Australian Government
Registered Organisations Commission

12 February 2020

Mr Mark Grundy
Secretary-Treasurer
Timber Trade Industrial Association

Dear Sir

Re: Timber Trade Industrial Association - financial report for year ending 30 June 2019 (FR2019/171)

I refer to the financial report of the Timber Trade Industrial Association. The documents were lodged with the Registered Organisations Commission (**ROC**) on 19 December 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming 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 2020 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 comment to assist when preparing the next report.

Nil activity disclosure

The officer declaration statement included a nil activity disclosure in respect of reporting guideline RG 17(d) – have a balance within the general fund. Having regard to the definition of general fund in the glossary on page 11/13 of the reporting guidelines, it would appear that the retained surplus of $300,534 is the balance of the general fund and no nil activity disclosure was applicable.

Reporting Requirements

The ROC website provides several 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 reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
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 2019

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 2019, 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 21 November 2019; and

- that the full report was presented to a general meeting of members of the Association on 13 December 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

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Mark Grundy
Secretary/Treasurer

Date: 18 December 2019

TIMBER TRADE INDUSTRIAL ASSOCIATION

AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

LWK Pty Limited
Chartered Accountants
Business Advisers and Consultants

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

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The Council presents its operating report on the Timber Trade Industrial Association (the Association) for the year ended 30 June 2019.

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 $13,684 (2018 surplus of $10,766). 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 258.

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

OPERATING REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2019

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. Luke Crump

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

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Mark Grundy
Secretary/Treasurer

Dated this 21st day of November 2019

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019

The Council presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 30 June 2019.

Descriptive form

Categories of expenditures	**2019** **$**	**2018** **$**
Remuneration and other employment-related costs and expenses - employees	681,745	671,571
Advertising	1,000	-
Operating costs	165,023	192,418
Donations to political parties	-	-
Legal costs	-	-

M. J. Grundy

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Mark Grundy
Secretary/Treasurer

Dated this 21st day of November 2019

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 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, 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 2019, 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.

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
Partner

Date: 21 November 2019

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 2019

On 21 November 2019, 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 2019:

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.

M. J. Grundy

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Mark Grundy
Secretary/Treasurer

Dated this 21st day of November 2019

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
Revenue			
Members' contributions		571,502	563,166
Investment income	3A	15,696	13,102
Other revenue	3B	323,037	333,605
Total revenue		**910,235**	**909,873**
Other Income			
Net gains from sale of assets	3C	-	2,224
Total other income		-	**2,224**
Total income		**910,235**	**912,097**
Expenses			
Employee expenses	4A	681,745	671,571
Administration expenses	4B	166,023	192,418
Depreciation	4C	26,637	23,633
Finance costs	4D	7,130	4,991
Write-down and impairment of assets	4E	3,681	2,138
Net losses from sale of assets	4F	4,455	-
Audit fees	11	6,880	6,580
Total expenses		**896,551**	**901,331**
Surplus for the year		13,684	10,766
Other comprehensive income		-	-
Total comprehensive income for the year		13,684	10,766

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 2019

	NOTE	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	5A	753,078	706,793
Trade and other receivables	5B	463,157	455,003
Other current assets	5C	7,637	5,398
TOTAL CURRENT ASSETS		**1,223,872**	**1,167,194**
NON-CURRENT ASSETS			
Motor vehicles	6A	87,542	87,791
Office furniture	6B	-	-
Plant and equipment	6C	3,125	4,728
TOTAL NON-CURRENT ASSETS		**90,667**	**92,519**
TOTAL ASSETS		**1,314,539**	**1,259,713**
CURRENT LIABILITIES			
Trade payables	7A	16,002	16,256
Other payables	7B	683,482	666,427
Borrowings	7C	21,215	19,007
Employee provisions	8A	176,297	182,767
TOTAL CURRENT LIABILITIES		**896,996**	**884,457**
NON-CURRENT LIABILITIES			
Borrowings	7C	84,258	73,842
Employee provisions	8A	32,751	14,564
TOTAL NON-CURRENT LIABILITIES		**117,009**	**88,406**
TOTAL LIABILITIES		**1,014,005**	**972,863**
NET ASSETS		**300,534**	**286,850**
MEMBERS' FUNDS			
Retained surplus		300,534	286,850
TOTAL MEMBERS' FUNDS		**300,534**	**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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	Retained surplus $	Total members' funds $
Balance as at 1 July 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**
Surplus for the year		13,684	13,684
Other comprehensive income		-	-
Closing balance as at 30 June 2019		**300,534**	**300,534**

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 2019

	NOTE	2019 $	2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members' contributions and association activities		985,957	1,024,032
Interest		14,647	12,535
		1,000,604	1,036,567
Cash used			
Employees		(669,043)	(657,928)
Suppliers		(262,147)	(279,169)
Net cash from operating activities	9A	**69,414**	**99,470**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		7,688	7,000
Cash used			
Purchase of plant and equipment		(36,928)	(60,566)
Net cash used by investing activities		**(29,240)**	**(53,566)**
FINANCING ACTIVITIES			
Cash received			
Borrowings received		43,732	57,660
Cash used			
Repayment of borrowings		(37,621)	(24,128)
Net cash from financing activities		**6,111**	**33,532**
Net increase in cash held		46,285	79,436
Cash & cash equivalents at the beginning of the reporting period		706,793	627,357
Cash & cash equivalents at the end of the reporting period	5A	753,078	706,793

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 2019

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 loss allowance pertaining to expected credit losses at each reporting date.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

1.3 Taxation (Continued)

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets – policy applicable from 1 July 2018.
On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI); or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the association may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the association may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 1 July 2018. The association makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Council. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Council's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the association's Council;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered income for this purpose, consistent with the association's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 July 2018.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the association considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the association considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the association's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 July 2018.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 1.7(v) for derivatives designated as hedging instruments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI.
On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets – Policy applicable before 1 July 2018.

The association classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
  - held for trading;
  - derivative hedging instruments; or designated as at FVTPL.

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial assets–Subsequent measurement and gains and losses: Policy applicable before 1 July 2018

Financial assets at FVTPL

Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss. However, see Note 1.7(v) for derivatives designated as hedging instruments.

Financial assets at amortised cost and Loans and receivables

Measured at amortised cost using the effective interest method.

Available-for-sale financial assets

Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

See Note 1.7(v) for financial liabilities designated as hedging instruments.

iii. Derecognition

Financial assets

The association derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the association neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

iii. Derecognition (Continued)

The association enters into transactions whereby it transfers assets recognised in its assets and liabilities statement, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. Financial assets at fair value through profit or loss.

Loans and receivables
These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the association's cash management.

Available-for-sale financial assets
These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss in equity is reclassified to profit or loss.

Financial liabilities
The association derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The association also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the assets and liabilities statement when, and only when, the association has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments (Continued)

v. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 July 2018.

The association may hold derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives may initially be measured at fair value. Subsequent to initial recognition, derivatives may be measured at fair value, and changes therein are generally recognised in profit or loss.

The association may designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the association shall document the risk management objective and strategy for undertaking the hedge. The association shall also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1.8 Changes in accounting policies

Except for the change below, the association has consistently applied the accounting policies set out in Note 1 to all periods presented in these consolidated financial statements.

The association has initially applied AASB 9, including any consequential amendments to other standards, from 1 July 2018. A number of other new standards are also effective from 1 July 2018 but they do not have a material effect on the association's financial statements.

Due to the transition methods chosen by the association in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

Note 1: Summary of Significant Accounting Policies (Continued)

1.8 Changes in accounting policies (Continued)

AASB 9 Financial Instruments

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement.

As a result of the adoption of AASB 9, the association has adopted consequential amendments to AASB 101 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously the association's approach was to include the impairment of trade receivables in other expenses. Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under AASB 139, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Additionally, the association has adopted consequential amendments to AASB 7 Financial Instruments: Disclosures that are applied to disclosures in the current year but have not been generally applied to comparative information.

The transition to AASB 9 had no impact on retained surplus at 1 July 2018.

a. Classification and measurement of financial assets and financial liabilities

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale. Under AASB 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities.

The adoption of AASB 9 has not had a significant effect on the association's accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the association classifies and measures financial instruments and accounts for related gains and losses under AASB 9, see Note 1.7

Note 1: Summary of Significant Accounting Policies (Continued)

1.8 Changes in accounting policies (Continued)

AASB 9 Financial Instruments (Continued)

a. Classification and measurement of financial assets and financial liabilities (Continued)

The following table and the accompanying notes below explain the original measurement categories under AASB 139 and the new measurement categories under AASB 9 for each class of the association's financial assets and financial liabilities as at 1 July 2018.

The following table represents the classification and measurement of financial assets under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

In dollars	Original classification under AASB 139	New classification under AASB 9	Original carrying amount under AASB 139	New carrying amount under AASB 9
Financial Assets				
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	753,078	753,078
Trade and other receivables	Loans and receivables	Financial assets at amortised cost	463,157	463,157

The following table represents the classification and measurement of financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

In dollars	Original classification under AASB 139	New classification under AASB 9	Original carrying amount under AASB 139	New carrying amount under AASB 9
Financial Liabilities				
Trade payables	Other financial liabilities	Financial liabilities at amortised cost	16,002	16,256
Other payables	Other financial liabilities	Financial liabilities at amortised cost	683,482	683,482
Borrowings	Other financial liabilities	Financial liabilities at amortised cost	105,473	105,473

Note 1: Summary of Significant Accounting Policies (Continued)

1.8 Changes in accounting policies (Continued)

AASB 9 Financial Instruments (Continued)

b. Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The association has determined that the application of AASB 9's impairment requirements at 1 July 2018 did not have an impact on comparative information.

1.9 Comparative amounts

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

1.10 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.

1.11 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 2019, 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	$	$

Note 3: INCOME

Note 3A: Investment income

	2019	2018
Interest - deposits	15,696	13,102

Note 3B: Other Revenue

	2019	2018
Advisory & seminar income	194,000	201,922
Education & training	4,000	-
Management fee	95,132	92,448
Rebate	29,905	37,069
Miscellaneous income	-	1,577
Insurance recovered	-	589
Total other revenue	**323,037**	**333,605**

Note 3C: Net Gains from Sale of Assets

	2019	2018
Motor vehicle	-	2,224

	2019 $	2018 $
Note 4: EXPENSES		
Note 4A: Employee Expenses		
Employees other than office holders:		
Wages and salaries	578,283	564,186
Superannuation	58,234	56,590
Fringe benefits tax	25,189	19,842
Leave and other entitlements	11,718	25,398
Other employee expenses	8,321	5,555
Total employee expenses	**681,745**	**671,571**

There are no employees who are also holders of office

Note 4B: Administration Expenses

	2019 $	2018 $
Fees/allowances - meeting and conferences	4,193	2,614
Conference and meeting expenses	1,497	3,838
Property expenses	21,598	25,049
Accountancy and bookkeeping	31,350	30,730
Advertising and promotion	1,000	-
Bank charges	1,729	677
Computer and website expenses	869	3,655
Electricity	-	817
Field effort	72,707	79,483
Insurances	-	871
Postages	785	1,482
Printing and stationery	3,906	1,979
Repairs, maintenance and cleaning	2,170	2,000
Staff amenities	-	178
Telephone, fax and internet	18,412	19,672
Trade subscriptions	5,807	5,873
Subtotal administration expense	**166,023**	**178,918**
Operating lease rentals:		
Minimum lease payments	-	13,500
Total adminstration expenses	**166,023**	**192,418**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Note 4: EXPENSES (CONTINUED)		
Note 4C: Depreciation		
Depreciation:		
Motor vehicles	25,034	21,801
Office furniture	-	94
Plant and equipment	1,603	1,738
Total depreciation	**26,637**	**23,633**
Note 4D: Finance Costs		
Borrowing expenses	617	193
Interest on chattel mortgage	6,513	4,798
Total finance costs	**7,130**	**4,991**
Note 4E: Write-down and Impairment of Assets		
Asset write-downs and impairments of:		
Receivables	3,681	363
Fixed Assets	-	1,775
Total write-down and impairment of assets	**3,681**	**2,138**
Note 4F: Net losses from sale of assets		
Motor Vehicles	**4,455**	-

	2019 $	2018 $
Note 5: CURRENT ASSETS		
Note 5A: Cash and Cash Equivalents		
Cash at bank	202,942	151,059
Cash on hand	400	400
Short term deposits	549,736	555,334
Total cash and cash equivalents	**753,078**	**706,793**
Note 5B: Trade and Other Receivables		
Trade receivables	476,946	469,841
Less: allowance for expected credit losses	(16,000)	(16,000)
Trade receivables (net)	460,946	453,841
Other receivables	2,211	1,162
Total trade and other receivables	**463,157**	**455,003**
Note 5C: Other Current Assets		
Prepayments	7,059	4,626
Borrowing expenses	578	772
Total other current assets	**7,637**	**5,398**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Note 6: NON-CURRENT ASSETS		
Note 6A: Motor Vehicles		
Motor vehicles:		
At cost	176,302	157,247
Less: accumulated depreciation	(88,760)	(69,456)
Total motor vehicles	**87,542**	**87,791**
Reconciliation of Opening and Closing Balances of Motor vehicles		
As at 1 July		
Gross book value	157,247	132,460
Accumulated depreciation and impairment	(69,456)	(76,995)
Net book value 1 July	**87,791**	**55,465**
Additions:		
By purchase	36,928	58,903
Depreciation expense	(25,034)	(21,801)
Disposal	(12,143)	(4,776)
Net book value 30 June	**87,542**	**87,791**
Net book value as of 30 June represented by:		
Gross book value	176,302	157,247
Accumulated depreciation and impairment	(88,760)	(69,456)
Net book value 30 June	**87,542**	**87,791**

	2019 $	2018 $
Note 6: NON-CURRENT ASSETS (CONTINUED)		
Note 6B: Office Furniture		
Office Furniture:		
At cost	-	9,831
Less: accumulated depreciation	-	(9,831)
Total office furniture	-	-
Reconciliation of Opening and Closing Balances of Office furniture		
As at 1 July		
Gross book value	-	9,831
Accumulated depreciation and impairment	-	(9,115)
Net book value 1 July	-	**716**
Depreciation expense	-	(94)
Disposal	-	(622)
Net book value 30 June	-	-
Net book value as of 30 June represented by:		
Gross book value	-	9,831
Accumulated depreciation and impairment	-	(9,831)
Net book value 30 June	-	-

	2019 $	2018 $
Note 6: NON-CURRENT ASSETS (CONTINUED)		
Note 6C: Plant and Equipment		
Plant and equipment:		
At cost	7,854	7,854
Less: accumulated depreciation	(4,729)	(3,126)
Total plant and equipment	**3,125**	**4,728**
Reconciliation of Opening and Closing Balances of Plant and equipment		
As at 1 July		
Gross book value	9,356	79,113
Accumulated depreciation and impairment	(4,628)	(73,158)
Net book value 1 July	**4,728**	**5,955**
Additions:		
By purchase	-	1,663
Depreciation expense	(1,603)	(1,738)
Disposal	-	(1,152)
Net book value 30 June	**3,125**	**4,728**
Net book value as of 30 June represented by:		
Gross book value	7,854	7,854
Accumulated depreciation and impairment	(4,729)	(3,126)
Net book value 30 June	**3,125**	**4,728**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Note 7: CURRENT LIABILITIES		
Note 7A: Trade Payables		
Trade creditors and accurals	16,002	16,256
Total trade payables	**16,002**	**16,256**
Settlement is usually made within 30 days.		
Note 7B: Other Payables		
Superannuation	4,721	4,349
Members' contributions in advance	598,545	585,794
GST payable	66,034	62,714
PAYG tax withholding	14,182	13,570
Total other payables	**683,482**	**666,427**
Total other payables are expected to be settled in:		
No more than 12 months	**683,482**	**666,427**
Note 7C: Borrowings		
Chattel mortgage	**105,473**	**92,849**
Total other payables are expected to be settled in:		
No more than 12 months	21,215	19,007
More than 12 months	84,258	73,842
Total borrowings	**105,473**	**92,849**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Note 8: PROVISIONS		
Note 8A: Employee Provisions		
Employees other than office holders:		
Annual leave	38,013	44,483
Long service leave	171,035	152,848
Total employee provisions	**209,048**	**197,331**
Current	176,297	182,767
Non Current	32,751	14,564
Total employee provisions	**209,048**	**197,331**

There are no employees who are also holders of office

	2019	2018
	$	$

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:

	2019 $	2018 $
Cash and cash equivalents as per:		
Statement of Cash Flows	753,078	706,793
Statement of Financial Position	753,078	706,793
Difference	-	-

Reconciliation of surplus to net cash from operating activities:

	2019 $	2018 $
Surplus for the year	13,684	10,766
Adjustments for non-cash items		
Depreciation	26,637	23,633
Net write-down of non-financial assets	3,681	2,137
Net loss/(gain) from sale of assets	4,455	(2,224)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(11,642)	19,390
Increase in prepayments	(2,432)	(97)
Increase/(decrease) in supplier payables	(254)	1,445
Increase in other payables	23,568	19,022
Increase in employee provisions	11,717	25,398
Net cash from operating activities	69,414	99,470

	2019	2018
	$	$

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.

	2019	2018
Revenue received from Timber Trade Industrial Pty Ltd includes the following:		
Management fee	95,132	92,448
Amounts owed by Timber Trade Industrial Pty Ltd includes the following:		
Trade receivable	43,815	54,914

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 2019, 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.

	2019	2018
	$	$
Note 10: RELATED PARTY DISCLOSURES (CONTINUED)		
Note 10B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	228,749	227,332
Annual leave accrued	17,282	16,698
Total short-term employee benefits	**246,031**	**244,030**
Post-employment benefits:		
Superannuation	24,435	22,763
Total post-employment benefits	**24,435**	**22,763**
Other long-term benefits:		
Long-service leave (taken)/accrued	10,255	5,971
Total other long-term benefits	**10,255**	**5,971**
Total	**280,721**	**272,764**

Note 11: REMUNERATION OF AUDITORS

	2019	2018
Value of the services provided		
Financial statement audit services	6,880	6,580
Total remuneration of auditors	6,880	6,580

No other services were provided by the auditors of the financial statements.

	2019 $	2018 $
Note 12: FINANCIAL INSTRUMENTS		
Note 12A: Categories of Financial Instruments		
Financial Assets		
At amortised cost:		
Cash and cash equivalents	753,078	706,793
Trade and other receivables	463,157	455,003
Total	**1,216,235**	**1,161,796**
Carrying amount of financial assets	**1,216,235**	**1,161,796**
Financial Liabilities		
Other financial liabilities:		
Trade payables	16,002	16,256
Other payables	683,482	666,427
Borrowings	105,473	92,849
Total	**804,957**	**775,532**
Carrying amount of financial liabilities	**804,957**	**775,532**
Note 12B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	15,696	13,102
Net gain from held-to-maturity	**15,696**	**13,102**
Loans and receivables at Amortised cost		
Impairment	(3,681)	(363)
Net loss from loans and receivables	**(3,681)**	**(363)**
Net gain from financial assets	**12,015**	**12,739**

	2019	2018
	$	$
Note 12: FINANCIAL INSTRUMENTS (CONTINUED)		
Note 12C: Net Income and Expense from Financial Liabilities		
At amortised cost		
Borrowing expenses	617	193
Interest on chattel mortgage	6,513	4,798
Net loss from financial liabilities - at amortised cost	7,130	4,991

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.

Note 12: FINANCIAL INSTRUMENTS (CONTINUED)

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 2018	Cash flows	New Borrowing	30 June 2019
	$	$	$	$
Current obligations under chattel mortgage	19,008	(31,108)	13,054	954
Non-current obligations under chattel mortgage	73,841	-	30,678	104,519

	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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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
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OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

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 2019.

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 wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- 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 from other reporting unit(s)
- have a payable to 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 an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office

TIMBER TRADE INDUSTRIAL ASSOCIATION
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OFFICER DECLARATION STATEMENT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2019

- have a separation and redundancy provision in respect of holders of office
- have other employee provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provision in respect of employees (other than holders of office)
- 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
- 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 21st day of November 2019