

# FSC<sup>®</sup> AUSTRALIA

2015 Financial Report



**Forest Stewardship Council  
Australia  
ABN 81 120 667 870**

**Financial Statements  
For the year ended 31 December 2015**

**Robert J Nixon and Associates**

11 Royton Street

Burwood East 3151

DIRECTOR' DECLARATION  
RESPONSIBLE FOREST MANAGEMENT AUSTRALIA LTD  
ACN 120 667 870


The directors of the company declare that:

1. The financial statements and notes as set out on pages 2 to 11 are in accordance with the Corporations Act 2001:

- (a) comply with Accounting standards and Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the company.

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.



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Jacki Schirmer  
Director

11/2/2016

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Dated

**FINANCIAL STATEMENTS**

RESPONSIBLE FOREST MANAGEMENT AUSTRALIA LTD  
ACN 120 667 870

**BALANCE SHEET  
AS AT 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	555,691	723,395
Receivables & Prepayments	5	215,813	106,589
<b>TOTAL CURRENT ASSETS</b>		<u>771,504</u>	<u>829,984</u>
<b>NON CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>	6	<u>779,453</u>	<u>838,265</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	135,157	344,217
<b>TOTAL CURRENT LIABILITIES</b>		<u>135,157</u>	<u>344,217</u>
<b>TOTAL LIABILITIES</b>		<u>135,157</u>	<u>344,217</u>
<b>NET ASSETS</b>		<u>644,296</u>	<u>494,048</u>
<b>EQUITY</b>			
Retained Surplus (accumulated deficit)	8 9	150,248	284,320
<b>TOTAL EQUITY</b>		<u>644,296</u>	<u>494,048</u>

RESPONSIBLE FOREST MANAGEMENT AUSTRALIA LTD  
ACN 120 667 870

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
Revenue from ordinary activities	2	939,647	1,091,596
Expenses	3		
Administration expenses		335,698	189,358
Event Operations		32,369	5,109
Policy Development		11,593	272,343
Employee & Contractors		409,739	340,466
Net surplus (deficit) from ordinary activities	8	<u>150,248</u>	<u>284,320</u>

RESPONSIBLE FOREST MANAGEMENT AUSTRALIA LTD  
ACN 120 667 870

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Accumulated Funds \$
Balance as at 1 January 2014		209,728
Surplus (Deficit) for the year		<u>284,320</u>
Balance as at 31 December 2014		494,048
Balance as at 1 January 2015		<u>150,248</u>
Surplus (Deficit) for the year		<u>644,296</u>
Balance as at 31 December 2015		

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash receipts in the course of operations	819,966	1,094,114
Cash payments in the course of operations	(998,126)	-881,767
Interest received	10,456	15,573
Net Cash provided by (used in) operating activities	<u>(167,704)</u>	<u>227,920</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Net cash provided by (used in) investing activities		<u>5,397</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net cash provided by (used in) financing activities		<u>0</u>
Net increase (decrease) in cash	(167,704)	233,318
Cash at the beginning of the financial year	723,396	490,078
Cash at the end of the financial year	<u>555,692</u>	<u>723,396</u>

**NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**RECONCILIATION OF CASH**

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:

	2015 \$	2014 \$
Cash deposits with banks	<u>555,691</u>	<u>723,396</u>
	555,691	723,396

**RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH  
OPERATING SURPLUS FROM ORDINARY ACTIVITIES**

Operating Surplus	150,248	284,320
Non cash - Depreciation	332	5,397
Changes in Assets and Liabilities		
(Increase)/decrease in Receivables	(109,225)	25,323
Fixed Assets Purchased		1,898
Increase/(decrease) in Trade Creditors and Accruals	(209,059)	76,198
CASH FLOW FROM/(USED IN) OPERATIONS	<u>(167,704)</u>	<u>227,920</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**STATEMENT OF COMPLIANCE**

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial report covers Responsible Forest Management Australia Limited as an individual entity. Responsible Forest Management Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

- (a) **Revenue Recognition**  
Revenue from the rendering of a service is recognised upon delivery of the service to the customer.  
Revenue from sponsorships and grants is recognised when the right to receive a sponsorship or grant is established.
- (b) **Income Tax**  
The company is a non-profit entity and is exempt from income and payroll tax. The company does collect and pay goods and services tax.
- (c) **Trade and Other Creditors**  
These amounts represent unpaid liabilities for services provided to the company prior to the end of the financial year. The amounts are unsecured.
- (d) **Cash**  
For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash. Cash flow provided by (used in) investing activities refers to assets purchased and utilised by the company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

- (e) **Goods and Services Tax (GST)**  
Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.  
  
Receivables and payables in the statement of financial position are shown inclusive of GST
- (f) **Critical Accounting Estimates and Judgements**  
The directors' estimates and judgements incorporated into the financial report are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources.
- (g) **Critical Trust liabilities and right of indemnity**  
The company acts as trustee of the Responsible Forest Management Australia Ltd Public Fund. The Public Fund was established during the 2007 year. Liabilities incurred as trustee on behalf of the Public Fund are not recognised in the financial report when it is not probable that the company will have to meet any of those liabilities from its own resources. When it is probable that the company will have to meet some trust liabilities, a liability for the Deficiency in Trust Right of Indemnity is brought to account. As at 31 December 2015, the Public Fund had no liabilities.

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

	2015	2014
	\$	\$
<b>Note 2 REVENUES</b>		
Revenue from operating activities:		
Subscriptions	367,381	204,176
Entrance Fees		0
Event & Sponsorship Income	112,409	27,491
Consulting, Licence & Other Revenue	63,825	37,495
Donations & Grants		
General	108,618	174,418
Policy	100	526,183
Event/Training	-	3,071
FSC AC Activities Compensation	264,574	94,850
Interest	10,456	15,573
Other Income	12,284	8,340
<b>Total Revenue</b>	<b>939,647</b>	<b>1,091,597</b>

**Note 3 EXPENSES**

**Administration Expenses**

Travel	89,200	41,794
Audit, Bookkeeping & Accounting	85	2,005
Doubtful Debts		0
Depreciation	332	5,250
Advertising & Promotion	67,995	66,452
Legal Fees & Consultancy	116,856	12,800
Postage, Printing & Stationary	2,959	9,929
Telephone & Internet	1,124	2,225
Rent & Outgoings	27,535	26,311
Computer Expenses	2,899	4,215
Meetings	5,070	7,911
Sundry	4,058	4,834
Website Design		0
Bank Fees	7,265	2,222
Insurance	10,320	3,409
Publications & Graphics		0
	<b>335,698</b>	<b>189,357</b>

<b>Event Expenses</b>	<b>32,369</b>	<b>5,109</b>
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<b>Policy Expenses</b>	<b>11,593</b>	<b>272,343</b>
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**Employee & Contractor Expenses**

	2015	2014
	\$	\$
Employee & Related Expenses	407,671	340,450
Contractor & Consultants	2,068	16,36
	<b>409,739</b>	<b>340,466</b>

**Total Expenses**

	<b>789,399</b>	<b>807,275</b>
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**Note 4 CASH ASSETS**

Cash deposits with banks	555,691	723,395
	<b>555,691</b>	<b>723,395</b>

**Note 5 RECEIVABLES - CURRENT**

Other Debtors & Prepayments	19,474	5,320
Trade Debtors	196,339	101,269
Less: Provision for Doubtful Debts		0
	<b>196,339</b>	<b>101,269</b>
<b>Total Receivables - Current</b>	<b>215,813</b>	<b>106,589</b>

**Note 6 NON CURRENT ASSETS**

Office Furniture & Equipments - Written Down Value	7,949	8,281
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**Note 7 PAYABLES - CURRENT**

GST	24,961	15,138
Creditors & Accruals	25,063	48,338
Income received in advance		
Membership		
Donations and Grants	85,133	280,740
	<b>135,157</b>	<b>344,216</b>
<b>Total Payables - Current</b>	<b>135,157</b>	<b>344,216</b>

**Note 8 MEMBERS' GUARANTEE**

The company is limited by guarantee. If the company is wound up, the Constitutions states that each member is required to contribute \$2 each towards meeting any outstanding obligations of the company.

**Note 9 RETAINED EARNINGS**

Retained surplus		
At the beginning of financial period	494,048	209,728
Net operating surplus for period	150,248	284,320
<b>Retained Surplus</b>	<b>644,296</b>	<b>494,048</b>

RESPONSIBLE FOREST MANAGEMENT AUSTRALIA LTD  
ACN 120 667 870

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Note 10 RELATED PARTY TRANSACTIONS**

Directors' Remuneration  
There was no remuneration paid or payable to the directors of the company

**Note 11 COMPANY DETAILS**

The registered office of the company is:  
Responsible Forest Management Australia Limited  
Trading as FSC Australia  
96-104 Dryburgh Street  
North Melbourne VIC 3051

**Note 12 ECONOMIC DEPENDANCY**

A significant portion of income is received from member subscriptions.

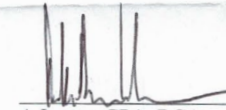
**Auditor's Independence Declaration**

To the directors of **Forest Stewardship Council Australia**

Under section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31<sup>st</sup> December 2015 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.



A Lester, CPA, RCA  
Registered Co Auditor 10705  
11 Royton Street  
East Burwood 3151

Dated: 28/1/16



**Forest Stewardship Council Australia  
Independent Auditors Report**

To the members of the Forest Stewardship Council Australia

**Scope**

We have audited the financial report, being a special purpose financial report of the Forest Stewardship Council Australia for the year ended 31<sup>st</sup> December 2015. The Directors are responsible for the financial report and have determined that the accounting policies used and 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. We have conducted an independent audit of the financial report in order to express an opinion on it to members of the Forest Stewardship Council Australia.

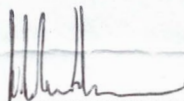
The financial report has been prepared for the purpose of fulfilling the requirements of the Corporations Act 2001 and the reporting requirements in accordance with the constitution of the Forest Stewardship Council Australia... We disclaim any assumption of responsibility for any reliance on this report 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination on a test basis of evidence supporting the accounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Forest Stewardship Council Australia's financial position and performance as represented by the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion the financial report of Forest Stewardship Council Australia, presents a true and fair view of the financial position of the Forest Stewardship Council Australia as at 31st December 2015 and the results of its operations for the year ended then ended in accordance with the accounting policies described in Note 1 to the financial statements.



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A Lester, CPA, RCA  
Registered Co Auditor 10705  
11 Royton Street  
Burwood East Vic 3151

Dated.....28/1/16.....

# THANK YOU

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Responsible Forest Management Ltd trading as FSC Australia.

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