



14 January 2021

Anthony Tannous
President
Clay Brick & Paver Association of New South Wales

cc. Elizabeth McIntyre, Executive Director,
cc. Joseph Grech, Auditor

Dear Sir

Re: – Financial reporting – Clay Brick & Paver Association of New South Wales – for year ending 30 June 2020 (FR2020/249)

I refer to the financial report of the Clay Brick & Paver Association of New South Wales in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 8 January 2021. A copy of the documents including a fresh designated officer's certificate was received yesterday.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 the report for 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. However I make the following comments to assist when preparing the next report.

Documents must be lodged with ROC within 14 days after presentation to general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266.

The designated officer's certificate received yesterday indicated that this meeting occurred on 10 November 2020. This means the documents should have been lodged by no later than 24 November 2020.

I acknowledge advice received as to the circumstances for the delay in lodgement. Please note that in future financial years if the organisation anticipates it may not be able to lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, should be made prior to the expiry of the 14 day period.

Membership subscriptions (i.e. fees in respect of membership)

The statement of comprehensive income reported a nil amount in respect of membership subscriptions and a revenue amount from members of \$7,500 in respect of "other sales of goods and services to members". This is consistent with previous reporting but on closer review this year it

appeared unclear what the category difference might represent. I recommend discussing with the auditor whether or not, having regard to the reporting guidelines, especially reporting guideline 13(a), this revenue item should in future be itemised as membership subscriptions or otherwise described.

Nil activity disclosure – general fund

The officer's declaration statement included a nil activity disclosure in respect of RG17(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 appears that the amount of \$4,724 in Retained earnings is the balance of the general fund and no nil activity disclosure was required.

Key stages of the Reporting sequence

As it was not immediately apparent from the financial documents initially lodged how or whether the Association had complied with various time and sequence requirements of the RO Act and additional advice and information was sought, I consider it may be helpful to refer to the process followed by the Association in 2020, to illustrate the key time and sequence requirements.

1. The Committee is required to pass a resolution in respect of a general purpose financial report and operating report and cause to have a committee of management statement, the operating report and other particular statements signed. This took place at the Annual General Meeting, which the three members of the Committee attended, on 14 October. [Stage 1]
2. Following the signing of these statements, the Auditor is required to finalise and sign the Auditor's report and provide this to the Association. This occurred on 20 October. [Stage 2]
3. With the signing of the auditor's report, all the documents comprising the signed full report as defined in section 265(1) of the RO Act are complete and must be provided to the members. This also occurred on 20 October, accompanying the issue of a Notice of a special meeting, to be held the required minimum 21 days later on 10 November. [Stage 3]
4. The signed full report is required, under section 266, to be formally presented at a general meeting¹ after a minimum interval of 21 days and within the 6 month period following the end of the financial year. This presentation occurred at the special General Meeting on 10 November. [Stage 4]
5. The Association is then required, under section 268, to lodge a copy of the signed full report and a designated officer certificate within a 14 day period following the presentation to the general meeting. As I have already explained in my letter above, in 2020, that period expired on 24 November and the Association did not comply. [Stage 5]
6. The designated officer certificate required to accompany the lodged copy of the full report must be signed and dated only after the full report has been presented since it has to certify stages 3 and 4. This means that, for 2020, a designated officer certificate should not have been signed and dated before the special General meeting held on 10 November. A first and incomplete version of the designated officer certificate that the ROC received on 8 January 2021 had been signed and dated prematurely, on 15 October, the day after stage 1, and therefore it could not make the necessary certifications. The second version of the designated officer certificate signed on 12 January 2021, which the ROC received yesterday, was able to meaningfully certify stages 3 and 4.

¹ Note that at Stage 4, the Association is required by subsection 266(1) of the RO Act to present the full report to a meeting that is a general meeting, i.e. of a kind contemplated by rule 6 of the rules of the Association, and not a committee meeting as such

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. There is also an online compliance calculator at <https://www.roc.gov.au/tools-and-resources/compliance-calculator>.

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

I attach, for convenient cross-reference, the Fact Sheet on the financial reporting process, and a copy of the current Reporting guidelines. Please do not hesitate to contact me if I can be of any further assistance in relation to the financial reporting requirements.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission


CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Certificate by Prescribed Designated Officer

Certificate for the year ended 30 June 2020

I, *Avery Spackman* being the *Vice President* of the *Clay Brick and Paver Association of N.S.W.* certify:

- that the documents lodged herewith are copies of the full report for the *Clay Brick and Paver Association of N.S.W.* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *20th October 2020*, and
- that the full report was presented to a General Meeting of the reporting unit on *10th November 2020* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Avery Spackman

Title of prescribed designated officer: Vice President

Dated: 12th January 2021

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.
A.B.N. 43 560 959 038

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2020

**CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.
A.B.N. 43 560 959 038**

Financial Report
for the year ended 30 June 2020

CONTENTS

INDEPENDENT AUDITORS REPORT	3
AUDITORS INDEPENDENCE DECLARATION	6
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER	7
REPORT REQUIRED UNDER SUBSECTION 255(2A)	8
OPERATING REPORT	9
COMMITTEE OF MANAGEMENT STATEMENT	11
STATEMENT OF COMPREHENSIVE INCOME	12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF CHANGES IN EQUITY	14
STATEMENT OF CASH FLOWS	15
INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS	16
NOTES TO THE FINANCIAL STATEMENTS	17
OFFICER DECLARATION STATEMENT	37

Independent Auditors' Report to the Members of the Clay Brick and Paver Association of N.S.W.

Opinion

I have audited the financial report of the Clay Brick and Paver Association of N.S.W. (the Reporting Unit), 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 Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Clay Brick and Paver Association of N.S.W. as at 30 June 2020 and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Committee of Management 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.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 Committee of Management 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 Committee of Management is responsible for assessing the Reporting Unit'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 Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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.
- 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that I am an auditor registered under the RO Act

Recovery of wages

The reporting unit does not engage in the recovery of wages activity.



Joseph Paul Grech
Partner



Grech Smith Bridle

Sydney

Dated: 20 October 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/26

Auditor's Independence Declaration

For the Year Ended 30 June 2020

**To the Committee of Management of
Clay Brick and Paver Association of N.S.W.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- (i) No contraventions of the auditor's independence requirements in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



Joseph Paul Grech
Partner



Grech Smith Bridle

Sydney

Dated: 20 October 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/26

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Certificate by Prescribed Designated Officer

Certificate for the year ended 30 June 2020

I, *Avery Spackman* being the *Vice President* of the *Clay Brick and Paver Association of N.S.W.* certify:

- that the documents lodged herewith are copies of the full report for the *Clay Brick and Paver Association of N.S.W.* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 2020, and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: *Avery Spackman*

Name of prescribed designated officer: *Avery Spackman*

Title of prescribed designated officer: *Vice-President*

Dated: 15.10.20

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	2,991	2,995
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer: *Avery Spackman*

Name and title of designated officer: Avery Spackman, Vice-President

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Operating Report for the year ended 30 June 2020

The Committee of Management presents its operating report on the Reporting Unit 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 Clay Brick and Paver Association of N.S.W. during the financial year have been developing markets for clay brick and paving products as well as representing industry interests and those of our members.

There were no significant changes in the nature of the association's principal activities during the financial year.

Significant changes in financial affairs

There were no significant changes in the nature of the activities and financial affairs of the Clay Brick and Paver Association of N.S.W. during the financial year.

Right of members to resign

Persons eligible to do so under the rules of the Clay Brick and Paver Association of N.S.W. were actively encouraged to join the Association. Pursuant to s174 of the Fair Work (Registered Organisations) Act 2009 (RO Act), members could resign from the Association by written notice to the Association.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No representatives of the Clay Brick and Paver Association of N.S.W. currently hold or have held positions as an officer of or as a director to a company that is, a superannuation fund trustee.

Number of members

Membership as at 30 June 2020 was 3 (2019: 3)

Number of employees

No person was employed by the Clay Brick and Paver Association of N.S.W. during the financial year.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Operating Report (cont.)
for the year ended 30 June 2020

Names of Committee of Management members and period positions held during the financial year

The following members held positions on the Branch's Committee of Management for the entire reporting period unless indicated otherwise:

<i>Name</i>	<i>Position</i>	
N Pezet	President	Resigned 26 June 2020
A Spackman	Vice President	
A Barham	Vice President	

Signed in accordance with a resolution of the committee of management.



A Spackman – Vice President

Dated: 14 October 2020



A Barham – Vice President

Dated: 14 October 2020

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

**Committee of Management Statement
for the year ended 30 June 2020**

On14th October..... 2020 the committee of management of the *Clay Brick and Paver Association of N.S.W.* passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2020:

The Committee of Management 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) The organisation does not consist of more than one reporting unit; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:.....

Name and title of designated officer: Avery Spackman, Vice-President.....

Dated: 14 October 2020.....

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	3		
Membership subscriptions		-	-
Other sales of goods or services to members		7,500	7,500
Total revenue from contracts with customers		<u>7,500</u>	<u>7,500</u>
Other Income			
Investment income	3A	19	18
Total other income		<u>19</u>	<u>18</u>
Total income		<u>7,519</u>	<u>7,518</u>
Expenses			
Administration expenses	4A	240	240
Audit fees	10	2,750	2,755
Other expenses	4B	1,075	-
Total expenses		<u>4,065</u>	<u>2,995</u>
Surplus / (deficit) for the year		<u>3,454</u>	<u>4,523</u>
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		<u>3,454</u>	<u>4,523</u>

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

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	43,847	45,114
Trade & other receivables	5B	4,750	-
Total current assets		48,597	45,114
Non-Current Assets			
Nil		-	-
Total non-current assets		-	-
Total assets		48,597	45,114
LIABILITIES			
Current Liabilities			
Trade payables	6A	2,779	2,750
Other payables	6B	-	-
Borrowings	6C	41,094	41,094
Total current liabilities		43,873	43,844
Non-Current Liabilities			
Nil		-	-
Total non-current liabilities		-	-
Total liabilities		43,873	43,844
Net assets		4,724	1,270
EQUITY			
Retained earnings (accumulated deficit)		4,724	1,270
Total equity		4,724	1,270

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

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Statement of Changes in Equity
for the year ended 30 June 2020

	General funds	Retained earnings	Total equity
Notes	\$	\$	\$
Balance as 1 July 2018	-	(3,253)	(3,253)
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Surplus / (deficit)	-	4,523	4,523
Other comprehensive income	-	-	-
Transfer to / from General Funds	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2019	-	1,270	1,270
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Surplus / (deficit)	-	3,454	3,454
Other comprehensive income	-	-	-
Transfer to / from General Funds	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2020	-	4,724	4,724

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

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		2,500	7,500
Interest		19	18
Other		-	-
Cash used			
Suppliers		(3,786)	(2,940)
Net cash from (used by) operating activities	7A	(1,267)	4,578
INVESTING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Other		-	-
Net cash from (used by) investing activities		-	-
FINANCING ACTIVITIES			
Cash received			
Borrowings		-	-
Transferred from other entity upon registration under the RO Act		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(1,267)	4,578
Cash & cash equivalents at the beginning of the reporting period		45,114	40,536
Cash & cash equivalents at the end of the reporting period	5A	43,847	45,114

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

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

**Index to the Notes of the Financial Statements
for the year ended 30 June 2020**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Current liabilities
Note 7	Cash flow
Note 8	Contingent liabilities, assets and commitments
Note 9	Related party disclosures
Note 10	Remuneration of auditors
Note 11	Financial risk management
Note 12	Fair value
Note 13	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements
for the year ended 30 June 2020

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, the Clay Brick and Paver Association of N.S.W. 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 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The committee of management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

It has not been necessary for the Committee of Management to make any key estimates or judgements in the report.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-For-Profit-Entities, which replaces the income recognition requirements of AASB 1004 Contributions. Applications of these standards are discussed further below.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements

for the year ended 30 June 2020

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 15 Revenue from Contracts with Customers 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.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the [reporting unit]. 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 Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W. recognised the cumulative effect of applying this new standard 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 Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W. financial statements.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements

for the year ended 30 June 2020

1.5 Revenue

The Clay Brick and Paver Association of N.S.W. enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions.

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 Clay Brick and Paver Association of N.S.W. has a contract with a customer, the Clay Brick and Paver Association of N.S.W. recognises revenue when or as it transfers control of goods or services to the customer. The Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W.

If there is only one distinct membership service promised in the arrangement, the Clay Brick and Paver Association of N.S.W. recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Clay Brick and Paver Association of N.S.W.'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 Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W. recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W. at their standalone selling price, the Clay Brick and Paver Association of N.S.W. accounts for those sales as a separate contract with a customer.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements

for the year ended 30 June 2020

Income of the Clay Brick and Paver Association of N.S.W. as a Not-for-Profit Entity

Consideration is received by the [reporting unit] to enable the entity to further its objectives. The Clay Brick and Paver Association of N.S.W. recognises each of these amounts of consideration as income when the consideration is received (which is when the Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W.'s recognition of the cash contribution does not give to any related liabilities.

Interest income

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

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

Financial assets and financial liabilities are recognised when the Clay Brick and Paver Association of N.S.W. becomes a party to the contractual provisions of the instrument.

1.8 Financial assets

Contract assets and receivables

A contract asset is recognised when the Clay Brick and Paver Association of N.S.W.'s right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Clay Brick and Paver Association of N.S.W.'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.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements for the year ended 30 June 2020

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Clay Brick and Paver Association of N.S.W.'s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Clay Brick and Paver Association of N.S.W. initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Clay Brick and Paver Association of N.S.W business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Clay Brick and Paver Association of N.S.W. commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements for the year ended 30 June 2020

Financial assets at amortised cost

The Clay Brick and Paver Association of N.S.W measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Clay Brick and Paver Association of N.S.W.'s financial assets at amortised cost includes trade receivables, cash and cash equivalents.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Clay Brick and Paver Association of N.S.W. has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Clay Brick and Paver Association of N.S.W. has transferred substantially all the risks and rewards of the asset, or
 - b) the Clay Brick and Paver Association of N.S.W. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Clay Brick and Paver Association of N.S.W. has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Clay Brick and Paver Association N.S.W. continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements for the year ended 30 June 2020

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association N.S.W. does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Clay Brick and Paver Association of N.S.W. 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.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Clay Brick and Paver Association of N.S.W. recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Clay Brick and Paver Association of N.S.W. expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Clay Brick and Paver Association of N.S.W. considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Clay Brick and Paver Association of N.S.W. may also consider a financial asset to be in default when internal or external information indicates that the Clay Brick and Paver Association of N.S.W. is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.9 Financial Liabilities

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Clay Brick and Paver Association of N.S.W.'s financial liabilities include trade and other payables

Notes of the Financial Statements

for the year ended 30 June 2020

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.10 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 Clay Brick and Paver Association of N.S.W. transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Clay Brick and Paver Association of N.S.W. performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Clay Brick and Paver Association of N.S.W.'s refund liabilities arise from customers' right of return. The liability is measured at the amount the Clay Brick and Paver Association of N.S.W. ultimately expects it will have to return to the customer. The Clay Brick and Paver Association of N.S.W. updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements for the year ended 30 June 2020

1.12 Taxation

The Clay Brick and Paver Association of N.S.W. 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.

1.13 Fair value measurement

The Clay Brick and Paver Association of N.S.W. measures financial instruments, such as, financial asset as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 12.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Clay Brick and Paver Association of N.S.W. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Clay Brick and Paver Association of N.S.W. uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes of the Financial Statements for the year ended 30 June 2020

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Clay Brick and Paver Association of N.S.W. determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.14 Going concern

The Clay Brick and Paver Association of N.S.W. is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Clay Brick and Paver Association of N.S.W. has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis

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 Clay Brick and Paver Association of N.S.W. 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 Clay Brick and Paver Association of N.S.W.

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 Clay Brick and Paver Association of N.S.W. the results of those operations, or the state of affairs of the Clay Brick and Paver Association of N.S.W. in subsequent financial periods.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements
for the year ended 30 June 2020

	2020	2019
	\$	\$

Note 3 Revenue and income

A disaggregation of the Clay Brick and Paver Association of N.S.W.'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.

Members	7,500	7,500
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total interest	7,500	7,500

Note 3A: Investment income

Interest:		
Deposits	19	18
Loans	-	-
Total interest	19	18

Note 4 Expenses

Note 4A: Administration expenses

Bank charges	240	240
Total administration expenses	240	240

Note 4B: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Training & education	825	4,995
Expected credit loss expense	250	-
Total other expenses	1,075	4,995

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash on hand	-	-
Cash at bank	43,847	45,114
Short term deposits	-	-
Total cash and cash equivalents	43,847	45,114

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements for the year ended 30 June 2020

	2020 \$	2019 \$
Note 5B: Trade and other receivables		
Trade receivables	5,000	-
Less allowance for expected credit loss	(250)	-
	<u>4,750</u>	-
Other receivables	-	-
Total trade and other receivables	<u>4,750</u>	-

The movement in the allowance for expected credit loss of trade and other receivables is as follows:

Opening loss allowance as at 1 July	-	-
Loss allowance recognised during the year	250	-
Write-off	-	-
At 30 June	<u>250</u>	-

The Clay Brick and Paver Association of N.S.W. applies the simplified approach to providing for expected credit losses as prescribed by AASB 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2020 is determined below; The expected credit losses also incorporate forward looking information.

2020	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	5%	10%	25%	
Gross carrying amount	-	5,000	-	-	5,000
Loss allowance provision	-	(250)	-	-	(250)

2019	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	5%	10%	25%	
Gross carrying amount	-	-	-	-	-
Loss allowance provision	-	-	-	-	-

Credit risk

The Clay Brick and Paver Association of N.S.W. has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5B. The main sources of credit to the Association are considered to relate to the classes of assets described as "trade and other receivables".

The Clay Brick and Paver Association of N.S.W. always measures the loss allowance for trade receivable at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current and forecast directions of conditions at the reporting date.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements

for the year ended 30 June 2020

	2020	2019
	\$	\$

Note 5B: Trade and other receivables (cont.)

There has been no change in estimation techniques or significant assumptions made during the current reporting period.

The Clay Brick and Paver Association of N.S.W. writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are two years past due, whichever occurs earlier).

Collateral

No collateral is held over trade and other receivables.

Financial assets measured at amortised costs

Trade receivables	4,750	-
Other receivables	-	-
	4,750	-

Contract balances

The Clay Brick and Paver Association of N.S.W. has recognised the following assets related to contracts with customers:

Receivables:

Current	4,750	-
Non-current	-	-
	4,750	-

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements
for the year ended 30 June 2020

	2020 \$	2019 \$
Note 6 Current Liabilities		
Note 6A: Trade payables		
Trade creditors and accruals	2,779	2,750
Total trade payables	<u>2,779</u>	<u>2,750</u>
Settlement is usually made within 30 days.		
Note 6B: Other payables		
Sundry creditors	-	-
Other	-	-
Total other payables	<u>-</u>	<u>-</u>
Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
Total other payables	<u>-</u>	<u>-</u>
Note 6C: Loans		
Loans from:		
Clay Brick and Paver Institute Limited	41,094	41,094
Other entities	-	-
Total Loans	<u>41,094</u>	<u>41,094</u>
Note 7 Cash Flow		
Note 7A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	43,847	40,536
Balance sheet	43,847	40,536
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	3,454	4,523
Adjustments for non-cash items	-	-
Changes in assets/liabilities		
(Increase) / decrease in net receivables	(4,750)	-
Increase / (decrease) in supplier payables	29	55
Increase / (decrease) in other payables	-	-
Net cash from (used by) operating activities	<u>(1,267)</u>	<u>4,578</u>

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements
for the year ended 30 June 2020

	2020	2019
	\$	\$

Note 8 Contingent Liabilities, Assets and Commitments

Note 8A: Commitments and Contingencies

The Clay Brick and Paver Association of N.S.W. does not have any expenditure commitments.

The Clay Brick and Paver Association of N.S.W. is not aware of contingent assets or liabilities.

Note 9 Related Party Disclosures

Note 9A: Related entities

During the year the Association engaged in various transactions with member companies each of whom are represented on the committee of management. All such transactions were on normal commercial terms having regard to the nature of the Association.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Loans from related parties includes the following:

Clay, Brick and Paver Institute Limited	41,094	41,094
-----------------------------------------	--------	--------

Note 10 Remuneration of Auditors

Value of the services provided

Financial statement audit services	2,750	2,755
Other services	-	-
Total remuneration of auditors	2,750	2,755

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

Notes of the Financial Statements

for the year ended 30 June 2020

Note 11 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans from related parties.

The total for each category of financial instrument measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial Assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	5A	43,847	45,114
- Trade and other receivables	5B	4,750	
		<u>48,597</u>	<u>45,114</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	6A	2,779	2,750
- Borrowings	6C	41,094	41,094
		<u>43,873</u>	<u>43,884</u>

Financial Risk Management Policies

The Committee of Management's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risks policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial statements are credit risk, liquidity risk and interest. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the Committee of Managements' objectives, policies and processes for managing or measuring the risks from the previous period.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association. The Association's objective in managing credit risk is to minimise the credit loss incurred, mainly on trade and other receivables. There is no significant risk exposure on other financial assets at amortised cost.

Credit risk is managed through maintenance of procedures, ensuring to the extent possible that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are usually 30 Days from date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain high credit rating, or in entities that the Association has assessed as being financially sound.

Notes of the Financial Statements for the year ended 30 June 2020

Note 11 Financial Risk Management (cont.)

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are not past due or impaired are considered to be of high credit quality.

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Committee in accordance with approved Committee policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P Counterparty Credit Ratings

	Note	2020 \$	2019 \$
Cash and cash equivalents			
- AA Rated	5A	43,847	45,114

Liquidity Risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association is not exposed to any significant liquidity risk on the basis that the realisable value of financial assets is greater than the financial liabilities due for settlement. The Association manages its liquidity risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets; and
- investing only in surplus cash with major financial institutions.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of the Financial Statements

for the year ended 30 June 2020

Note 11 Financial Risk Management (cont.)

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows to settle financial liabilities is presented in the table below.

Financial liability and financial asset maturity analysis:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities –								
Due for payment								
Trade and other payables	(2,779)	(2,750)	-	-	-	-	(2,779)	(2,750)
Loans from related parties	(41,094)	(41,094)	-	-	-	-	(41,094)	(41,094)
Total anticipated inflows	(43,873)	(43,844)	-	-	-	-	(43,873)	(43,844)
Financial Assets –								
due for payment								
Cash & cash equivalents	43,847	45,114	-	-	-	-	43,847	45,114
Trade and other receivables	4,750	-	-	-	-	-	4,750	-
Total expected outflows	48,597	45,114	-	-	-	-	48,597	45,114
Net inflow/(outflow)								
on financial instruments	4,724	1,270	-	-	-	-	4,724	1,270

Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby future changes in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Association to interest rate risk are limited to cash on deposit.

The Association manages interest rate risk by ensuring deposits are held with reputable financial institutions. Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Other market risks

The Association is not exposed to any other market risks such as price or foreign currency risk.

Notes of the Financial Statements

for the year ended 30 June 2020

Note 11 Financial Risk Management (cont.)

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit and loss \$	Equity \$
Year ended 30 June 2020		
+/- 1% in interest rates	+/- 438	+/- 438
Year ended 30 June 2019		
+/- 1% in interest rates	+/- 451	+/- 451

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Note 12 Fair Value

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as present in the statement of financial position.

	Carrying amount 2020 \$	Net Fair Value 2020 \$	Carrying amount 2019 \$	Net Fair Value 2019 \$
Financial Assets				
At amortised cost:				
- Cash and cash equivalents	43,847	43,847	45,114	45,114
- Trade and other receivables	4,750	4,750	-	-
	48,597	48,597	45,114	45,114
Financial Liabilities				
At amortised cost:				
- Trade and other payables	2,779	2,779	2,750	2,750
- Borrowings	41,094	41,094	41,094	41,094
	43,873	43,873	43,844	43,844

Cash and cash equivalents, trade and other payables, and borrowings are short-term instruments whose carrying amounts approximate their fair values.

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.

Notes of 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) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

CLAY BRICK AND PAVER ASSOCIATION OF N.S.W. OFFICER DECLARATION STATEMENT

I, Avery Spackman, being the Vice President of the Clay Brick and Paver Association of N.S.W., declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- 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 or 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 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 wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have annual leave provision in respect of employees (other than office holders)
- have a long service leave provision in respect of employees (other than office holders)
- have a separation and redundancy provision in respect of employees (other than office holders)
- have other employee provisions in respect of employees (other than office holders)

**CLAY BRICK AND PAVER ASSOCIATION OF N.S.W.
OFFICER DECLARATION STATEMENT**

(continued)

- 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

Signed by the officer: *Neville Shackman*

Dated: 14 October 2020