



12 March 2019

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

By email: tia@tia.asn.au

CC: harmit.chopra@lwkca.com

Dear Mr Grundy,

**Timber Trade Industrial Association
Financial Report for the year ended 30 June 2018 - [FR2018/125]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Timber Trade Industrial Association (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 December 2018.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The officer's declaration statement and the notes contained nil activity information for all prescribed reporting guideline categories except the following:

- pay separation and redundancy expense for employees (other than holders of offices) (reporting guideline 14(g)(iv));
- have a liability for separation and redundancy for employees (other than holders of offices) (reporting guideline 16(d)(iii));

- have a liability for other employment provisions for employees (other than holders of offices) (reporting guideline 16(d)(iv)).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

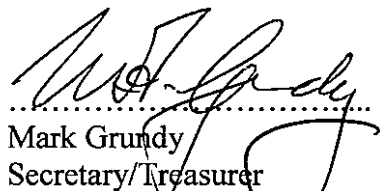
David Vale
Registered Organisations Commission

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**CERTIFICATE BY THE SECRETARY/TREASURER
FOR THE YEAR ENDED 30 JUNE 2018**

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

- that the documents lodged herewith are copies of the full report for the Association for the year ended 30 June 2018, as referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Association on 22 November 2018; and
- that the full report was presented to a general meeting of members of the Association on 13 December 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.


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Mark Grundy
Secretary/Treasurer

Date: 13/12/2018

TIMBER TRADE INDUSTRIAL ASSOCIATION

AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

LWK Pty Limited

Chartered Accountants
Business Advisers and Consultants

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65 York Street
Sydney NSW 2000
Australia

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Facsimile: (02) 9290 2997
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**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

The Council presents its operating report on the Timber Trade Industrial Association (the Association) for the year ended 30 June 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Association during the year were that of an employer association providing advice and training in industrial relations and occupational health and safety matters to members.

The results of those activities were fully completed to the satisfaction of the members.

There were no significant changes in the nature of the Association's activities during the year.

The net result from operations for the financial year was a Surplus of \$10,766 (2017 deficit of \$44,974). No provision has been made for Income Tax as the Association is exempt from income tax in terms of Section 50-1 of the Income Tax Assessment Act, 1997.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association during the year.

Right of members to resign

The rights of members to resign from the Association are set out in Paragraph 8 of the Rules of the Association.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position.

Mr Allan Stewart, President and Chairman of the Association, is a member of the Board of Directors on the Trustee Board of First Super.

Mrs Janet Gilbert, employee of the Association, is a member of the Board of Directors on the Trustee Board of First Super.

There are no other officers and employees who are superannuation fund trustees or director of a company that is a superannuation fund trustee where criterion for the officer or employee being the trustee is that the officer or employee is an officer or employee of the Association.

Number of members

The number of persons and organisations 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 256.

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**OPERATING REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2018**

Number of employees

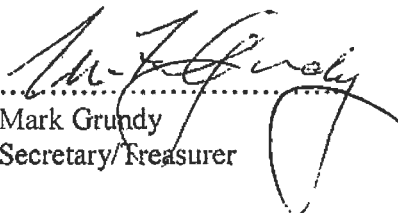
At the end of the financial year to which the report relates, the Association had 4 persons as employees measured on a full-time equivalent basis.

Names of Council members and period positions held during the financial year

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

Mr. Allan Stewart
Mr. Mark Grundy
Mr. Wayne Lewis
Mrs. Lyn McIntyre
Ms Jill Hetherington
Mr. Ashley Price
Mr. David Nicol (resigned on 16 December 2017)
Mr. Luke Crump (appointed on 20 December 2017)

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


.....
Mark Grundy
Secretary/Treasurer

Dated this 22nd day of November 2018

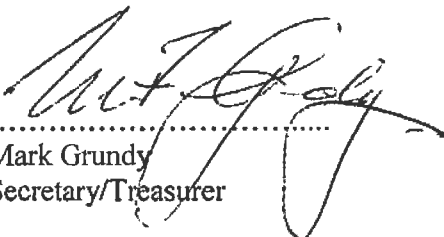
**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2018**

The Council presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 30 June 2018.

Descriptive form

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	671,571	675,074
Advertising	-	-
Operating costs	192,418	218,231
Donations to political parties	-	-
Legal costs	-	-


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Mark Grundy
Secretary/Treasurer

Dated this 22nd day of November 2018

Stephen K M Liu FCA
Victor K M Kwok CA
Harmit S Chopra CA

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Timber Trade Industrial Association (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies, the Statement by Councillors, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Timber Trade Industrial Association as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that the Council's use of the going concern basis in the preparation of the financial statements of the Association is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

Information Other than the Financial Report and Auditor's Report Thereon

The Council is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the Financial Report

The Council of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)

- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Declaration by the auditor

I, H S Chopra, declare that I am an auditor registered under the RO Act.

LWK

LWK
Chartered Accountants

H.S. Chopra

H.S. CHOPRA
Partner

Date: *22 November 2018*

Sydney

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/191

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

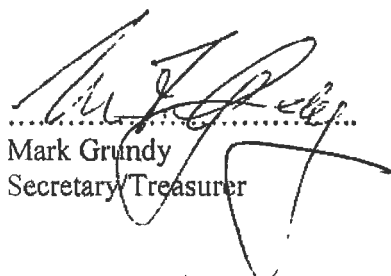
**STATEMENT BY COUNCILLORS
FOR THE YEAR ENDED 30 JUNE 2018**

On 22 November 2018, 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 year ended 30 June 2018:

The Council declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 RO Act; and
 - (iv) the Association does not have any other reporting unit connected with the Association for the purposes of ROC reporting; and
 - (v) no request for information has been sought by a member of the Association or Commissioner of the Registered Organisations Commission under section 272 of the RO Act during the financial year; and
 - (vi) no orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act during the financial year.

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


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Mark Grundy
Secretary/Treasurer

Dated this 22nd day of November 2018

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
Revenue			
Members' contributions		563,166	527,978
Interest	3A	13,102	14,965
Other revenue	3B	<u>333,605</u>	<u>329,914</u>
Total revenue		909,873	872,857
Other Income			
Net gains from sale of assets	3C	2,224	3,804
Total other income		<u>2,224</u>	<u>3,804</u>
Total income		<u>912,097</u>	<u>876,661</u>
Expenses			
Employee expenses	4A	671,571	675,074
Administration expenses	4B	192,418	218,231
Depreciation	4C	23,633	14,171
Finance costs	4D	4,991	2,376
Audit fees	11	6,580	6,000
Write-down and impairment of assets	4E	<u>2,138</u>	<u>5,783</u>
Total expenses		<u>901,331</u>	<u>921,635</u>
Surplus/(deficit) for the year		<u>10,766</u>	<u>(44,974)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>10,766</u>	<u>(44,974)</u>

The above statement should be read in conjunction with the notes

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5A	706,793	627,357
Trade and other receivables	5B	455,003	475,481
Other current assets	5C	<u>5,398</u>	<u>4,575</u>
TOTAL CURRENT ASSETS		<u>1,167,194</u>	<u>1,107,413</u>
NON-CURRENT ASSETS			
Motor vehicles	6A	87,791	55,465
Office furniture	6B	-	716
Plant and equipment	6C	<u>4,728</u>	<u>5,955</u>
TOTAL NON-CURRENT ASSETS		<u>92,519</u>	<u>62,136</u>
TOTAL ASSETS		<u>1,259,713</u>	<u>1,169,549</u>
CURRENT LIABILITIES			
Trade payables	7A	16,256	14,811
Other payables	7B	666,427	652,203
Borrowings	7C	19,007	10,551
Employee provisions	8A	<u>182,767</u>	<u>160,015</u>
TOTAL CURRENT LIABILITIES		<u>884,457</u>	<u>837,580</u>
NON-CURRENT LIABILITIES			
Borrowings	7C	73,842	43,967
Employee provisions	8A	<u>14,564</u>	<u>11,918</u>
TOTAL NON-CURRENT LIABILITIES		<u>88,406</u>	<u>55,885</u>
TOTAL LIABILITIES		<u>972,863</u>	<u>893,465</u>
NET ASSETS		<u>286,850</u>	<u>276,084</u>
MEMBERS' FUNDS			
Retained surplus		<u>286,850</u>	<u>276,084</u>
TOTAL MEMBERS' FUNDS		<u>286,850</u>	<u>276,084</u>

The above statement should be read in conjunction with the notes

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	Retained surplus \$	Total members' funds \$
Balance as at 1 July 2016		321,058	321,058
Deficit for the year		(44,974)	(44,974)
Other comprehensive income		-	-
Closing balance as at 30 June 2017		276,084	276,084
Surplus for the year		10,766	10,766
Other comprehensive income		-	-
Closing balance as at 30 June 2018		286,850	286,850

The above statement should be read in conjunction with the notes

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members' contributions and association activities		1,024,032	972,267
Interest		<u>12,535</u>	<u>15,554</u>
		1,036,567	987,821
Cash used			
Employees		(657,928)	(685,701)
Suppliers		<u>(279,169)</u>	<u>(307,062)</u>
Net cash from/(used by) operating activities	9A	<u><u>99,470</u></u>	<u><u>(4,942)</u></u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		7,000	-
Cash used			
Purchase of plant and equipment		<u>(60,566)</u>	<u>(56,788)</u>
Net cash used by investing activities		<u><u>(53,566)</u></u>	<u><u>(56,788)</u></u>
FINANCING ACTIVITIES			
Cash received			
Borrowings received		57,660	52,757
Cash used			
Repayment of borrowings		<u>(24,128)</u>	<u>(8,507)</u>
Net cash from financing activities		<u><u>33,532</u></u>	<u><u>44,250</u></u>
Net increase/(decrease) in cash held		79,436	(17,480)
Cash & cash equivalents at the beginning of the reporting period		<u>627,357</u>	<u>644,837</u>
Cash & cash equivalents at the end of the reporting period	5A	<u><u>706,793</u></u>	<u><u>627,357</u></u>

The above statement should be read in conjunction with the notes

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Summary of Significant Accounting Policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, Timber Trade Industrial Association (the Association) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from members contributions which include membership subscriptions and workers compensation & WHS membership, is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.3 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however, still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 1: Statement of Significant Accounting Policies (cont'd)

1.3 Taxation (cont'd)

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.4 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

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

1.5 Property, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing balance method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (cont'd)

1.6 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.7 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.8 Significant accounting judgements and estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.9 New accounting standards for application in future periods

A number of new standards, amendments to standards and interpretations are in issue but are not effective for the current financial year. The reported results and position of the Association will not change on adoption of these pronouncements as they do not result in any changes to the Association's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Association does not intend to adopt any of these pronouncements before their effective dates.

Note 2: Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Timber Trade Industrial Association.

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 3: INCOME		
Note 3A: Interest		
Deposits	<u>13,102</u>	<u>14,965</u>
Note 3B: Other Revenue		
Advisory & seminar income	201,922	229,439
Management fee	92,448	70,529
Rebate	37,069	25,735
Miscellaneous income	1,577	4,000
Insurance recovered	<u>589</u>	<u>211</u>
Total other revenue	<u>333,605</u>	<u>329,914</u>
Note 3C: Net Gains from Sale of Assets		
Motor vehicle	<u>2,224</u>	<u>3,804</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
 AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 4: EXPENSES

Note 4A: Employee Expenses

Employees other than office holders:

Wages and salaries	564,186	599,882
Superannuation	56,590	59,233
Fringe benefits tax	19,842	23,697
Leave and other entitlements	25,398	(13,894)
Other employee expenses	5,555	6,156
	<u>671,571</u>	<u>675,074</u>
Total employee expenses	<u>671,571</u>	<u>675,074</u>

There are no employees who are also holders of office

Note 4B: Administration Expenses

Fees/allowances - meeting and conferences	6,452	2,638
Property expenses	25,049	27,127
Accountancy and bookkeeping	30,730	30,600
Bank charges	677	1,730
Computer and website expenses	3,655	260
Electricity	817	1,085
Field effort	79,483	83,778
Insurances	871	2,837
Postages	1,482	1,445
Printing and stationery	1,979	5,604
Repairs, maintenance and cleaning	2,000	2,019
Staff amenities	178	3,015
Telephone, fax and internet	19,672	18,324
Trade subscriptions	5,873	4,773
	<u>178,918</u>	<u>185,235</u>
Subtotal administration expense	<u>178,918</u>	<u>185,235</u>
Operating lease rentals:		
Minimum lease payments	<u>13,500</u>	<u>32,996</u>
Total administration expenses	<u>192,418</u>	<u>218,231</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 4: EXPENSES (CONT'D)		
Note 4C: Depreciation		
Depreciation		
Motor vehicles	21,801	12,396
Office furniture	94	111
Plant and equipment	1,738	1,664
	<u>23,633</u>	<u>14,171</u>
Total depreciation	<u>23,633</u>	<u>14,171</u>
Note 4D: Finance Costs		
Borrowing expenses	193	104
Expired hire purchase charges	-	249
Interest on chattel mortgage	4,798	2,023
	<u>4,991</u>	<u>2,376</u>
Total finance costs	<u>4,991</u>	<u>2,376</u>
Note 4E: Write-down and Impairment of Assets		
Asset write-downs and impairments of:		
-Receivables	363	5,783
-Fixed Assets	1,775	-
	<u>2,138</u>	<u>5,783</u>
Total write-down and impairment of assets	<u>2,138</u>	<u>5,783</u>
Note 5: CURRENT ASSETS		
Note 5A: Cash and Cash Equivalents		
Cash at bank	151,059	144,178
Cash on hand	400	400
Short term deposits	555,334	482,779
	<u>706,793</u>	<u>627,357</u>
Total cash and cash equivalents	<u>706,793</u>	<u>627,357</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
 AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018**

2018	2017
\$	\$

Note 5: CURRENT ASSETS (CONT'D)

Note 5B: Trade and Other Receivables

Trade receivables	469,841	490,886
Less: provision for doubtful debts	<u>(16,000)</u>	<u>(16,000)</u>
Trade receivables (net)	453,841	474,886
Other receivables	<u>1,162</u>	<u>595</u>
Total trade and other receivables	<u>455,003</u>	<u>475,481</u>

Note 5C: Other Current Assets

Prepayments	4,626	2,945
Borrowing expenses	772	675
Work accommodation deposit	-	200
Electricity deposit	-	300
Car parking deposit	-	280
Security keys deposit	<u>-</u>	<u>175</u>
Total other current assets	<u>5,398</u>	<u>4,575</u>

Note 6: NON-CURRENT ASSETS

Note 6A: Motor Vehicles

Motor vehicles:		
At cost	157,247	132,460
Less: accumulated depreciation	<u>(69,456)</u>	<u>(76,995)</u>
Total motor vehicles	<u>87,791</u>	<u>55,465</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
 AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 6: NON-CURRENT ASSETS (CONT'D)		
Note 6A: Motor Vehicles (Cont'd)		
<i>Reconciliation of Opening and Closing Balances of Motor vehicles</i>		
As at 1 July		
Gross book value	132,460	113,785
Accumulated depreciation and impairment	<u>(76,995)</u>	<u>(90,667)</u>
Net book value 1 July	55,465	23,118
Additions:		
By purchase	58,903	52,757
Depreciation expense	(21,801)	(12,396)
Disposal	<u>(4,776)</u>	<u>(8,014)</u>
Net book value 30 June	<u>87,791</u>	<u>55,465</u>
Net book value as of 30 June represented by:		
Gross book value	157,247	132,460
Accumulated depreciation and impairment	<u>(69,456)</u>	<u>(76,995)</u>
Net book value 30 June	<u>87,791</u>	<u>55,465</u>
Note 6B: Office Furniture		
Office furniture:		
At cost	9,831	9,831
Less: accumulated depreciation	<u>(9,831)</u>	<u>(9,115)</u>
Total office furniture	<u>-</u>	<u>716</u>

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018	2017
\$	\$

Note 6: NON-CURRENT ASSETS (CONT'D)

Note 6B: Office Furniture (Cont'd)

*Reconciliation of Opening and Closing Balances of
Office furniture*

As at 1 July

Gross book value	9,831	9,831
Accumulated depreciation and impairment	<u>(9,115)</u>	<u>(9,004)</u>

Net book value 1 July

Depreciation expense	716	827
Disposal	(94)	(111)
	<u>(622)</u>	<u>-</u>

Net book value 30 June

<u>-</u>	<u>716</u>
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**Net book value as of 30 June
represented by:**

Gross book value	9,831	9,831
Accumulated depreciation and impairment	<u>(9,831)</u>	<u>(9,115)</u>

Net book value 30 June

<u>-</u>	<u>716</u>
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Note 6C: Plant and Equipment

Plant and equipment:

At cost	7,854	79,113
Less: accumulated depreciation	<u>(3,126)</u>	<u>(73,158)</u>

Total plant and equipment

<u>4,728</u>	<u>5,955</u>
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**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 6: NON-CURRENT ASSETS (CONT'D)

Note 6C: Plant and Equipment (Cont'd)

*Reconciliation of Opening and Closing Balances of
Plant and equipment*

As at 1 July

Gross book value	79,113	75,082
Accumulated depreciation and impairment	<u>(73,158)</u>	<u>(71,494)</u>

Net book value 1 July

	5,955	3,588
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Additions:

By purchase	1,663	4,031
Depreciation expense	(1,738)	(1,664)
Disposal	<u>(1,152)</u>	<u>-</u>

Net book value 30 June

	<u>4,728</u>	<u>5,955</u>
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**Net book value as of 30 June
represented by:**

Gross book value	7,854	79,113
Accumulated depreciation and impairment	<u>(3,126)</u>	<u>(73,158)</u>

Net book value 30 June

	<u>4,728</u>	<u>5,955</u>
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Note 7: CURRENT LIABILITIES

Note 7A: Trade Payables

Trade creditors and accruals	<u>16,256</u>	<u>14,811</u>
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Total trade payables

	<u>16,256</u>	<u>14,811</u>
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Settlement is usually made within 30 days.

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

Note 7: CURRENT LIABILITIES (CONT'D)

Note 7B: Other Payables

Wages and salaries	-	13,814
Superannuation	4,349	4,217
Members' contributions in advance	585,794	564,875
GST payable	62,714	57,654
PAYG tax withholding	<u>13,570</u>	<u>11,643</u>
Total other payables	<u>666,427</u>	<u>652,203</u>
Total other payables are expected to be settled in:		
No more than 12 months	<u>666,427</u>	<u>652,203</u>

Note 7C: Borrowings

Chattel mortgage	<u>92,849</u>	<u>54,518</u>
Total other payables are expected to be settled in:		
No more than 12 months	19,007	10,551
More than 12 months	<u>73,842</u>	<u>43,967</u>
Total borrowings	<u>92,849</u>	<u>54,518</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 8: PROVISIONS

Note 8A: Employee Provisions

Employees other than office holders:

Annual leave	44,483	32,497
Long service leave	152,848	139,436
Total employee provisions	197,331	171,933
Current	182,767	160,015
Non Current	14,564	11,918
Total employee provisions	197,331	11,918

There are no employees who are also holders of office

Note 9: CASH FLOW

Note 9A: Cash Flow Reconciliation

**Reconciliation of cash and cash equivalents as per
Statement of Financial Position to Statement of Cash Flows:**

Cash and cash equivalents as per:

Statement of Cash Flows	706,793	627,357
Statement of Financial Position	706,793	627,357
Difference	-	-

**TIMBER TRADE INDUSTRIAL ASSOCIATION
 AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 9: CASH FLOW (CONT'D)

Note 9A: Cash Flow Reconciliation (Cont'd)

**Reconciliation of surplus/(deficit) to net cash from
 operating activities:**

Surplus/(deficit) for the year	10,766	(44,974)
Adjustments for non-cash items		
Depreciation	23,633	14,171
Net write-down of non-financial assets	2,137	5,783
Net gain from sale of assets	(2,224)	(3,804)
Changes in assets/liabilities		
Decrease in net receivables	19,390	32,914
(Increase)/decrease in prepayments	(97)	8,901
Increase in supplier payables	1,445	6,737
Increase/(decrease) in other payables	19,022	(10,776)
Increase/(decrease) in employee provisions	25,398	(13,894)
	<u>99,470</u>	<u>(4,942)</u>
Net cash from/(used by) operating activities	<u>99,470</u>	<u>(4,942)</u>

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 10: RELATED PARTY DISCLOSURES

Note 10A: Related Party Transactions for the Reporting Period

The following financial information provides the total amount of transactions that have been entered into with a related party for the relevant year.

Revenue received from Timber Trade Industrial Pty Ltd includes the following:

Management fee	<u>92,448</u>	<u>70,529</u>
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Amounts owed by Timber Trade Industrial Pty Ltd includes the following:

Trade receivable	<u>54,914</u>	<u>60,783</u>
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Terms and conditions of transactions with related parties

Timber Trade Industrial Pty Ltd (the company) is a related party of the Association that provides legal services to the Association's members.

The Association charges management fees to the company in order to cover for its costs associated with providing administrative support to the company.

The management fee charged to the related party is made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for management fee at the year-end are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

For the year ended 30 June 2018, the Association has not recorded any impairment of trade receivables relating to amounts owed by the company. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018	2017
\$	\$

Note 10: RELATED PARTY DISCLOSURES
(CONT'D)

Note 10B: Key Management Personnel
Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	227,332	221,545
Annual leave taken	<u>(4,871)</u>	<u>(4,508)</u>

Total short-term employee benefits

<u>222,461</u>	<u>217,037</u>
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Post-employment benefits:

Superannuation	<u>22,763</u>	<u>22,891</u>
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Total post-employment benefits

<u>22,763</u>	<u>22,891</u>
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Other long-term benefits:

Long-service leave (taken)/accrued	<u>5,971</u>	<u>(11,977)</u>
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Total other long-term benefits

<u>5,971</u>	<u>(11,977)</u>
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Total

<u>251,195</u>	<u>227,951</u>
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Note 11: REMUNERATION OF AUDITORS

Value of the services provided

Financial statement audit services	<u>6,580</u>	<u>6,000</u>
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Total remuneration of auditors

<u><u>6,580</u></u>	<u><u>6,000</u></u>
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No other services were provided by the auditors of the financial statements.

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 12: FINANCIAL INSTRUMENTS

Note 12A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	706,793	627,357
Trade and other receivables	455,003	475,481
Other current assets	5,398	4,575

Total	<u>1,167,194</u>	<u>1,107,413</u>
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<i>Carrying amount of financial assets</i>	<u><u>1,167,194</u></u>	<u><u>1,107,413</u></u>
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Financial Liabilities

Other financial liabilities:

Trade payables	16,256	14,811
Other payables	666,427	652,203
Borrowings	92,849	54,518

Total	<u>775,532</u>	<u>721,532</u>
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<i>Carrying amount of financial liabilities</i>	<u><u>775,532</u></u>	<u><u>721,532</u></u>
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Note 12B: Net Income and Expense from Financial Assets

Loans and receivables

Interest revenue	13,102	14,965
Write-down and impairment of receivables	(1,775)	-

Net gain from loans and receivables	<u>11,327</u>	<u>14,965</u>
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Net gain from financial assets	<u><u>11,327</u></u>	<u><u>14,965</u></u>
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**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 12: FINANCIAL INSTRUMENTS (CONT'D)		
Note 12C: Net Income and Expense from Financial Liabilities		
At amortised cost		
Borrowing expenses	193	104
Expired hire purchase charges	-	249
Interest on chattel mortgage	4,798	2,023
	<hr/>	<hr/>
Net loss from financial liabilities - at amortised cost	4,991	2,376
	<hr/>	<hr/>
Net loss from financial liabilities	4,991	2,376
	<hr/> <hr/>	<hr/> <hr/>

Note 12D: Fair Value of Financial Instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 12E: Credit Risk

The Association is not exposed to any significant credit risk.

Note 12F: Liquidity Risk

Vigilant liquidity risk management requires the Association to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Association manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 12: FINANCIAL INSTRUMENTS (CONT'D)

Note 12G: Market Risk

Foreign currency risk

The Association is not exposed to any foreign currency risk.

Price risk

The Association is not exposed to any significant price risk.

Interest rate risk

The Association is not exposed to any significant interest rate risk.

Note 12H: Changes in liabilities arising from financing activities

	1 July 2017	Cash flows	New Borrowing	30 June 2018
	\$	\$	\$	\$
Current obligations under chattel mortgage	3,114	(5,558)	15,778	13,334
Non-current obligations under chattel mortgage	51,404	(13,771)	41,882	79,515
	1 July 2016	Cash flows	New Borrowing	30 June 2017
	\$	\$	\$	\$
Current obligations under chattel mortgage	13,084	(11,323)	1,353	3,114
Non-current obligations under chattel mortgage	9,391	(9,391)	51,404	51,464

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

**Note 13: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS)
ACT 2009**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of an Association, or the Commissioner, may apply to the Association for specified prescribed information in relation to the Association 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 Association.
- (3) An Association must comply with an application made under subsection (1).

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

I, Mark Grundy, being the Secretary/Treasurer of the Timber Trade Industrial Association (the Association), declare that the following activities did not occur during the reporting period ended 30 June 2018.

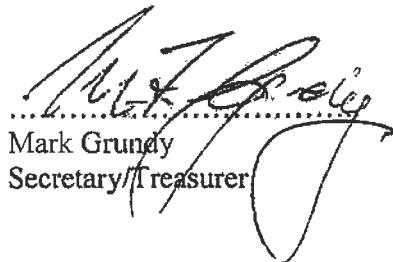
The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund

**TIMBER TRADE INDUSTRIAL ASSOCIATION
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385**

**OFFICER DECLARATION STATEMENT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2018**

- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



.....
Mark Grundy
Secretary/Treasurer

Dated this 22nd day of November 2018