2,034.00 | 2,034.00 |
| ANZ A/c 4841-08922 | 127,785.06 | 121,297.45 |
| ANZ A/c 4850-26208 Convention A/c | 464.53 | 28,341.68 |
| ANZ V2 - 4828-30516 | 209,570.67 | 174,839.53 |
| | <u>339,854.26</u> | <u>326,512.66</u> |

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | 339,854.26 | 326,512.66 |
| | <u>339,854.26</u> | <u>326,512.66</u> |

3 Property, Plant and Equipment

| | | |
|-------------------------------------|------------------|------------------|
| Plant & Equipment | 34,739.73 | 8,987.55 |
| Less: Accumulated Depreciation | (8,145.00) | (2,366.00) |
| | <u>26,594.73</u> | <u>6,621.55</u> |
| Motor Vehicles | 27,231.34 | 27,231.34 |
| Less: Accumulated Depreciation | (10,945.00) | (7,186.00) |
| | <u>16,286.34</u> | <u>20,045.34</u> |
| Website Design | 1,806.45 | 1,806.45 |
| Less: Accumulated Depreciation | (1,287.00) | (940.00) |
| | <u>519.45</u> | <u>866.45</u> |
| Total Plant and Equipment | <u>43,400.52</u> | <u>27,533.34</u> |
| Total Property, Plant and Equipment | <u>43,400.52</u> | <u>27,533.34</u> |

Notes to the Financial Statements for the year ended 30 June 2010

| | 2010 | 2009 |
|-----------------------------------|------------------|------------------|
| 4 Trade and Other Payables | | |
| Current | | |
| Loan - Avenir | 1,000.00 | 1,000.00 |
| Credit Cards | | |
| ANZ Business Card | 27.50 | – |
| Input Tax Credits | (42,932.56) | (56,747.19) |
| GST Payable | 62,822.64 | 79,250.12 |
| PAYG Withheld | 19,296.00 | 10,452.00 |
| | <u>40,213.58</u> | <u>33,954.93</u> |

5 Financial Liabilities

| | | |
|--------------------------------------|------------------|------------------|
| Current | | |
| Chattel Mortgage: Commodore VE Omega | 12,658.32 | 19,127.39 |
| Deferred Revenue | – | 73,551.76 |
| | <u>12,658.32</u> | <u>92,679.15</u> |

6 Tax

Liabilities

| | | |
|--------------------------|---|----------|
| Current | | |
| Provision for Income Tax | – | (167.00) |

7 Retained Earnings

| | | |
|--|-------------------|-------------------|
| Retained earnings at the beginning of the financial year | 227,578.92 | 144,604.00 |
| Net profit attributable to members of the company | 102,803.96 | 82,974.92 |
| Retained earnings at the end of the financial year | <u>330,382.88</u> | <u>227,578.92</u> |

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

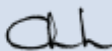
1. The financial statements and notes present fairly the company's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Robert Clague



Director
Cameron Luke



Dated this 3rd day of September 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Australian Timber Flooring Association Limited which comprises the balance sheet as at 30 June 2010, the profit and loss statement, and cash flow statement for the year ended on that date, notes to the financial statements, the directors' declaration and directors' report.

Directors' Responsibility for the Financial Report

The directors of the Australian Timber Flooring Association Limited are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members.

I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing 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 of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Timber Flooring Association Limited on 30th June 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion, the financial report of Australian Timber Flooring Association Limited is in accordance with the Corporations Act 2001, incl

- (a) giving a true and fair view of the Australian Timber Flooring Association Limited financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Name and signature of Auditor



Bruce Coombes

Address: Level 13, 383 Kent Street
Sydney NSW 2000

Date: 26 August 2010



atfa[®]

Australian timber flooring association

Local professionals, world-class standards

ABN 16 524 524 226

11 Oleander Avenue
Shelly Beach Queensland 4551

T (07) 5492 8696

E admin@atfa.com.au

W www.atfa.com.au