

AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED



# Driving professionalism and growth

ANNUAL REPORT  
2010/2011

**atfa**<sup>®</sup>

Australian timber flooring association  
*Local professionals, world-class standards*

## ATFA Patron Members 2010 – 2011 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  
Selleys  
Sika Australia  
Wonderful Floor

### Bronze

Australian Solar Timbers  
Lagler Australia  
Northern Suburbs Timber Flooring  
Queensland Timber Flooring

### Blue

Abcor  
Absolutely Flawless Timber Flooring  
APN Timber Floors  
Auswest Timbers  
Bellbird Building Supplies  
Clarkefield Floors  
Coates and Associates  
Dale and Meyer Operations  
ERA Polymers  
Everwood Floors  
Harmony Timber Floors  
Holdfast Adhesives  
J&L Timber  
Kronotex Australia  
Loba Australia  
Manufacturing Agencies  
Melbourne Designer Floors Pty Ltd  
Norton Abrasives  
Oakdale Industries  
Peak Chemicals  
Phil Grant Flooring  
Planet Timbers  
Premium Floors  
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**<sup>®</sup>  
Australian timber flooring association

## President's Message

Dear member colleagues,

It would be fair to say the 2010/2011 fiscal year has been a challenge for most and difficult for many. As we try to absorb the plethora of financial information and projections for the nation's economy moving towards 2012, one could be excused for being confused and a little nervous. Whilst the Australian economy has performed well on the international stage, it is quite obvious that external issues of which we have little or no influence over will continue to dictate mood creating euphoria, anxiety or both into the foreseeable future. All of this can sound daunting if we allow these external influences to control our thoughts. Alternatively, we can concentrate on what we can collectively influence and work on ways to improve what we own and control – our magnificent and resilient industry.

The attitude of the ATFA board of directors remains industrious, harmonious and positive, concentrating on strengthening our industry via improved flow of information, technical support and most importantly – education services. Our membership continues to grow consistent with the yearly average since inception six years ago and demand for education and other services is expected to continue to consume the resources of the association into the future. With the national licensing initiative (NOLA) looming large over the construction industry, education services are expected to dominate ATFA member services for some time to come. To date, ATFA workshops and schools have functioned efficiently due to the generosity of the many volunteers and sponsors who dedicate time and financial resources. Whilst the spirit of the volunteers and supporters are without doubt inspirational, the board considers the future security of our education programs requires less reliance on the volunteer system in favour of independent funding arrangements. Your directors are presently investigating options in this regard and hope to finalise a summary for industry consideration in the coming months.

This report coincides with completing the second year of my presidency and despite the best efforts of our hard working CEO to burn me out, I am able to report to you that I am still motivated and keen to see the association achieve the next set of targets and create a legacy for the future leaders of our industry. I seize this opportunity to thank the ATFA staff for their dedication to their chosen mode of employ and to my fellow board members, the many members of the national standing committees and State standing committees around the country as well as the patron members of the association whose collective time and resources donated to the association permits us to plan activities for the year ahead, to all I extend my personal thanks. I wish you all good health, happiness and prosperity in the year ahead.

Kind Regards

**Paul Kiely** *President*





What a fantastic year! From a strategic point of view, changes made by ATFA during this year have paid dividends for the industry.

Of particular note was the significant move to partner with a large professional event management company (Australian Exhibitions and Conferences) and forego our own ownership of the Timber Flooring Convention. While this initially was met with some trepidation (giving away our baby to someone else to look after), day 1 of the February 2011 Convention in Sydney removed all concern and replaced it with a huge sensation of success. In the final analysis, we had approx 7000 people through the doors, tenfold more than any other year. Exhibitors were thrilled with the reception and all signs for 15000 visitors at the Melbourne Convention in July 2012 are exceptionally strong.

ATFA also managed the Annual Dinner and ATFA Awards Night itself this year, a night made perfect by the down to earth Andrew Daddo and just the honest enjoyment of all who attended.

Another notable addition to ATFA activities was the commencement of our Market Analysis program, a system to assess the satisfaction levels within the industry and more importantly assess the levels of market output. This data will be essential to demonstrating the industry's size and strength in all future negotiation with Government.

While on the topic of data, a recent analysis of the flooring industry by an independent research house, demonstrated that timber flooring had grown to approx 25% of the flooring market. Past studies have shown timber flooring at 17%. This is pleasing and shows that growth and development in our industry is evident.

Now with six years under our belt and a membership of approximately 600, ATFA might be expected to fall into a routine of just providing the sound services already established, however, nothing can be further from the truth. Our key accomplishments outlined in this report will demonstrate this and the planned activities ahead of us will ensure that we are continually pushing to exceed each year's achievements. 2011-12 promises to be another exciting year with work on an industry training levy, guideline development for engineered flooring, bamboo, decking and laminate, proposed development of an iphone app and a great deal more.

While economically, despite all the talk of the mining boom, our industry along with most other sectors and certainly the building sector as a whole is somewhat down at the time of writing, the industry is making ends meet. As soon as consumer confidence can be regained, an upturn in the economy and the industry should become quickly evident. For the first time in ATFA's six year existence, the economic impact and the general sense of a quiet market appears to be consistent across all States and Territories.

This report cannot be complete without recognising the dreadful floods that occurred during the December – January period and have created severe economic conditions in many parts of Australia – our hearts go out to the many who suffered during these times, some our own members. We hope the times ahead are less eventful.

On the ATFA front, the association appointed a new staff member Lisa Alexiou in January 2011 to work on and improve marketing activities, a vital injection which has already increased membership and member service conditions.

I said at the February 2011 Convention Dinner that ATFA had come of age, by virtue of this, the timber flooring industry clearly now has a strong voice and a strong journey ahead.

In closing, my thanks to my Technical Manager David Hayward, Marketing Coordinator Lisa Alexiou and the many organisations (Australian Exhibitions and Conferences, Michael Hackett and Partners, Pure Graphics, MK Graphics, RACT Travel, SAS Global, Emma Watts, Inca Business 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 Fierman** B. Ed, M.Sc, FAITD  
*Chief Executive Officer*

### As the peak association for the timber flooring 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
- ❖ 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 2010-2011

The period of July 1st 2010 to June 30th 2011 has not only witnessed continued growth for ATFA, it has seen the organisation continue to thrive and provide new services and products.

- This 12 month period has once again been a substantial period of growth for ATFA, we entered the year with 506 members and **finished the year with 580 members**, a 16% increase on the previous year, quite remarkable in a year where the effect of the Global Financial Crisis has continued to impact and devastating floods have had a major effect on the industry and the economy.
- ATFA has developed two new electronic publications during this time – the **ATFA Timber Flooring Consumer Guide** and the **ATFA QA Records and Checklists** publication. The Consumer Guide is available to the public for purchase and is posted in the member section of the website for members to download or print. The QA Records and Checklists publication will be issued to members electronically at the completion of the member renewal period.
- The most significant achievement for the year was the restructure of the **ATFA Flooring Convention**. The event is now managed by Australian Exhibitions and Conferences and houses all aspects of flooring – timber, carpet, vinyl, tiles and more. The Convention forms part of a larger event in conjunction with Decoration & Design and Furniture. This now provides for 7000 trade visitors in Sydney and 15000 trade visitors in Melbourne.
- This significant strategic change in the operation of this key event for our industry, ensures a long and successful future. It now has something for everyone from retailer and contractor through to architect and designer.
- The **ATFA Member Accreditation System** has had a significant overhaul prior to its re-release in June 2011. The revised program now brings with it additional rigour through compliance requirements linked to onsite performance. The application process also has additional rigour with any applications above level 4 requiring State Committee endorsement.





Participants and Instructors in Perth WA, at the New Techniques Program – April 2011

- For four years ATFA has conducted the US – Australian Installation and Finishing Schools under the careful direction of a team of US based instructors and in later times just the watchful mentorship of Christine Coates and Daniel Boone (whom we cannot thank enough for their conviction). With four years of careful training and direction from our good friends in the States, ATFA went solo this year. For the first time, we not only ran the program totally with strictly only Australian Instructors and our own control, but also developed it as our own program titled **New Techniques Program** and ran it in Western Australia (the first time out of Victoria). The event was oversubscribed and an enormous success – testimony to the band of dedicated instructors and the program sponsors that support it with materials and equipment.
- They may seem smaller achievements, however, development work to have the ATFA Timber Flooring manual recognised via the **Wood Solutions** initiative and **NATSPEC** have also occurred this year. These have only been finalised in June 2011, however, will result in better direction for builders and architects when it comes to specifying and working with timber floors. We look forward to this translating to clearer guidelines and more recognition of our members in the years ahead.
- ATFA has offered a wide suite of training during its existence, however in 2011, it introduced **one day workshops for grading**. These have proven popular and will continue for the remainder of 2011.

- During this year ATFA has also negotiated involvement with **WorldSkills**. This will see the opportunity for our industry and more specifically our apprentices to participate in competitions to find the best apprentice. This is likely to happen at the State level, then nationally, followed hopefully by the chance of showing our ability internationally. This is another way of giving our industry the vital recognition it clearly deserves and continuing to raise the profile.
- **Moisture Meters** are an essential tool for the timber flooring industry and with most work now done over concrete slabs, Thermo-hygrometers measuring RH levels are also becoming vital. ATFA has introduced a scheme to increase the uptake of meters in the industry. Sadly, we estimate that up to 95% of the industry doesn't carry a moisture meter. Failure to check moisture levels of the timber arriving to site, the slab and during the installation process may leave contractors vulnerable to liability if something goes wrong with the floor.  
  
ATFA has introduced a voucher system which ensures a good quality meter and a well reduced price when members renew their membership in 2011. This initiative is supported by two of the large meter companies Delmhorst and Wagner.
- In December 2010 and January 2011, Australia experienced devastating floods and cyclones across various parts of Australia. ATFA acted quickly producing and supplying an information sheet on **flood inundation** and keeping members regularly updated on progress, member support and insurance work conditions. The information and support was well received and thanks goes out to all those that reacted quickly and gave of their time generously.
- April 2011 witnessed a small delegation from ATFA visit San Diego, United States for the annual **NWFA Convention**, an opportunity to see how our bigger cousin operates. Directors John Hollis and Leon Travis, together with CEO Randy Flierman, spent their time wisely learning about their Convention and the NWFA's activities, ascertaining what initiatives can be replicated here. The visit ended in a meeting with the NWFA CEO and now new CEO Michael Martin. A key goal for us to establish a strong relationship and alliance with NWFA. This has already paid off and the two organisations are already sharing developmental information and discussing a wider ranging international alliance.
- Last but not least, and in fact significant, was the introduction of our **Market Analysis Program**. This is a highly detailed program drawing information from Contractors, Suppliers and Manufacturers on sales volumes and industry satisfaction levels. This program has operated since the commencement of the financial year and has just closed out the fourth quarter for the year. While ATFA will use the data to argue a stronger case for Government assistance, all who participate in the program are furnished with the full report and the market data which will help and inform their business decisions. The program will continue in the new financial year.

## Servicing our members

Servicing our members is the first priority of ATFA, we continue to both expand services and improve those already in place. To this end members can benefit from the following assistance:

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

The following provides a synopsis of outcomes over the past year as well as the preceding year:

### National Inspection Data

Details	2008/ 2009	2009/ 2010	2010/ 2011
Total Inspections Requested	280 (9 months)	403	436
Full Inspections Conducted	162 (9 months)	187	231
Call Outs Conducted (no written report)	Not recorded	47	53
Based on Full Inspections by %			
Relating to Performance	81%	76%	69%
Relating to Appearance	19%	24%	31%
Solid Timber	70%	66%	62%
Bamboo	12%	11%	16%
Engineered	6%	13%	9%
Laminate	4%	2%	3%
Parquetry	4%	4%	5%
Pre-Finished Solid	4%	2%	3%
Cork	0%	1%	1%
Decking	0%	1%	1%

Details	2008/ 2009	2009/ 2010	2010/ 2011
Australian Capital Territory	1%	1%	1%
New South Wales	10%	11%	10%
Victoria	33%	24%	24%
Queensland	25%	36%	35%
Western Australia	30%	26%	29%
South Australia	1%	2%	1%
Tasmania	0%	0%	0%

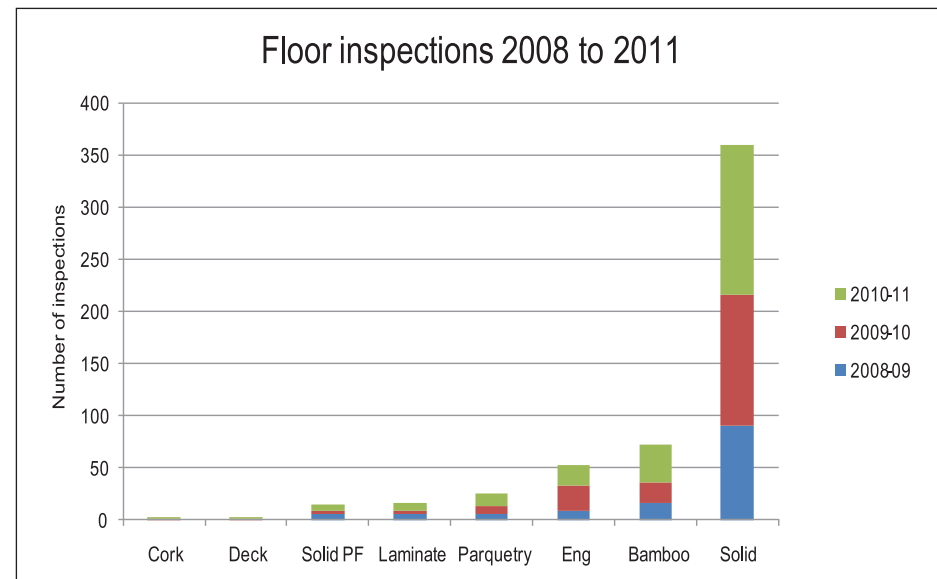
### Summary of Findings

It is apparent from the figures above and the graph below that ATFA floor inspections have steadily increased over the past three years.

This is partly due to the increased number of inspectors throughout each state (thus ATFA's capacity to provide services) and greater awareness that the ATFA can provide such services.

However, the number of inspections being undertaken is of concern. In figures beside appearance concerns relate mainly to sanding and finishing aspects but also include other aspects such as poor fitting and concerns with product grade. The performance concerns relate to aspects such as cupping, crowning, peaking, buckling and the like.

Although solid timber is a large share of the market and aspects of manufacture, installation and sand and finish apply to every floor, it is considered that the industry needs to focus in coming years on providing more robust systems. Similarly, the concerns with bamboo flooring, with a greater proportion relating to direct adhesive fixed strand woven product fixed to concrete slabs, remains disproportionately high.



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

During this year 48 oven tests were conducted for members and the general public.

**Timber ID** – scientific identification service to ascertain what species a particular timber could be. During this year 10 cases were resolved for timber identification.

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

The contact details for these hotlines are on the front page of the ATFA grey Information Guide.

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

During this year Emma has dealt with 24 enquiries mainly relating to wage rates.

**WH&S Compliance** – partnering with Inca Business Services (Workplace Health and Safety Specialists) to provide national assistance with this legal requirement, particularly the provision of safe work method statements/job safety analysis documentation.

During this year 10 companies sought assistance from Inca with WH&S related issues.

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

Currently SAS Global Insurance holds 46 insurance packages for ATFA members.

**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.

Full visits to the ATFA website are in excess of 1700 per month, page views in excess of 7000 per month.

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

During this financial year, ATFA has conducted 14 in house training and service events for a range companies.

**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. These are now also supplemented by the ATFA Two Year Warranty, also available to members for \$33.00 (one off payment).

A steady flow of members are gradually taking up the standard contract, however, few thus far are adopting the new warranty system. Changes to the Accreditation System should see this improve.

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

Several companies have taken up the fuel discount scheme with Caltex, however, not as many as had first expressed interest. It's an easy to use system

with online application and monthly billing. For many operations the 2.5cpl discount can amount to \$100's of dollars a year.

The Optus phone deals are focused on mobile use and provide some worthwhile opportunities.

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

The electronic bulletin has had somewhat of a makeover in recent months and enjoying additional attention as a result.

**Training** – one day workshops operate throughout the year and practical schools are regularly scheduled. Workshops this year have included Advanced Timber Technology, Timber Grading, Coatings Essentials and Troubleshooting. Other courses have included the three day Floor Inspectors course and the three day New Techniques Program conducted in Perth in April 2011.

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

The accreditation program went under considerable review and consultation during this year, culminating in its release in conjunction with renewal notices for the new financial year. Positive feedback from members and the community are hoped for as we roll out the new, more rigorous program.

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

Still the most visited part of the ATFA website, clearly, if you're not a member you are missing out on work! Consumers are savvy, they are switched on to understanding how accreditation works and seeking comfort in engaging an ATFA member.

## 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** – bamboo and general floor performance issues.

**Technical Standing Committee Projects** – covers any issues important to industry and any issues brought to the committee by members or the public.

The committee is currently working on subfloor insulation, moisture meter correction factors, revision of AS1684 and pre-finished direct stick to concrete, in addition to guideline development.

**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, the *Consumer Guide for Timber Flooring* and the upcoming *Checklists*

and *QA Records* publication. To follow in the new financial year are publications for Engineered Flooring, Bamboo, Decking and Laminate.

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

**New Information Sheets** – Flood Inundated Timber Floors, Taber Testing, Hardwood Flooring Grades, Hardwood Species Names, Coatings Mechanical Properties, Floors with Under Floor Heating, Timber Floors in Wet Times.

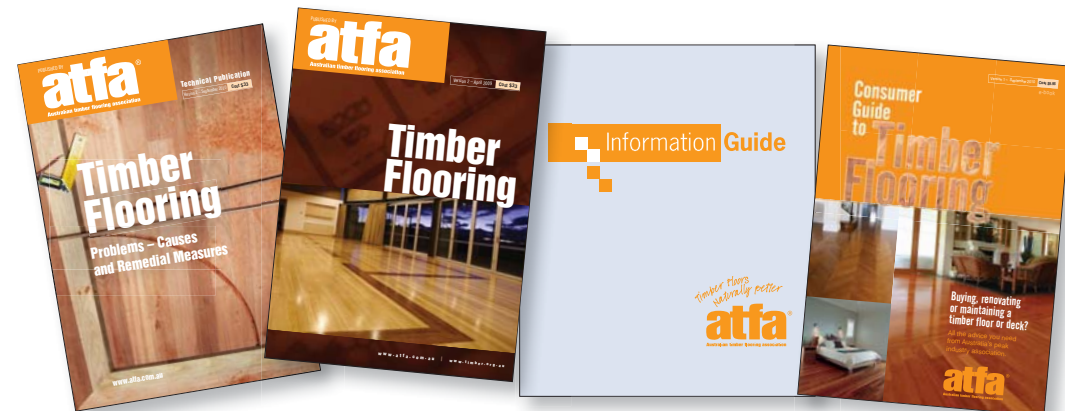
**Product Endorsement** – quality assurance and ATFA logo endorsement for coatings, adhesives, moisture barriers, abrasives, fillers, machines and equipment.

The first two companies worked through Product Endorsement this year.

**Industry Forums** – to establish feedback on industry technical views.

Forums are scheduled for the second half of 2011 to cover Engineered Flooring, Bamboo, Ghosting and T&G Timber Flooring.

**Setting Guidelines** – development of guidelines for bamboo, engineered flooring, laminate and decking have all commenced and are expected in the new financial year.



## 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 1700 visitors a month. Now members are also able to list their own website address with a direct link. The website continues to be the leading method of industry awareness.

**Member Accreditation** – the capacity for members to increase their profile and demonstrate this to the public. The updated system now in place and operational with added rigour.

**ATFA Convention** – a showcase of the industry's finest products and services and the largest networking opportunity for the industry in the Southern Hemisphere. This year conducted in Sydney, February 2011 and attracting approximately 7000 visitors to the event.

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

A new membership promotion brochure was brought on line early in this year and has had positive results – a 12 page DL size promotion full of the benefits of joining ATFA.

**Consumer Expos** – embarking on a presence at consumer frequented events, with the goal of increasing awareness of our members. We kicked this off with the Building and Home Improvement Expo in Melbourne in July 2010, attracting 25000 visitors. This provided considerable exposure for our members.

**Trade Nights** – focused trade nights designed to maximise attendance and interest in the subject matter. This year witnessed many successful trade nights, Victoria attracting 90 people each time to the

events held there, WA, Qld and NSW all holding their first events and all attracting healthy numbers. First time events are planned for Tasmania and South Australia in the second half of 2011.

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

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

**Standards Development** – influencing national standards development, including existing standards and modifications to existing services such as Natspec. Changes have recently been made to NATSPEC specifications which we hope to see uploaded to their site soon. The next task will be to begin the task of amending AS1684 and then on having ATFA guidelines recognised in the Building Code of Australia.

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

Conduct of the ATFA Annual Industry Awards and Dinner, award highlights as follows:



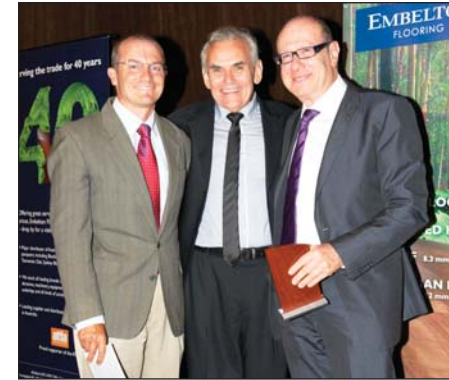
Host for the night – Andrew Daddo



Doltone House venue



Awards Sponsors (from left) Saxon Robinson of Selleys, Cameron Luke of Lagler Australia, Steve Dadd of Boral Timber, John Hollis of Oakdale Industries and James Embelton of Embelton Flooring



Winner ATFA Floor of the Year Pre-Finished, sponsored by Boral Timber – Market Timbers accepted by Gary Vogel (right)



Winner ATFA Floor of the Year Site Installed Commercial, sponsored by Boral Timber – Awesome Floors accepted by Daniel Jones (right)

**Boral  
Timber**



Recipients of the Fellow and Honoured Member Awards (from left) Dave Meyer, Cameron Luke, Robert Clague (Honoured), Daniel Boone, Chris Coates, Tony Powell, Malcolm Johnston and Paul Kiely



Winner ATFA Floor of the Year Site Installed Residential, sponsored by Boral Timber – Joint winners Northern Suburbs Timber Flooring accepted by Robert Clague (2nd from left) and Queensland Timber Floors accepted by David Smith (right)



Winner ATFA Best Stand at ATFA Convention, sponsored by Pure Graphics (Lucy Perry left) – Floorwood accepted by Danielle & Dean Marshall (right)

**Boral  
Timber**





ATFA Apprentice of the Year, sponsored by Oakdale Industries – Lee Hollis (right) of Precision Timber Floors



ATFA Contractor of the Year, sponsored by Lagler Australia – Brad and Chandelle Marston (left) of B&C Timber Flooring



ATFA Employee of the Year, sponsored by ATFA – Josh Marques (right) of Marques Flooring



ATFA Sales Representative of the Year, sponsored by ATFA – Stuart Brown (right) of Portugal Cork



ATFA Distributor of the Year, sponsored by Selleys – Marques Flooring accepted by Josh Marques (right)



ATFA Showroom of the Year, sponsored by ATFA – Tait Flooring accepted by Tony Pepper (right)

## Keeping industry informed

The want for information continues to be of greatest demand from the ATFA 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. This vital communication has been updated recently to a highly presentable and even more informative production.

**Timber Floors Magazine** – the quarterly and highly professional ATFA magazine distributed to over 2500 businesses with a readership in excess of 6000. This is produced by our publication partner Pure Graphics who successfully bring the ATFA Timber Floors magazine to vibrant life each quarter.

**Brochures** – targeted to assist members in their dealings with consumers. These are always in

stock and ready to purchase at cost price by the members.

**Information and Data Sheets** – designed to inform members and consumers on specific technical or user issues. The series of information sheets now numbers 37 and is continually growing, there already being seven in development for the next update.

**Convention Demonstrations and Seminars** – in conjunction with ATFA Convention there is always exceptional speakers and demonstrations on offer. This was certainly the case in Sydney during February 2011. ATFA's team of exceptional instructors provided several daily demonstrations in board bending, board replacement, staining and medallion insertion. International and Australian speakers presented on international trends, modern coating methods, perfect finishing and perfect installing techniques.



Live Demonstrations

**Technical Manager** – 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, the Timber Flooring Consumer Guide and the soon to be released Checklists and QA Records publication.

**ATFA Convention** – as previously covered, 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:

**The New Techniques 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 Forums** – 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.



International Seminars



Participants and Instructors from the 2011 New Techniques Program in Perth WA, April 2011.

## Growing our membership

As at June 30th 2011, ATFA had 580 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:

28.5%	Victoria
23.5%	Western Australia
20%	Queensland
18%	New South Wales
3%	International
3.5%	South Australia
2.5%	Tasmania
1%	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 2011 the Board of Directors were:

President	– Paul Kiely (WA)
Vice President	– Julia Hall (Vic)
Secretary	– John Hollis (Tas)
Treasurer	– Cameron Luke (Vic)
Director	– Peter Kozno (SA)
Director	– David Smith (Qld)
Director	– John Elasi (NSW)
Director	– Robert Engwirda (NSW)
Director	– Glyn Taylor (Vic)
Director	– Leon Travis (NSW)



From left to right: Leon Travis, John Hollis (Secretary), Peter Kozno, Paul Kiely (President), Cameron Luke (Treasurer), Glyn Taylor, Bob Engwirda, absent: Julia Hall (Vice President), John Elasi and David Smith.

**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 Marafioti  
Tony Kellman  
Tony Powell  
Trevor Bailey  
David Hayward (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  
Grant Whitehead  
Mark Kelly  
Phil Holgate  
Robert Clague  
Randy Flierman (Staff)

### New Techniques Program

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

Robert Clague (Chair)  
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 Marafioti  
Robyn Barnes  
David Murhan  
Lisa Alexiou (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 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  
John Hollis  
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  
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  
Tony McCauliffe  
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** Bill Durkowyak (chair)  
Bruce Harris  
David Head  
Ian McGregor  
John Elasi  
Jose Zaragoza  
Clinton Skeoch  
Zak Rafai  
Randy Flierman (staff)

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

**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  
Michael Roberts

**TAS** Hugh MacLaine  
John Hollis  
Justin Lovell  
Richard Evans  
Stuart Blackwell  
Trevor Johnston

**SA** Michael Van Rossen (chair)  
John Quaremba  
Dennis Rogers  
Alex Pahl  
James Dewar  
Mike Panno  
Brad Knight  
Peter Kozno

and Australian Capital Territory committee 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 – Lisa Alexiou.



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

## Reporting the Financial Position of ATFA for 2010 – 2011

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

### ATFA Yearly Income

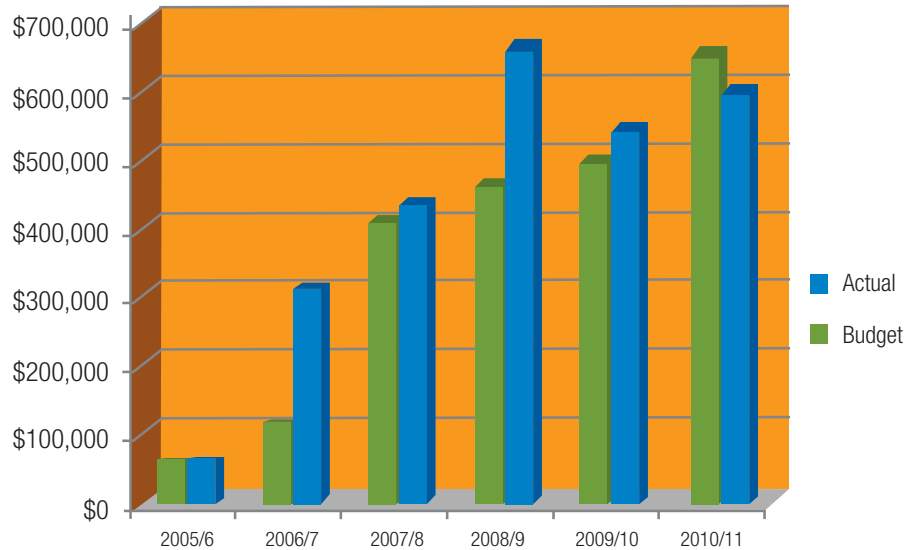


Fig 1: ATFA yearly income displaying budget versus actual. (ATFA Operational account only).

### ATFA Distribution of Income (\$K)

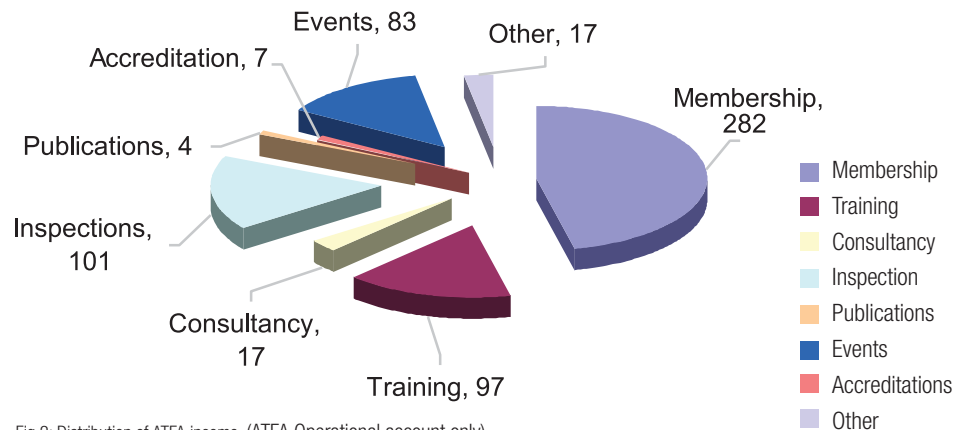


Fig 2: Distribution of ATFA income. (ATFA Operational account only).



**EDWARDS  
COLLINS  
GROUP**

Chartered Accountants  
BUSINESS PUZZLES SOLVED

### AUDITOR'S INDEPENDENCE DECLARATION To the Directors of Australian Timber Flooring Association Limited ABN 16 524 524 226

Under S307C 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<sup>th</sup> June 2011 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.

.....  
**Robert HJ Edwards B Com FCA**  
**RCA#6246**  
Level 1, 180 Main Street  
Kangaroo Point, QLD 4169

Dated: 26<sup>th</sup> August, 2011

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**
**Profit and Loss Statement for the year ended 30 June 2010**

	2011	2010
<b>INCOME</b>		
Membership Income	200,763.47	283,653.06
Membership Income in advance	84,613.07	94,305.50
Promotional Income	4,772.09	18,763.92
Convention Income	12,000.00	120,567.95
Course Fees	69,513.07	155,655.36
Consulting Income	26,199.71	15,163.72
US School Income	34,306.27	–
	<u>432,167.68</u>	<u>688,109.51</u>
<b>OTHER INCOME</b>		
Interest Received	10,172.48	9,731.14
Other Income	188,360.77	119,257.07
Loss on Sale of Non-current Assets	(5,363.89)	–
	<u>193,169.36</u>	<u>128,988.21</u>
	<u>625,337.04</u>	<u>817,097.72</u>

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**
**Profit and Loss Statement for the year ended 30 June 2010**

	2011	2010
<b>EXPENSES</b>		
Accountancy Fees	4,385.74	6,810.85
Promotion Expenses	12,466.52	20,151.46
Auditing Fees	2,400.00	–
Bank Charges	4,152.92	3,896.04
Borrowing costs & Amortisation	272.82	347.00
Car Allowance	15,600.00	13,800.00
Contract Work	6,576.83	2,954.55
Computer Expense	4,495.49	3,567.69
Depreciation	18,330.00	9,538.00
Filing Fees	108.00	40.00
Meeting/Course Expenses	31,326.88	84,435.12
Insurance	5,208.47	3,325.02
Interest Paid	2,378.52	1,586.77
Legal Costs	86.36	3,800.00
Convention Expenses	590.91	137,811.10
US School Expenses	39,075.34	–
Motor Vehicle Expenses	9,423.72	10,649.80
Office Expenses	10,138.49	–
Postage	3,751.59	4,929.23
Printing & Stationery	40,934.72	30,028.98
Protective Clothing	1,110.75	–
Repairs & Maintenance	247.93	–
Events – Expense	59,143.96	30,673.45
Avenir Service Charge	–	26,586.22
Staff Welfare & Training	5,929.23	3,863.64
Subscriptions	–	90.91
Sundry Expenses	1,447.71	727.85
Superannuation Contributions – Employees	25,442.31	18,407.08
Telephone	7,253.88	8,658.49
Governance	–	2,336.36
Travelling Expenses	39,223.19	29,949.21
Other Expense Timber ID	436.36	309.08
Wages	308,586.95	240,268.95
Web Expenses	12,894.67	14,750.91
	<u>673,420.26</u>	<u>714,293.76</u>
(Loss) Profit before income tax	<u>(48,083.22)</u>	<u>102,803.96</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Profit and Loss Statement for the year ended 30 June 2010

		2011	2010
	Notes	\$	\$
<b>(Loss) Profit before income tax</b>		(48,083.22)	102,803.96
Income tax expense		—	—
<b>(Loss) Profit after income tax</b>		(48,083.22)	102,803.96
Retained earnings at the beginning of the financial year		330,382.88	227,578.92
<b>Total available for appropriation</b>		<u>282,299.66</u>	<u>330,382.88</u>
Retained earnings at the end of the financial year		<u>282,299.66</u>	<u>330,382.88</u>

AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED

BALANCE SHEET AS AT 30 JUNE 2011

		2011	2010
	Notes	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	307,838.96	339,854.26
Trade and other receivables	3	32,946.29	42,932.56
Other current assets	4	<u>285.18</u>	<u>—</u>
<b>TOTAL CURRENT ASSETS</b>		<u>341,070.43</u>	<u>382,786.82</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<u>45,336.35</u>	<u>43,400.52</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>45,336.35</u>	<u>43,400.52</u>
<b>TOTAL ASSETS</b>		<u>386,406.78</u>	<u>426,187.34</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	83,429.19	83,146.14
Financial liabilities	7	<u>6,326.97</u>	<u>12,658.32</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>89,756.16</u>	<u>95,804.46</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	7	<u>14,350.96</u>	<u>—</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>14,350.96</u>	<u>—</u>
<b>TOTAL LIABILITIES</b>		<u>104,107.12</u>	<u>95,804.46</u>
<b>NET ASSETS</b>		<u>282,299.66</u>	<u>330,382.88</u>
<b>EQUITY</b>			
Retained earnings	8	<u>282,299.66</u>	<u>330,382.88</u>
<b>TOTAL EQUITY</b>		<u>282,299.66</u>	<u>330,382.88</u>

AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED

CASH FLOW STATEMENT AS AT 30 JUNE 2011

		2011	2010
	Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, courses, conventions		535,915.38	660,263.06
Payments to suppliers and employees		(536,414.47)	(558,343.00)
Interest received		10,172.48	9,731.14
General administration expenses and direct expenses		(124,151.83)	(138,053.34)
<b>Net cash provided by (used in) operating activities</b>		<u>(114,478.44)</u>	<u>(26,402.14)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Other current liabilities received		84,613.07	73,551.76
Payments for plant and equipment		(1,947.43)	(25,752.18)
<b>Net cash provided by investing activities</b>		<u>82,665.64</u>	<u>47,799.58</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(172.50)	(8,055.84)
<b>Net cash provided by (used in) financing activities</b>		<u>(172.50)</u>	<u>(8,055.84)</u>
Net increase in cash held		(31,985.30)	13,341.60
Cash at beginning of financial year		339,854.26	326,512.66
Cash at end of financial year		<u>307,838.96</u>	<u>339,854.26</u>

AUSTRALIAN TIMBER FLOORING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2011

		2011	2010
	Notes	\$	\$
<b>OPENING BALANCE</b>		330,382.88	102,803.96
<b>Retained Earnings</b>			
Profit attributable to members		(48,083.22)	227,578.92
		<u>282,299.66</u>	<u>330,382.88</u>
<b>CLOSING BLANCE</b>		<u>282,299.66</u>	<u>330,382.88</u>
<b>RECONCILIATION OF RETAINED EARNINGS</b>			
Opening balance		330,382.88	102,803.96
Profit attributable to members		(48,083.22)	227,578.92
Closing balance		<u>282,299.66</u>	<u>330,382.88</u>
Total Equity		<u>282,299.66</u>	<u>330,382.88</u>

**NOTE 1 Significant Accounting Policies**

The Company is not a reporting entity because, in the Directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following Australian Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is 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 material accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this report:

**Income Tax**

No provision for income tax has been raised as the entity is exempt from Income Tax under Div 50-40 of the Income Tax Assessment Act 1997.

**Property, Plant and Equipment**

Property, plant and equipment are included at cost unless otherwise stated. All fixed assets, with the exception of freehold land, are depreciated over their estimated useful lives commencing from the time the asset is first held ready for use. The expected useful lives are as follows:

Plant, equipment & furniture      5 years

**Member's Guarantee**

The Company is limited by guarantee. If the Company is wound up, the Company's Constitution states that each member is required to contribute a maximum of \$1 towards meeting and outstanding obligations of the Company. At 30 June 2011 the number of full members was 580.

	2011 \$	2010 \$
<b>2 Cash and Cash Equivalents</b>		
Deposits Paid	2,034.00	2,034.00
ANZ A/c 4841-08922	76,974.68	127,785.06
ANZ A/c 4850-26208 Convention A/c	970.63	464.53
ATFA Future Fund	8,363.53	–
ANZ V2 – 4828-30516	<u>219,496.12</u>	<u>209,570.67</u>
	307,838.96	339,854.26
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>307,838.96</u>	<u>339,854.26</u>
	307,838.96	339,854.26
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Input Tax Credits	<u>32,946.29</u>	<u>42,932.56</u>
	32,946.29	42,932.56
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>4 Other Current Assets</b>		
<b>Current</b>		
<b>Prepaid Borrowing Expenses</b>		
– Ford Mondeo Zetec	350.00	–
<b>Less Amortisation</b>		
– Ford Mondeo Zetec	<u>(64.82)</u>	–
	<u>285.18</u>	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>5 Property, Plant and Equipment</b>		
Plant & Equipment	36,687.16	34,739.73
Less: Accumulated Depreciation	<u>(18,142.00)</u>	<u>(8,145.00)</u>
	18,545.16	26,594.73
Motor Vehicles	34,761.74	27,231.34
Less: Accumulated Depreciation	<u>(8,282.00)</u>	<u>(10,945.00)</u>
	26,479.74	16,286.34
Website Design	1,806.45	1,806.45
Less: Accumulated Depreciation	<u>(1,495.00)</u>	<u>(1,287.00)</u>
	311.45	519.45
Total Plant and Equipment	<u>45,336.35</u>	<u>43,400.52</u>
Total Property, Plant and Equipment	45,336.35	43,400.52
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
Loan – Avenir	1,000.00	1,000.00
Credit Cards		
ANZ Business Card	200.00	27.50
GST Payable	62,837.46	62,822.64
PAYG Withheld	<u>19,391.73</u>	<u>19,296.00</u>
	83,429.19	83,146.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>7 Borrowings</b>		
<b>Current</b>		
<b>Hire Purchase Liability</b>		
Chattel Mortgage: Commodore VE Omega	–	12,658.32
HP – Ford Mondeo Zetec	7,817.04	–
	<u>7,817.04</u>	<u>12,658.32</u>
<b>Less: Unexpired HP Liability</b>		
Less: Unexpired Interest – Ford Mondeo Zetec	<u>(1,490.07)</u>	<u>–</u>
Total current borrowings	6,326.97	12,658.32
<b>Non-Current</b>		
<b>Hire Purchase Liability</b>		
HP – Ford Mondeo Zetec	15,634.08	–
<b>Less Unexpired HP Liability</b>		
Less: Unexpired Interest – Ford Mondeo Zetec	<u>(1,283.12)</u>	<u>–</u>
Total non-current borrowings	<u>14,350.96</u>	<u>–</u>
Total borrowings	<u>3 20,677.93 3</u>	<u>12,658.32</u>
<b>8 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	330,382.88	227,578.92
(Net loss) Net profit attributable to members of the company	<u>(48,083.22)</u>	<u>102,803.96</u>
Retained earnings at the end of the financial year	282,299.66	330,382.88

### 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 2011 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  
**John Hollis**



Director  
**Cameron Luke**



Dated this 26th day of August 2011

### DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2011.

#### DIRECTORS

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

Current Directors	Date Appointed
Paul Kiely	22nd October 2010
Julia Hall	22nd October 2010
Cameron Luke	22nd October 2010
John Elasi	22nd October 2010
Robert Engwirda	22nd October 2010
Glyn Taylor	22nd October 2010
John Hollis	22nd October 2010
Leon Travis	22nd October 2010
David Smith	22nd October 2010
Peter Kozno	22nd October 2010

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

### OPERATING RESULTS

The loss of the company for the financial year after providing for income tax amounted to \$48,083.22. The loss includes an amount of \$84,613.07 which is prepayments of the 2011-12 membership fees.

### SIGNIFICANT CHANGES IN THE YEAR

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

### PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were as a Timber Flooring Association. No significant change in the nature of these activities occurred during the year.

### AFTER BALANCE DATE EVENTS

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.

### ENVIRONMENTAL ISSUES

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

### DIVIDENDS

The corporations law prohibits a Company Limited by Guarantee from paying dividends.

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.

### Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in the financial report

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

Director  
**John Hollis**



Director  
**Cameron Luke**



Dated this 26th day of August 2011



# EDWARDS COLLINS GROUP

Chartered Accountants  
BUSINESS PUZZLES SOLVED

## Independent Audit Report to the Members of Australian Timber Flooring Association Limited ABN 16 524 524 226

### Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report of the Australian Timber Flooring Association Limited, which comprises the balance sheet as at 30 June 2011, and the profit and loss statement, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, the directors' report and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company 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 need of the members. The directors' responsibility also includes establishing and maintaining internal control 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 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 judgment, 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 Corporation 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*.

### Auditor's Opinion

In my opinion, the financial statements presents fairly, in all material aspects, the balance sheet of Australian Timber Flooring Association Limited as at 30 June 2011 and its profit and loss statement and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note1.

### Alerting readers that the financial report is in Accordance with a Special Purpose Framework

I draw your attention to Note 1 to the financial report, which describes the basis of accounting. The auditor alerts users of the auditor's report that the financial report is prepared in accordance with a special purpose framework and therefore, may not be suitable for another purpose.

.....  
**Robert Edwards B Com FCA**  
RCA# 6246  
Level One 180 Main Street  
Kangaroo Point Qld 4169

Dated: 30<sup>th</sup> August 2011



# atfa<sup>®</sup>

**Australian timber flooring association**

*Local professionals, world-class standards*

ABN 16 524 524 226

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