

**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 31st December 2016. 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.

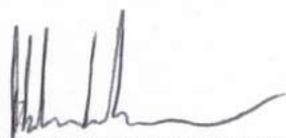
The financial report has been prepared for the purpose of fulfilling the requirements of the Corporations Act 2001 and the reporting requirements in accordance with the constitution of the Forest Stewardship Council Australia... We disclaim any assumption of responsibility for any reliance on this report 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 2016 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.



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

Dated..... 31/1/17

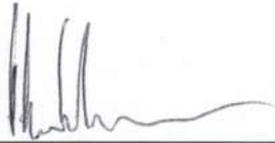
Auditor's Independence Declaration

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 31st December 2016 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: 31/1/17

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

**Financial Statements
For the year ended 31 December 2016**

Robert J Nixon and Associates

11 Royton Street

Burwood East 3151

Contents

Directors' Report

Profit and Loss Statement

Detailed Profit and Loss Statement

Detailed Balance Sheet

Statement of Cash Flows

Directors' Declaration

Compilation Report

Forest Stewardship Council Australia ABN 81 120 667 870
Directors' Report

Your directors present this report on the company for the financial year ended 31 December 2016.

Directors

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

Patrick Groenhout
Jonathan LaNauze
Andrew Morgan
Cheryl Speechley
Susie Russell
Sarah Rees
Helen Murray
Linda Fienberg
Jacki Shirmer

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

Operating Result

The loss of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
31 December	31 December
2016	2015
\$	\$
(42,838.24)	150,248.00

Principal Activities

The principal activities of the company during the course of the year were to promote responsible forest management.

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

Significant Changes in the State of Affairs

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

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

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

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

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.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

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

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

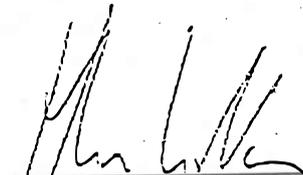
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Forest Stewardship Council Australia ABN 81 120 667 870
Directors' Report

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



Patrick Groenhout
Director



Jonathan LaNauze
Director

Dated: 2 March 2017

Forest Stewardship Council Australia ABN 81 120 667 870

Profit and Loss Statement

For the year ended 31 December 2016

	2016 \$	2015 \$
Operating profit (deficit) before income tax	(42,838.24)	150,248.00
Income tax (credit) attributable to operating profit (loss)		
Operating profit (deficit) after income tax	<u>(42,838.24)</u>	<u>150,248.00</u>
Retained profits at the beginning of the financial year	<u>644,296.00</u>	<u>494,048.00</u>
Total available for appropriation	601,457.76	644,296.00
Retained profits at the end of the financial year	<u><u>601,457.76</u></u>	<u><u>644,296.00</u></u>

The accompanying notes form part of these financial statements.

Forest Stewardship Council Australia ABN 81 120 667 870**Detailed Profit and Loss Statement****For the year ended 31 December 2016**

	2016	2015
	\$	\$
Income		
Consulting, Licence & Other Revenue		63,825.00
Members - International	23,476.44	
Members - National	118,795.91	
Grants		108,718.00
FSCI - Activity Compensation Fee	127,115.97	264,574.00
FSCI - Projects	254,231.94	
FSCI - Travel Contribution	14,478.14	
Interest Received	4,823.04	10,456.00
Partnership Projects - Corporate	24,300.00	
Events and Seminars	270.00	112,409.00
Subscriptions		367,381.00
Training	3,887.63	
Trademark Services - Retail Supporters	55,340.00	
Trademark Services - Time Costed	1,454.54	
Other Income	34,199.12	12,284.00
Total income	<u>662,372.73</u>	<u>939,647.00</u>

Expenses

Accountancy		85.00
Advertising and Promotion		67,995.00
Communications - Media & PR	299.42	
Communications-Promotion&Sponsored Posts	350.34	
Bank Fees	2,072.76	7,265.00
Computer Exps		2,899.00
Consultants Fees	153,070.80	116,856.00
Contractors		2,068.00
Depreciation - other	3,949.00	332.00
Events		32,369.00
Foreign Currency Gains and Losses	7,867.05	
General expenses	20,933.21	
Insurance	5,923.17	10,320.00
Meeting Expenses		5,070.00
Meeting & Travel: ACT	1,561.82	

The accompanying notes form part of these financial statements.

Forest Stewardship Council Australia ABN 81 120 667 870**Detailed Profit and Loss Statement**

For the year ended 31 December 2016

	2016	2015
	\$	\$
Meeting & Travel: International	15,333.32	
Meeting & Travel: NSW	5,961.02	
Meeting & Travel: QLD	829.31	
Meeting & Travel: TAS	86.47	
Meeting & Travel: VIC	7,523.12	
Meeting & Travel: WA	19.09	
Meeting & Travel: Working Group	35,650.69	
Meeting: Catering	3,520.82	
Meeting: Internal	10,268.15	
Meeting: Venue hire	3,421.57	
Postage	55.39	2,959.00
Printing & stationery	1,515.21	
Rent on land & buildings	20,553.02	27,535.00
Policy Expenses		11,593.00
Salaries	352,486.30	407,671.00
Staff training	646.36	
Staff Recruitment	5,294.95	
Subscriptions-Digital infrastructure	3,936.20	
Sundry expenses		4,058.00
Superannuation	41,614.95	
Telephone	467.46	1,124.00
Travelling Expenses		89,200.00
Total expenses	<u>705,210.97</u>	<u>789,399.00</u>
Profit (loss) from ordinary activities before income tax	(42,838.24)	150,248.00
Income tax revenue relating to ordinary activities		
Net profit (loss) attributable to the association	<u>(42,838.24)</u>	<u>150,248.00</u>
Total changes in equity of the association	<u>(42,838.24)</u>	<u>150,248.00</u>
Opening retained profits	644,296.00	494,048.00
Net profit (loss) attributable to the association	<u>(42,838.24)</u>	<u>150,248.00</u>
Closing retained profits	<u>601,457.76</u>	<u>644,296.00</u>

The accompanying notes form part of these financial statements.

Forest Stewardship Council Australia ABN 81 120 667 870
Detailed Balance Sheet as at 31 December 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash Assets			
Cash At Bank		518,278.12	555,691.00
		<u>518,278.12</u>	<u>555,691.00</u>
Receivables			
Trade debtors		215,813.00	215,813.00
		<u>215,813.00</u>	<u>215,813.00</u>
Total Current Assets		<u>734,091.12</u>	<u>771,504.00</u>
Non-Current Assets			
Property, Plant and Equipment			
Office equipment		4,000.00	7,949.00
		<u>4,000.00</u>	<u>7,949.00</u>
Total Non-Current Assets		<u>4,000.00</u>	<u>7,949.00</u>
Total Assets		<u>738,091.12</u>	<u>779,453.00</u>
Current Liabilities			
Payables			
Unsecured:			
- Trade creditors		111,672.36	110,196.00
		<u>111,672.36</u>	<u>110,196.00</u>
Current Tax Liabilities			
GST payable control account		24,961.00	24,961.00
		<u>24,961.00</u>	<u>24,961.00</u>
Total Current Liabilities		<u>136,633.36</u>	<u>135,157.00</u>
Total Liabilities		<u>136,633.36</u>	<u>135,157.00</u>

The accompanying notes form part of these financial statements.

Forest Stewardship Council Australia ABN 81 120 667 870
Detailed Balance Sheet as at 31 December 2016

	Note	2016 \$	2015 \$
Net Assets		<u>601,457.76</u>	<u>644,296.00</u>
Members' Funds			
Accumulated surplus (deficit)		<u>601,457.76</u>	<u>644,296.00</u>
Total Members' Funds		<u>601,457.76</u>	<u>644,296.00</u>

The accompanying notes form part of these financial statements.

Forest Stewardship Council Australia
Statement of Cash Flows
For The Year Ended 30th June 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
Cash Received in the course of Operations	649,683	819,966
Cash Paid in the Course of Operations	(691,919)	(998,126)
Interest	4,823	10,456
Net cash provided by operating activities	(37,413)	(167,704)
Cash Flows from Investing Activities		
Acquisition of Equipment		
Net cash provided by investing activities		
Cash Flows from Financing Activities		
Net cash provided by financing activities		
Net increase (decrease) in cash held	(37,413)	(167,704)
Cash at the beginning of the year	555,691	723,395
Cash at the end of the year	518,278	555,691

Reconciliation of cash

For the purpose of Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash & Cash Equivalents	518,278	555,691
-------------------------	---------	---------

Forest Stewardship Council Australia
Statement of Cash Flows
For The Year Ended 30th June 2016

	2016	2015
	\$	\$
<hr/>		
Reconciliation of Surplus (Deficient to Cash Flow from Operations)		
Surplus (Deficient) from Operations	(\$42,838)	150,248
Non Cash Movements		
Depreciation	3,949	332
Asset/liability Movements		
Receivables & Prepayments		(109,225)
Creditors & Accruals	1,476	(209,059)
Increase (Decrease) in Provisions Employee Entitlements		
	<u>(37,413)</u>	<u>(167,704)</u>

Forest Stewardship Council Australia ABN 81 120 667 870
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 prescribed in Note 1 to the financial statements.

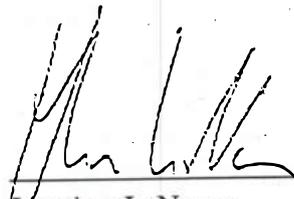
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2016 and of 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.



Patrick Groenhout
Director



Jonathan LaNauze
Director

Dated: 2 March 2017

Forest Stewardship Council Australia ABN 81 120 667 870
Compilation Report to Forest Stewardship Council Australia

We have compiled the accompanying special purpose financial statements of Forest Stewardship Council Australia, which comprise the Income and Expenditure Statement and Balance Sheet as at 31 December 2016, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting adopted is appropriate to meet the needs of the committee of management for the purpose of complying with the association's constitution.

Our Responsibility

On the basis of information provided by the committee of management, we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee of management who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Robert J Nixon and Associates
11 Royton Street
Burwood East 3151

8 February, 2017