8 February 2021

Mr Mark Grundy
Secretary/Treasurer
Timber Trade Industrial Association

By email: ttia@ttia.asn.au

Dear Mr Grundy

Timber Trade Industrial Association
Financial Report for the year ended 30 June 2020 - FR2020/165

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Timber Trade Industrial Association (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**the ROC**) on 20 December 2020.

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 2021 may be subject to an advanced compliance review

You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

K.Morgan

KEN MORGAN
Financial Reporting Specialist
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 2020

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 2020, 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 27 November 2020; and

- that the full report was presented to a general meeting of members of the Association on 18 December 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

…………………………………
Mark Grundy
Secretary/Treasurer

Date: 18 Dec 2020

TIMBER TRADE INDUSTRIAL ASSOCIATION

AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020

LWK Pty Limited
Chartered Accountants
Business Advisers and Consultants

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Australia

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

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Council presents its operating report on the Timber Trade Industrial Association (the Association) for the year ended 30 June 2020.

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 $92,856 (2019 surplus of $13,684). 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.

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 264.

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

OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

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
Mrs. Lyn McIntyre
Ms Jill Hetherington
Mr. Luke Crump
Mrs. Jennifer Dornan (appointed on 30 July 2020)
Mr. Wayne Lewis (resigned on 30 January 2020)
Mr. Ashley Price (resigned on 5 November 2020)

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 27th day of November 2020

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2020

The Council presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 30 June 2020.

Descriptive form

Categories of expenditures	**2020** **$**	**2019** **$**
Remuneration and other employment-related costs and expenses - employees	755,789	681,745
Advertising	-	1,000
Operating costs	161,491	165,023
Donations to political parties	-	-
Legal costs	-	-

....
Mark Grundy
Secretary/Treasurer

Dated this 27th day of November 2020

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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, 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 2020, 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
Partner

Date: 27 November 2020

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 2020

On 27 November 2020, 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 2020:

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. A. Grundy
....
Mark Grundy
Secretary/Treasurer

Dated this 27th day of November 2020

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 $	2019 $
Revenue from contracts with customers	3		
Members' contributions		596,793	571,502
Total revenue from contracts with customers		**596,793**	**571,502**
Income for furthering objectives	3		
Grants and donations	3A	112,000	-
Total income for furthering objectives		**112,000**	-
Other Income			
Investment income	3B	12,538	15,696
Other revenue	3C	326,984	323,037
Total other income		**339,522**	**338,733**
Total income		**1,048,315**	**910,235**
Expenses			
Employee expenses	4A	755,789	681,745
Administration expenses	4B	161,491	166,023
Depreciation	4C	22,611	26,637
Finance costs	4D	6,038	7,130
Write-down and impairment of assets	4E	2,350	3,681
Net losses from sale of assets	4F	-	4,455
Audit fees	11	7,180	6,880
Total expenses		**955,459**	**896,551**
Surplus for the year		92,856	13,684
Other comprehensive income		-	-
Total comprehensive income for the year		92,856	13,684

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 2020

	NOTE	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	5A	848,321	753,078
Trade and other receivables	5B	483,759	463,157
Other current assets	5C	10,409	7,637
TOTAL CURRENT ASSETS		**1,342,489**	**1,223,872**
NON-CURRENT ASSETS			
Motor vehicles	6A	65,888	87,542
Plant and equipment	6B	3,303	3,125
TOTAL NON-CURRENT ASSETS		**69,191**	**90,667**
TOTAL ASSETS		**1,411,680**	**1,314,539**
CURRENT LIABILITIES			
Trade payables	7A	15,752	16,002
Other payables	7B	687,700	683,482
Borrowings	7C	22,541	21,215
Employee provisions	8A	208,930	176,297
TOTAL CURRENT LIABILITIES		**934,923**	**896,996**
NON-CURRENT LIABILITIES			
Borrowings	7C	61,717	84,258
Employee provisions	8A	21,650	32,751
TOTAL NON-CURRENT LIABILITIES		**83,367**	**117,009**
TOTAL LIABILITIES		**1,018,290**	**1,014,005**
NET ASSETS		**393,390**	**300,534**
MEMBERS' FUNDS			
Retained surplus		393,390	300,534
TOTAL MEMBERS' FUNDS		**393,390**	**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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Retained surplus $	Total members' funds $
Balance as at 1 July 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**
Surplus for the year		92,856	92,856
Other comprehensive income		-	-
Closing balance as at 30 June 2020		**393,390**	**393,390**

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 2020

	NOTE	2020 $	2019 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members' contributions and association activities		1,037,837	985,957
Grants		50,000	-
Interest		13,394	14,647
		1,101,231	1,000,604
Cash used			
Employees		(729,642)	(669,043)
Suppliers		(248,150)	(262,147)
Net cash from operating activities	9A	**123,439**	**69,414**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	7,688
Cash used			
Purchase of plant and equipment		(1,135)	(36,928)
Net cash used by investing activities		**(1,135)**	**(29,240)**
FINANCING ACTIVITIES			
Cash received			
Borrowings received		-	43,732
Cash used			
Repayment of borrowings		(27,061)	(37,621)
Net cash from/ (used by) financing activities		**(27,061)**	**6,111**
Net increase in cash held		95,243	46,285
Cash & cash equivalents at the beginning of the reporting period		753,078	706,793
Cash & cash equivalents at the end of the reporting period	5A	848,321	753,078

The above statement should be read in conjunction with the notes.

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 (RO Act). 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

The association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, management fee, grants, and advisory & seminar income.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the association has a contract with a customer, the association recognises revenue when or as it transfers control of goods or services to the customer. The association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the association.

Note 1: Summary of Significant Accounting Policies (Continued)

1.2 Revenue (Continued)

Membership subscriptions (Continued)

If there is only one distinct membership service promised in the arrangement, the association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the association's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the association charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the association at their standalone selling price, the association accounts for those sales as a separate contract with a customer.

Income of the association as a Not-for-Profit Entity

Consideration is received by the association to enable the entity to further its objectives. The association recognises each of these amounts of consideration as income when the consideration is received (which is when the association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the association's recognition of the cash contribution does not give to any related liabilities.

During the year, the association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- advisory & seminar income;
- rebates; and
- government grants.

Note 1: Summary of Significant Accounting Policies (Continued)

1.2 Revenue (Continued)

Interest income

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

Government grants

Government grants are not recognised until there is reasonable assurance that the association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the association with no future related costs are recognised in profit or loss in the period in which they become receivable.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant Accounting Policies (Continued)

1.7 Financial instruments

Contract assets and receivables

A contract asset is recognised when the association's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

i. Initial recognition and 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
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:
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:

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 paramount, 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

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(vi) 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

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

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(vi) 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(vi) 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. Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Trade receivables

For trade receivables that do not have a significant financing component, the association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

vi. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

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.

Note 1: Summary of Significant Accounting Policies (Continued)

1.8 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the association performs under the contract (i.e., transfers control of the related goods or services to the customer).

1.9 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 the financial statements.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

Note 1: Summary of Significant Accounting Policies (Continued)

1.9 Changes in accounting policies (Continued)

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the association. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The association adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019.
In accordance with the transition approach, the association recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the association has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the association's financial statements.

1.10 Comparative amounts

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

Note 1: Summary of Significant Accounting Policies (Continued)

1.11 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.

1.12 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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the association. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in subsequent financial periods.

	2020	2019
	$	$

Note 3: INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the association's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020 $	2019 $
Type of customer		
Members	596,793	571,502

Disaggregation of income for furthering activities

A disaggregation of the association's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

	2020 $	2019 $
Income funding sources		
Government	112,000	-

Note 3A: Grants or donations

	2020 $	2019 $
Grants	112,000	-

Note 3B: Investment income

	2020 $	2019 $
Interest - deposits	12,538	15,696

Note 3C: Other Income

	2020 $	2019 $
Advisory & seminar income	179,117	194,000
Education & training	-	4,000
Management fee	115,581	95,132
Rebate	29,028	29,905
Miscellaneous income	3,258	-
Total revenue from other income	**326,984**	**323,037**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 4: EXPENSES

Note 4A: Employee Expenses

	2020 $	2019 $
Employees other than office holders:		
Wages and salaries	633,422	578,283
Superannuation	64,319	58,234
Fringe benefits tax	26,526	25,189
Leave and other entitlements	21,531	11,718
Other employee expenses	9,991	8,321
Total employee expenses	**755,789**	**681,745**

There are no employees who are also holders of office.

Note 4B: Administration Expenses

	2020 $	2019 $
Fees/allowances - meeting and conferences	891	4,193
Conference and meeting expenses	4,084	1,497
Property expenses	25,842	21,598
Accountancy and bookkeeping	32,000	31,350
Advertising and promotion	-	1,000
Bank charges	1,981	1,729
Computer and website expenses	895	869
Field effort	63,813	72,707
Insurances	540	-
Postages	895	785
Printing and stationery	4,741	3,906
Repairs, maintenance and cleaning	1,626	2,170
Telephone, fax and internet	18,193	18,412
Trade subscriptions	5,990	5,807
Subtotal administration expense	**161,491**	**166,023**
Total administration expenses	**161,491**	**166,023**

	2020 $	2019 $
Note 4: EXPENSES (CONTINUED)		
Note 4C: Depreciation		
Depreciation:		
Motor vehicles	21,654	25,034
Plant and equipment	957	1,603
Total depreciation	**22,611**	**26,637**
Note 4D: Finance Costs		
Borrowing expenses	192	617
Interest on chattel mortgage	5,846	6,513
Total finance costs	**6,038**	**7,130**
Note 4E: Write-down and Impairment of Assets		
Asset write-downs and impairments of:		
Receivables	2,350	3,681
Total write-down and impairment of assets	**2,350**	**3,681**
Note 4F: Net losses from sale of assets		
Motor Vehicles	**-**	**4,455**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
Note 5: CURRENT ASSETS		
Note 5A: Cash and Cash Equivalents		
Cash at bank	327,110	202,942
Cash on hand	400	400
Short term deposits	520,811	549,736
Total cash and cash equivalents	**848,321**	**753,078**
Note 5B: Trade and Other Receivables		
Trade receivables	436,404	476,946
Less: allowance for expected credit losses	(16,000)	(16,000)
Trade receivables (net)	420,404	460,946
Interest receivable	1,355	2,211
Other receivables	62,000	-
Total trade and other receivables	**483,759**	**463,157**
Note 5C: Other Current Assets		
Prepayments	10,023	7,059
Borrowing expenses	386	578
Total other current assets	**10,409**	**7,637**

	2020 $	2019 $
Note 6: NON-CURRENT ASSETS		
Note 6A: Motor Vehicles		
Motor vehicles:		
At cost	176,302	176,302
Less: accumulated depreciation	(110,414)	(88,760)
Total motor vehicles	**65,888**	**87,542**
Reconciliation of Opening and Closing Balances of Motor vehicles		
As at 1 July 2019		
Gross book value	176,302	157,247
Accumulated depreciation and impairment	(88,760)	(69,456)
Net book value 1 July 2019	**87,542**	**87,791**
Additions:		
By purchase	-	36,928
Depreciation expense	(21,654)	(25,034)
Disposal	-	(12,143)
Net book value 30 June 2020	**65,888**	**87,542**
Net book value as of 30 June 2020 represented by:		
Gross book value	176,302	176,302
Accumulated depreciation and impairment	(110,414)	(88,760)
Net book value 30 June 2020	**65,888**	**87,542**

	2020 $	2019 $
Note 6: NON-CURRENT ASSETS (CONTINUED)		
Note 6B: Plant and Equipment		
Plant and equipment:		
At cost	10,489	7,854
Less: accumulated depreciation	(7,186)	(4,729)
Total plant and equipment	**3,303**	**3,125**
Reconciliation of Opening and Closing Balances of Plant and equipment		
As at 1 July 2019		
Gross book value	7,854	9,356
Accumulated depreciation and impairment	(4,729)	(4,628)
Net book value 1 July 2019	**3,125**	**4,728**
Additions:		
By purchase	1,135	-
Depreciation expense	(957)	(1,603)
Disposal	-	-
Net book value 30 June 2020	**3,303**	**3,125**
Net book value as of 30 June 2020 represented by:		
Gross book value	10,489	7,854
Accumulated depreciation and impairment	(7,186)	(4,729)
Net book value 30 June 2020	**3,303**	**3,125**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
Note 7: CURRENT LIABILITIES		
Note 7A: Trade Payables		
Trade creditors and accruals	15,752	16,002
Total trade payables	**15,752**	**16,002**
Settlement is usually made within 30 days.		
Note 7B: Other Payables		
Other creditors	20,052	-
Superannuation	9,917	4,721
Members' contributions in advance	583,549	598,545
GST payable	60,581	66,034
PAYG tax withholding	13,601	14,182
Total other payables	**687,700**	**683,482**
Total other payables are expected to be settled in:		
No more than 12 months	**687,700**	**683,482**
Note 7C: Borrowings		
Chattel mortgage	**84,258**	**105,473**
Total other payables are expected to be settled in:		
No more than 12 months	22,541	21,215
More than 12 months	61,717	84,258
Total borrowings	**84,258**	**105,473**

	2020	2019
	$	$

Note 8: PROVISIONS

Note 8A: Employee Provisions

Employees other than office holders:		
Annual leave	42,202	38,013
Long service leave	188,378	171,035
Total employee provisions	**230,580**	**209,048**
Current	208,930	176,297
Non Current	21,650	32,751
Total employee provisions	**230,580**	**209,048**

There are no employees who are also holders of office.

	2020	2019
	$	$

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:

	2020 $	2019 $
Cash and cash equivalents as per:		
Statement of Cash Flows	848,321	753,078
Statement of Financial Position	848,321	753,078
Difference	-	-

Reconciliation of surplus to net cash from operating activities:

	2020 $	2019 $
Surplus for the year	92,856	13,684
Adjustments for non-cash items		
Depreciation	22,611	26,637
Net write-down of non-financial assets	2,350	3,681
Net loss from sale of assets	-	4,455
Changes in assets/liabilities		
Increase in net receivables	(22,760)	(11,642)
Increase in prepayments	(2,964)	(2,432)
Decrease in supplier payables	(250)	(254)
Increase in other payables	10,064	23,568
Increase in employee provisions	21,532	11,717
Net cash from operating activities	123,439	69,414

	2020	2019
	$	$

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:

	2020 $	2019 $
Management fee	115,581	95,132

Amounts owed by Timber Trade Industrial Pty Ltd includes the following:

	2020 $	2019 $
Trade receivable	11,761	43,815

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 2020, 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.

	2020 $	2019 $
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)	241,593	228,749
Annual leave accrued	17,800	17,282
Total short-term employee benefits	**259,393**	**246,031**
Post-employment benefits:		
Superannuation	25,207	24,435
Total post-employment benefits	**25,207**	**24,435**
Other long-term benefits:		
Long-service leave (taken)/accrued	6,215	10,255
Total other long-term benefits	**6,215**	**10,255**
Total	**290,815**	**280,721**

Note 11: REMUNERATION OF AUDITORS

	2020 $	2019 $
Value of the services provided		
Financial statement audit services	7,180	6,880
Total remuneration of auditors	7,180	6,880

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

	2020 $	2019 $
Note 12: FINANCIAL INSTRUMENTS		
Note 12A: Categories of Financial Instruments		
Financial Assets		
At amortised cost:		
Cash and cash equivalents	848,321	753,078
Trade and other receivables	483,759	463,157
Total	**1,332,080**	**1,216,235**
Carrying amount of financial assets	**1,332,080**	**1,216,235**
Financial Liabilities		
Other financial liabilities:		
Trade payables	15,752	16,002
Other payables	687,700	683,482
Borrowings	84,258	105,473
Total	**787,710**	**804,957**
Carrying amount of financial liabilities	**787,710**	**804,957**
Note 12B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	12,538	15,696
Net gain from held-to-maturity	**12,538**	**15,696**
Loans and receivables at Amortised cost		
Impairment	(2,350)	(3,681)
Net loss from loans and receivables	**(2,350)**	**(3,681)**
Net gain from financial assets	**10,188**	**12,015**

	2020 $	2019 $
Note 12: FINANCIAL INSTRUMENTS (CONTINUED)		
Note 12C: Net Income and Expense from Financial Liabilities		
At amortised cost		
Borrowing expenses	192	617
Interest on chattel mortgage	5,846	6,513
Net loss from financial liabilities - at amortised cost	6,038	7,130

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 2019	Cash flows	New Borrowing	Other	30 June 2020
	$	$	$	$	$
Current obligations under chattel mortgage	21,215	(21,215)	-	22541	22,541
Non-current obligations under chattel mortgage	84,258	-	-	(22,541)	61,717

	1 July 2018	Cash flows	New Borrowing	Other	30 June 2019
	$	$	$	$	$
Current obligations under chattel mortgage	19,008	(31,108)	13,054	20,261	21,215
Non-current obligations under chattel mortgage	73,841	-	30,678	(20,261)	84,258

The 'Other' column includes the effect of reclassification of non-current portion of chattel mortagage.

TIMBER TRADE INDUSTRIAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 2020

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 2020.

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
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or 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
AUSTRALIAN BUSINESS NUMBER: 15 781 125 385

OFFICER DECLARATION STATEMENT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

- 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
- 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

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Mark Grundy
Secretary/Treasurer

Dated this 27th day of November 2020