



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2004/560-[077N]**

Mr Brian Beecroft  
Chief Executive Officer  
Timber Trade Industrial Association  
PO Box 236  
DARLINGHIRST NSW 1300

Dear Mr Beecroft

**Financial Return - year ending 30 June, 2004**

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

**New legislation**

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'<sup>1</sup>). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

**The key differences under the new legislation affecting financial returns are:**

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

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<sup>1</sup> Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

## Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

## Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

## Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

## Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at *(Attachment C)*)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

### **First Meeting (Committee of Management)**

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

### **The Auditor**

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

### **Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

## **The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

## **The Second Meeting - if it is a Committee of Management Meeting**

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

## **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2004/560**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

## **Complying with time limits**

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

## **Extensions of Time**

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

## Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

## Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at Peter.McKerrow@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

## Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

Deputy Industrial Registrar

9 August 2004



**Documents Checklist**

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
<b>2</b>	<b>Committee of Management Statement</b>	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
<b>3</b>	<b>Auditor's Report</b>	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
<b>4</b>	<b>Operating Report</b>	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

\* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view\* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds\* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held\* in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been\* furnished to the member or Registrar; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

\* Where compliance or full compliance has not been attained - set out details of non compliance instead.

# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."



**Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]<sup>3</sup>*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*



**Australian Government**  
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Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Mr Brian Beecroft  
Chief Executive Officer  
Timber Trade Industrial Association  
Shop 4/160 Goulburn Street  
SURRY HILLS NSW 2010

Dear Mr Beecroft

**Financial Return - year ending 30 June 2004 Ref: FR2004/560**

This letter is intended to remind you of your obligations to provide members with copies of your reporting unit's financial reports for year ended 30 June 2004 and to lodge the reports in the Industrial Registry by no later than 14 January 2005.

Over the past 18 months you would have received from us information about the major changes made by Schedule 1B of the *Workplace Relations Act 1996* ('RAO'<sup>47</sup>).

**Financial Reports**

Your reporting unit must prepare or have prepared the following three reports as soon as practicable after its financial year:

1. A General Purpose Financial Report (GPFR);
2. An Operating Report; and
3. An Auditor's Report.

**Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the abovementioned reports (the "full report"). Under certain circumstances, your reporting unit can provide a more limited concise report. The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the reporting unit for the presentation of its financial reports.

A reporting unit may make application to a Registrar to extend the period within which copies of the full report or concise report are to be provided to members by no more than one month.

**The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members (the *second meeting*). This meeting must be held within 6 months of the end of the financial year. You may make application to a Registrar to extend this time limit by no more than one month so that the time limit for providing to members copies of the full report or concise report may in turn be extended.

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<sup>47</sup> Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

### **The Second Meeting - if it is a Committee of Management Meeting**

If your rules contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the full report (see s266(3)), it is permissible to present the full report directly to a Committee of Management meeting. This meeting must be held within 6 months of the end of the financial year.

There is no provision for extending the time limit for presenting the full report to a committee of management meeting.

### **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. Your reporting unit's financial reports should, therefore, be lodged by no later than 14 January 2005.

### **Contact the Registry**

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [peter.mckerrow@air.gov.au](mailto:peter.mckerrow@air.gov.au) as early as possible if you have any queries. If you have already taken steps to ensure that your reporting unit complies with the time scale requirements of RAO, please ignore this letter.

### **Information on AIRC Website**

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFs must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



Peter Mckerrow  
for Deputy Industrial Registrar

23 November 2004

# TIMBER TRADE INDUSTRIAL ASSOCIATION

Shop 4/160 Goulburn St  
Surry Hills NSW 2010  
ABN 15 781 125 385

PO Box 236  
Darlinghurst NSW 1300  
Website: [www.ttia.asn.au](http://www.ttia.asn.au)

Telephone: (02) 9264 0011  
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Email: [ttia@ttia.asn.au](mailto:ttia@ttia.asn.au)

Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8, Terrace Towers  
80 William Street  
East Sydney, NSW 2011

8 December 2004

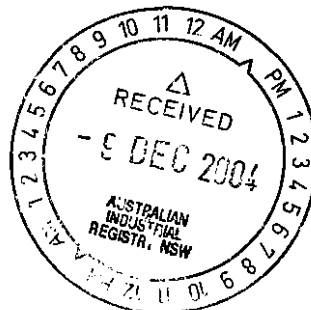
Dear Registrar,

I enclose the required annual return. The Annual General Meeting of this Association was held on 7 December 2004. Notice of the meeting was issued to Members on 15 November 2004 along with a copy of the audited accounts for the year ended 30 June 2004.

Yours faithfully,

*J. Sharp*

*P.P.* Mark Grundy  
Secretary/Treasurer

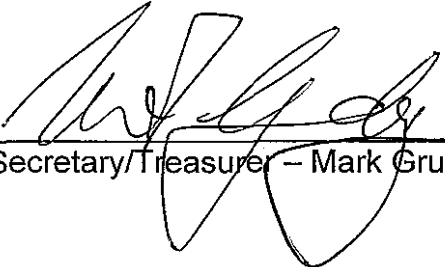


**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**Certificate of Secretary or other Authorised Officer**  
(Section 268 of Schedule 1B Workplace Relations Act 1996)

I, Mark Grundy, being the Secretary/Treasurer of the Timber Trade Industrial Association certify:

- That the documents lodged herewith are copies of the full report referred to in Section 268 of the RAO Schedule; and
- That the full report was provided to members on 15 November 2004; and
- That the full report was presented to a general meeting of members of the Timber Trade Industrial Association on 7 December 2004, in accordance with Section 266 of the RAO Schedule.

  
Secretary/Treasurer - Mark Grundy

Dated this 7th day of December, 2004

**TIMBER TRADE INDUSTRIAL ASSOCIATION**

**A.B.N. 15 781 125 385**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

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**S Y WONG & CO**  
**A.B.N. 35 156 307 879**  
**Chartered Accountant**

**TIMBER TRADE INDUSTRIAL ASSOCIATION  
A.B.N. 15 781 125 385**

**OPERATING REPORT BY COUNCIL OF THE ASSOCIATION  
(Workplace Relations Act 1996)**

The Council of the Timber Trade Industrial Association present their Operating Report in respect of the financial year ended 30 June 2004:

1. The names of each person who has been a member of the Council of the Association at any time during the financial year are:

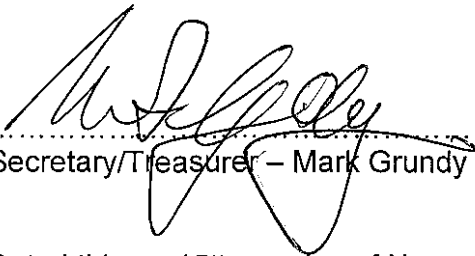
Ms. Marilyn Albertson  
Mrs. Susan Bennett (resigned October 2003)  
Mr. Jim Bindon  
Mr. Kevin Collison  
Mr. Mark Grundy  
Mr. Wayne Lewis  
Mr. Ian McDonnell  
Mrs. Lyn McIntyre  
Mr. Ashley Price  
Mr. Garry Roberts  
Mr. Allan Stewart  
Mr. John Young (resigned October 2003)

Councillors have been in office since the start of the financial year unless otherwise stated.

2. The principal activity of the Association during the year is that of an employer association providing advice and training in industrial relations and occupational health and safety matters to members. There was no significant change in the nature of its activity during the year.
3. The net result from operations for the financial year was a profit of \$12,537. No provision has been made for Income Tax as the Association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act, 1997.
4. There were no significant changes in the financial affairs of the Association during the year.

5. Matters or circumstances have not arisen since the end of the financial year that have significantly affected or may significantly affect:
  - \* the operations of the Association,
  - \* the results of those operations, or
  - \* the state of affairs of the Association, in subsequent financial years.
  
6. The rights of members to resign from the Association are set out in paragraph 8 of the Rules of the Association.
  
7. The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members and who are taken to be members of the Association were 332.
  
8. At the end of the financial year to which the report relates, the Association had 6 persons as employees measured on a full-time equivalent basis.

Signed in accordance with a resolution of the Council of the Association.



.....  
Secretary/Treasurer – Mark Grundy

Dated this 15th day of November, 2004



**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**STATEMENT BY COUNCILLORS**

On 15 November 2004 the Council of the Timber Trade Industrial Association ("the Association") passed the following resolution in relation to the general purpose financial report ("GPFR") of the Association for the financial year ended 30 June 2004:

The Council declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Council were held in accordance with the rules of the Association; and
  - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association; and
  - (iii) the financial records of the Association have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	2	630,377	247,830
Receivables	3	216,149	11,463
Other	4	5,756	4,579
		-----	-----
Total Current Assets		852,282	263,872
<b>NON-CURRENT ASSETS</b>			
Investment	5	982	1,843
Property, plant & equipment	6	108,405	113,035
Other	7	418	1,834
		-----	-----
Total Non-Current Assets		109,805	116,712
		-----	-----
<b>TOTAL ASSETS</b>		<b>962,087</b>	<b>380,584</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	8	635,697	111,898
Lease liability	12	17,773	17,446
Provisions	9	46,000	28,843
		-----	-----
Total Current Liabilities		699,470	158,187
<b>NON-CURRENT LIABILITIES</b>			
Creditors and borrowings	10	12,371	37,250
Lease liability	12	76,503	44,980
Provisions	11	40,000	18,961
		-----	-----
Total Non-Current Liabilities		128,874	101,191
		-----	-----
<b>TOTAL LIABILITIES</b>		<b>828,344</b>	<b>259,378</b>
		-----	-----
<b>NET ASSETS</b>		<b>133,743</b>	<b>121,206</b>
		=====	=====

These financial statements should be read in conjunction  
with the accompanying notes.

**TIMBER TRADE INDUSTRIAL ASSOCIATION  
A.B.N. 15 781 125 385**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>MEMBERS' FUNDS</b>			
Total Members' Funds		<b>133,743</b> =====	<b>121,206</b> =====

These financial statements should be read in conjunction  
with the accompanying notes.

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>Members' contributions</b>	<b>13</b>	520,356	523,838
<b>Other revenues from ordinary activities</b>	<b>13</b>	245,588	199,367
<b>Revenue from ordinary activities</b>		<b>765,944</b>	<b>723,205</b>
Employee benefits expense	14	(414,325)	(313,780)
Operating expense	15	(180,314)	(213,033)
Office and administration expense	16	(158,768)	(188,626)
<b>Profit/(loss) from ordinary activities before income tax expense</b>		<b>12,537</b>	<b>7,766</b>
Income tax expense relating to ordinary activities	17	-	-
<b>Profit/(loss) from ordinary activities after related income tax expense</b>		<b>12,537</b>	<b>7,766</b>
<b>Accumulated funds at beginning of the financial year</b>		<b>121,206</b>	<b>113,440</b>
<b>Accumulated funds at end of the financial year</b>		<b>133,743</b>	<b>121,206</b>

These financial statements should be read in conjunction  
with the accompanying notes.

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

**Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the significant accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) **Income Tax**

Liability for income tax (if any) is accounted for using the "tax payable" basis. Tax effect accounting has not been adopted as the Association is exempt from income tax in terms of Section 50-15 of the Income Tax Assessment Act, 1997.

(b) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets is depreciated over their useful lives to the Association.

(c) **Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled.

Long service leave is accrued in respect of all employees with more than 5 years of service with the Association.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

(d) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

**Note 1: Statement of Significant Accounting Policies (continued)**

(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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2: Current Assets - Cash</b>		
Cash on Hand	300	300
Cash at Bank	380,077	44,584
Interest bearing deposit	250,000	202,946
	630,377	247,830

**Note 3: Current Assets - Receivables**

Trade debtors	232,102	27,463
Less: Provision for doubtful debts	16,000	16,000
	216,102	11,463
Sundry debtors	47	-
	216,149	11,463

**Note 4: Current assets - Other**

Prepaid hire purchase charges	1,786	4,279
Electricity deposit	300	300
Car parking deposit	150	-
FBT refundable	3,520	-
	5,756	4,579

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>Note 5: Non-Current Assets - Investment</b>		
Quoted shares at cost:		
- HHG plc	982	-
- AMP Limited	-	1,843
	982	1,843
Market value of shares	677	586
<b>Note 6: Non-Current Assets - Property, Plant &amp; Equipment</b>		
Motor vehicles		
At cost	136,624	147,566
Less : accumulated depreciation	45,243	43,987
	91,381	103,579
Office equipments		
At cost	6,689	5,972
Less : accumulated depreciation	5,102	4,879
	1,587	1,093
Plant & equipments		
At cost	39,615	27,856
Less : accumulated depreciation	24,178	19,493
	15,437	8,363
Total written down value of Property, Plant & Equipment	108,405	113,035

**TIMBER TRADE INDUSTRIAL ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>Note 7: Non-Current Assets - Other</b>		
Prepaid hire purchase charges	418	1,843
	418	1,843
<b>Note 8: Current Liabilities - Creditors and borrowings</b>		
Sundry creditors	1,650	3,625
Hire purchase creditors	8,592	20,084
Membership in advance	559,841	28,851
GST Liabilities	51,759	4,962
PAYG tax withholding	12,253	6,418
Superannuation	1,602	860
Treasurer's honorarium payable	-	6,250
Workcover Assist Gant in advance	-	40,848
	635,697	111,898
<b>Note 9: Current Liabilities - Provisions</b>		
Provision for annual leave	46,000	28,843
	46,000	28,843
<b>Note 10: Non-Current Liabilities - Creditors and borrowings</b>		
Hire purchase creditors	12,371	37,250
	12,371	37,250
<b>Note 11: Non-Current Liabilities - Provisions</b>		
Provision for long service leave	40,000	18,961
	40,000	18,961



**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>Note 12: Lease Commitments</b>		
Finance lease commitments payable:		
- not later than one year	26,964	16,529
- later than one year but not later than five years	88,164	62,256
	115,128	78,785
Minimum lease payments	115,128	78,785
Less: Future finance charges	(20,852)	(16,359)
	94,276	62,426
Total lease liability	94,276	62,426
<b>Note 13: Revenue</b>		
<b>Members' contributions</b>		
- Subscriptions	443,018	449,928
- Workers compensation & OHS membership	77,338	73,910
	520,356	523,838
<b>Other revenues</b>		
- Grants received	97,824	70,334
- Advisory & seminar income	119,855	97,236
- Bad debts recovered	-	802
- Dividend received	91	556
- Interest received	12,313	9,989
- Miscellaneous income	3,190	9,163
- Profit on sale of non-current assets	2,315	1,287
- Premium discount scheme income	10,000	10,000
	245,588	199,367
<b>Note 14: Employee benefits expense</b>		
Salaries and wages	321,656	270,317
Fringe benefits tax	6,339	9,859
Provision for annual leave	17,157	2,902
Provision for long service leave	21,039	2,952
Staff training and conferences	8,665	135
Superannuation	35,542	24,834
Workers compensation insurance	3,927	2,781
	414,325	313,780

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>Note 15: Operating expense</b>		
Consultants fees	21,898	65,117
Field effort and travel	43,209	39,966
Grant expenses	83,355	67,177
Industrial Relations lodgment fees	1,690	1,756
Motor vehicle expenses	18,440	17,875
Premium discount scheme expenses	-	511
Seminars and advisory expenses	6,828	10,756
Trade subscriptions	4,894	9,875
	180,314	213,033

**Note 16: Office & administration expense**

Accountancy and bookkeeping	23,582	23,500
Advertising	951	304
Auditor's fees	5,000	5,050
Bad debts	-	3,013
Bank charges	1,172	1,319
Computer and website expenses	951	4,458
Council meeting costs	6,916	8,781
Depreciation of fixed assets	28,272	28,234
Electricity	802	2,091
Expired hire purchase charges	3,909	5,767
Freight and cartage	540	57
General expenses	4,985	7,471
Insurances	1,721	5,501
Interest and finance charges	8,005	4,993
Loss on sale of fixed assets	9,267	4,168
Postages	4,697	5,828
Printing and stationery	12,484	9,937
Provision for doubtful debts	-	6,000
Rent	21,600	28,633
Repairs and maintenance	1,891	5,531
Staff amenities	1,588	1,615
Telephone, fax and internet	20,435	26,375
	158,768	188,626

**TIMBER TRADE INDUSTRIAL ASSOCIATION**  
**A.B.N. 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

**Note 17: Income tax**

The Association is exempt from income tax in terms of Section 50-15 of the Income Tax Assessment Act, 1997. Accordingly, no provision for income tax has been made.

**Note 18: Association Operations**

The Association derived its income from Members' subscriptions and its operations are conducted entirely within Australia.

**Note 19: Information to be provided to Members or Registrar**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272 of the Act, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**TIMBER TRADE INDUSTRIAL ASSOCIATION  
A.B.N. 15 781 125 385**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from members' subscriptions and Association activities	1,079,843	712,504
Interest received	12,313	9,989
Dividend received	91	556
Payments to suppliers and employees	(676,792)	(607,230)
	415,455	115,819
<b>Net cash inflow (outflow) from operating activities</b>	<b>415,455</b>	<b>115,819</b>
<b>Cash Flows from Investing Activities</b>		
Payment of non-current assets	(45,637)	(42,815)
Proceeds from sale of non-current assets	12,727	13,125
	(32,910)	(29,690)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(32,910)</b>	<b>(29,690)</b>
Net increase(decrease) in cash held	382,547	86,129
Cash at beginning of financial year	247,830	161,701
	630,377	247,830
<b>Cash at end of financial year</b>	<b>630,377</b>	<b>247,830</b>

**TIMBER TRADE INDUSTRIAL ASSOCIATION  
A.B.N. 15 781 125 385**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>Reconciliation of net cash flow from operating activities to operating surplus(deficiency)</b>		
Operating surplus/(deficiency)	12,537	7,766
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	28,272	28,234
Loss on sale of non-current assets	9,267	4,168
Gain on sale of non-current assets	-	(847)
	<u>37,539</u>	<u>31,555</u>
	<u>50,076</u>	<u>39,321</u>
Changes in assets and liabilities		
(Increase)/decrease in receivables	(204,640)	(6,466)
(Increase)/decrease in prepayments & sundry debtors	(6,896)	12,924
(Increase)/decrease in security deposits	(150)	(300)
(Increase)/decrease in investment	861	(246)
Increase/(decrease) in sundry creditors	(5,168)	(16)
Increase/(decrease) in hire purchase creditors	(36,371)	(20,794)
Increase/(decrease) in provisions	38,196	5,854
Increase/(decrease) in lease liabilities	42,608	15,347
Increase/(decrease) in GST liabilities	46,797	10,396
Increase/(decrease) in membership in advance	530,990	18,951
Increase/(decrease) in grants received in advance	(40,848)	40,848
	<u>365,379</u>	<u>76,498</u>
<b>Net cash inflow from operating activities</b>	<b>415,455</b>	<b>115,819</b>
	=====	=====
<b>Reconciliation of cash</b>		
Cash on hand	300	300
Cash at Bank	380,077	44,584
Interest Bearing Deposit	250,000	202,946
	<u>630,377</u>	<u>247,830</u>
<b>Cash at end of financial year</b>	<b>630,377</b>	<b>247,830</b>
	=====	=====

# SAMUEL Y WONG

CHARTERED ACCOUNTANT

ABN: 35 156 307 879

ALL CORRESPONDENCE TO:

PO BOX 96  
BURWOOD NSW 1805

TELEPHONE: 0404 118 086

E-MAIL: sywong@ihug.com.au

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TIMBER TRADE INDUSTRIAL ASSOCIATION

### SCOPE

We have audited the financial report of the Timber Trade Industrial Association for the financial year ended 30 June 2004 as set out on pages 5 to 16. The Council of the Association is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.

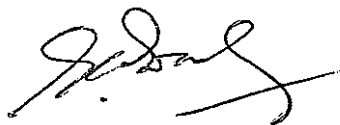
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial 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 Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the result of its operations and its cash flows.

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

### AUDIT OPINION

In our opinion, the financial report of the Timber Trade Industrial Association is properly drawn up:

- (a) (i) giving a true and fair view of the Association's financial position as at 30 June 2004 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia; and
- (iii) complying with Section 253 of the Workplace Relations Act 1996.
- (b) other mandatory professional reporting requirements in Australia.



Samuel Y Wong  
Chartered Accountant

Dated this 15th day of November, 2004.

Suite 401, "Belvedere", 160 Goulburn Street, Sydney, 2000.



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: sydney@air.gov.au

Mr Mark Grundy  
Secretary/Treasurer  
Timber Trade Industrial Association  
PO Box 236  
DARLINGHURST NSW 1300

Dear Mr Grundy

**Re: Lodgement of Financial Statements and Accounts for the Timber Trade Industrial Association for the year ending 30 June 2004 (FR2004/560)**

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 9 December 2004.

The documents have been filed, however, please note the following for your future reference:

Notes to the Financial Statements

Please note that the reference in Note 19 of the Financial Statements (page 14) to "Section 272 of the Act" should be to "Section 272 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*)".

Thank you for your attention to this matter.

Yours sincerely,

A handwritten signature in cursive script that reads "Belinda Penna".

Belinda Penna  
for Deputy Industrial Registrar

21 January 2005