

## Independent Auditor's Report to the Members of Tasmanian Forests and Forest Products Network Ltd

### Opinion

We have audited the financial report, being a special purpose financial report, of Tasmanian Forests and Forest Products Network Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

### 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 the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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 Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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.

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness 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 Entity'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 Entity 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.

We communicate with the directors 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.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON



NICK CARTER

Partner

Date: 26/9/2024

Auditor's Independence Declaration to the Directors of Tasmanian Forests and Forest Products Network Ltd

In relation to our audit of the financial report of Tasmanian Forests and Forest Products Network Ltd for the financial year ended 30 June 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON



NICK CARTER

Partner

Date: *26/7/2024*

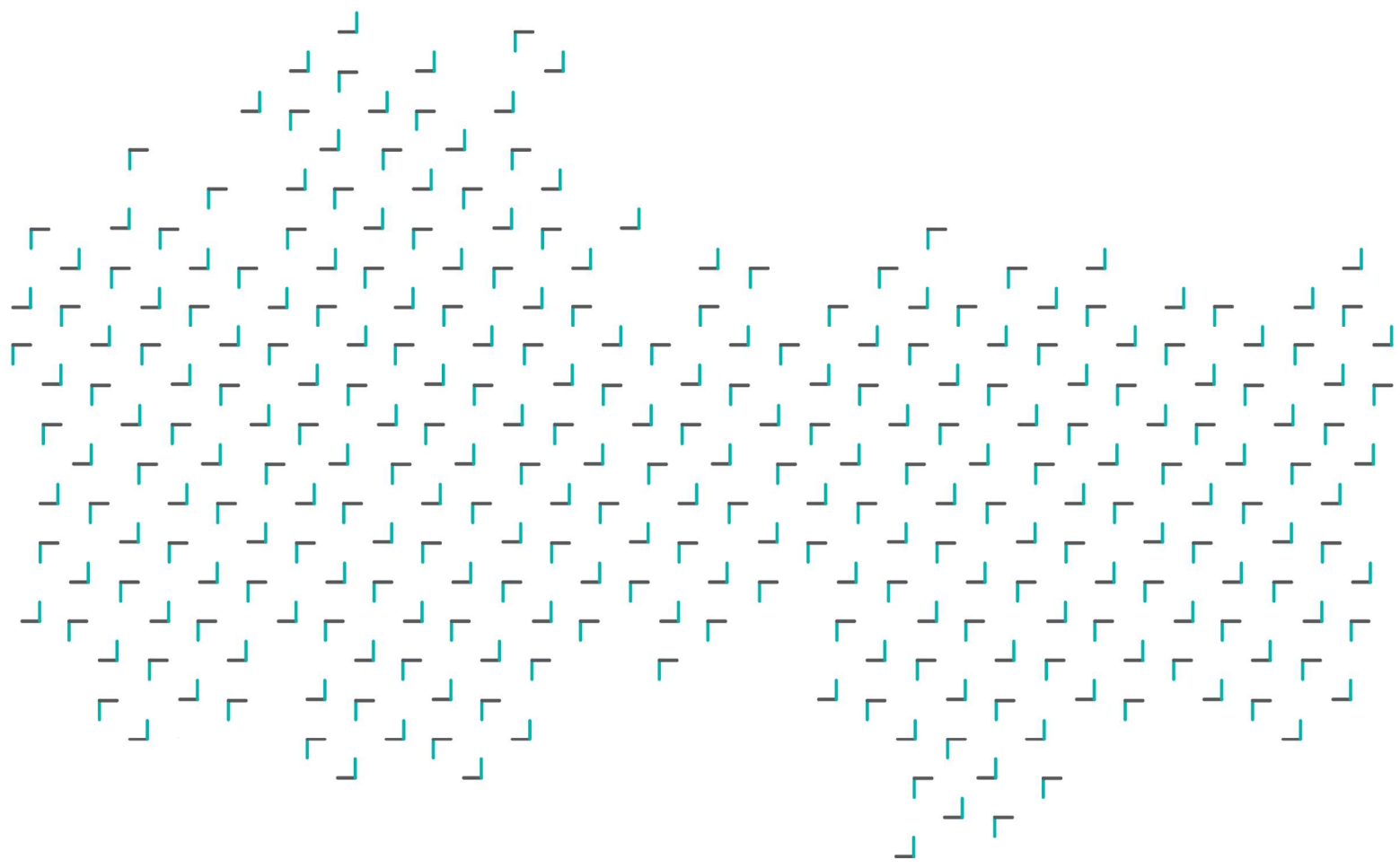






# Tasmanian Forest and Forest Products Network Financial Statements

30 June 2024



# TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2024

Your Board members submit the financial accounts of the Tasmanian Forests and Forest Products Network for the financial year ended 30 June 2024.

#### Board Members

The names of Board members at the date of this report are:

- Julianne O'Reilly-Wapstra (Chair)
- Brodie Frost (Deputy Chair)
- Francis Richardson
- Andrew Morgan
- Louise Wallis
- David Milne
- Amanda Sharman

#### Principal Activities

Tasmania's forest and forest products industry is dynamic, highly diversified, and has been one of the central drivers of the Tasmanian economy since the state was settled. It is constantly evolving to meet market, environmental and community expectations.

The decentralised nature of the industry over time has meant that sectoral interests have been represented, but there has not been a cohesive network of industry participants and supporters to act as a central point to represent the many shared views, concerns, and expectations of those sectors or those employed across the value chain.

In 2017, following extensive industry consultation through the Department of State Growth, the Government recognised this and offered unencumbered seed funding to enable the establishment of the Tasmanian Forest and Forest Products Network. (TFFPN). The TFFPN was formed to represent all sectors of the industry on matters of common interest.

The principal activities of the company during the financial year were: providing information and a united voice on issues, successes, policy, innovations, common areas of concern in the forestry industry.

#### Review of Operations

During 2024, TFFPN played a leadership role for the industry into the future as the social, economic, and environmental conditions change rapidly, including increased demand for wood and wood fibre products worldwide, and community expectations demand sustainability of our forestry resources.

#### Significant Changes

No significant change in the nature of these activities occurred during the year.

#### Operating Result

The surplus/(deficit) from ordinary activities amounted to:

30 June 2024	30 June 2023
5,683	306

## Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received.

Signed in accordance with a resolution of the Members of the Board on:

Date 26.9.24



Julianne O'Reilly-Wapstra

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
<b>INCOME</b>		
Events	71,277	98,135
Functions - Ticket Sales	44,124	-
Government Funding - Federal	284,614	305,136
Government Funding - State	79,894	156,181
Industry Subscriptions	77,500	133,000
Management Fees - Hub Funding	22,989	34,560
Sponsorship	69,425	29,364
Interest Income	4,267	4,760
<b>Total Operating Income</b>	<b>654,090</b>	<b>761,136</b>
<b>EXPENDITURE</b>		
Accounting	5,575	3,100
Advertising and Marketing	3,284	18,249
Annual Leave Expense	553	(7,566)
Audio Visual	-	3,200
Awards	6,466	455
Consultancy	86,811	106,542
Design and Artwork	2,986	11
Doubtful Debts Expenses	10,860	-
Entertainment (MC)	5,864	11,172
Equipment (<\$20k)	2,977	-
Event Expenses	88,922	61,397
Function Expenses	494	(91)
General Expenses	5,609	3,750
Insurance	4,954	8,919
Motor Vehicle Expenses	6,577	12,336
Office Expenses	492	1,244
Printing and Stationery	6,193	2,625
Sponsor/ Supporter Expenses	11,000	20,000
Subscriptions	9,618	6,735
Superannuation	25,961	40,566
Telephone and Internet	2,256	1,238
Travel (Accommodation)	12,064	10,117
TFFPN Administration	45,334	31,035
Venue (inc. Food and Beverages)	51,430	32,795
Wages and Salaries	245,920	385,530
Working Group Expenses	6,207	7,471
<b>Total Operating Expenditure</b>	<b>648,407</b>	<b>760,830</b>
<b>NET PROFIT</b>	<b>5,683</b>	<b>306</b>



TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
<b>CURRENT ASSETS</b>		
Transaction Account	6,723	1,756
Cash Reserve Account	61,472	92,599
Debit Card	2,225	7
Tasmanian Forest Hub – Transaction	3,674	3,578
Tasmanian Forest Hub – Cash Reserve	224,516	208,512
Accounts Receivable	43,488	33,281
Provision for Doubtful Debts	(22,000)	(11,140)
<b>Total Current Assets</b>	<u>320,098</u>	<u>328,593</u>
<b>NON-CURRENT ASSETS</b>		
Computer Equipment	1,935	1,935
Accumulated Depreciation	-	-
<b>Total Non-Current Assets</b>	<u>1,935</u>	<u>1,935</u>
<b>TOTAL ASSETS</b>	<u>322,033</u>	<u>330,528</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	23,342	10,774
Annual Leave Provision	14,779	14,226
Clearing Account	946	13,624
GST	(1,863)	(10,522)
Unexpended Grant - Tasmanian Hub Funds	244,245	236,192
Unexpended Grant - Diversity Funds	-	37,394
Wages Payable	4,050	1,637
PAYG Withholdings Payable	3,056	-
Superannuation Payable	592	-
<b>Total Current Liabilities</b>	<u>289,147</u>	<u>303,325</u>
<b>TOTAL LIABILITIES</b>	<u>289,147</u>	<u>303,325</u>
<b>NET ASSETS</b>	<u>32,886</u>	<u>27,203</u>
<b>EQUITY</b>		
Retained Earnings	27,203	26,897
Current Year Earnings	5,683	306
<b>Total Equity</b>	<u>32,886</u>	<u>27,203</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2024

	\$
Balance 1 July 2023	26,897
Surplus/ (deficit) attributable to the year	306
Balance as at 30 June 2023	<u>27,203</u>
Balance 1 July 2024	27,203
Surplus/ (deficit) attributable to the year	5,683
Balance as at 30 June 2024	<u>32,886</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		656,373	781,114
Interest received		4,267	4,760
Payments to suppliers and employees		(670,700)	(855,538)
<b>Net cash (used in)/generated from operating activities</b>	2	<u>(10,060)</u>	<u>(69,664)</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	-
<b>Net cash (used in)/generated from investing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash</b>		<u>(10,060)</u>	<u>(69,664)</u>
Cash on hand at beginning of the financial year		306,445	376,109
<b>Cash on hand at the end of the financial year</b>		<u>296,385</u>	<u>306,445</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK  
NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024

**NOTE 1 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These statements are therefore special purpose financial statements that have been prepared to meet the requirements of the *Corporations Act 2001* and Division 60 of the Australian Charities and Not-for Profit Commission Act 2012. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

In preparing the financial report, the following Australian Accounting Standards required by the Australian Charities and Not-for -Profit Commission have been adopted:

AASB101	Presentation of Financial Statements
AASB107	Statement of Cash Flows
AASB108	Accounting Policies, Changes in Accounting Estimates & Errors
AASB1048	Interpretation of Standards
AASB1054	Australian Additional Disclosures

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

**(a) Cash on Hand**

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

**(b) Receivables**

Accounts receivable and other debtors are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(c) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts or volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.



TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK  
NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024

Grant or donation income is recognised when the entity obtains control over the funds. If conditions are attached to the grant that must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest revenue is recognised in the period in which it is earned.

All revenue is stated net of the amount of goods and services tax.

**(d) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(e) Creditors**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(f) Provisions of Employment Entitlements**

Provision is made for the entity's liability for employee entitlements arising from services rendered by employees to the end of the reporting period.

**(g) Plant and Equipment**

Plant and equipment are brought to account at cost less any accumulated depreciation. The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of these assets.

**(h) Comparative Information**

Where necessary, comparative figures have been re-classified and re-positioned for consistency with current period disclosures.

**(i) Income Tax**

No provision for income tax has been raised as the Entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK  
NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024

**NOTE 2 - Cash Flows**

Reconciliation of cash flows from operating activities with net current year surplus:

	2024	2023
	\$	\$
Net current surplus/(deficit)	5,683	306
Changes in assets and liabilities		
- (Increase)/decrease in accounts receivable	653	11,636
- (Increase)/decrease in other assets	(2,218)	1,044
- (Decrease)/increase in accounts payable	16,171	(14,395)
- (Decrease)/increase in other liabilities	(30,349)	(68,255)
	<u>(10,060)</u>	<u>(69,664)</u>

**NOTE 3 – Events After the End of the Reporting Period**

The directors are not aware of any significant events since the end of the reporting period.

**NOTE 4 – Economic Dependency**

The Entity is dependent on Federal and State Government funding for the majority of its revenue for use to operate the business. At the date of this report, the Board has no reason to believe the Federal and State Government's will not continue to support the Entity.

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK  
DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2024

In accordance with a resolution of the Board of Directors of the Tasmanian Forests and Forest Products Network, the Board members declare that:

1. The financial statements and notes, as set out on pages 2-10, are in accordance with the *Corporations Act 2001* and:
  - a. Comply with accounting standards applicable to the Entity;
  - b. Give a true and fair view of the financial position of the Entity as at 30 June 2024 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
  
2. In the directors' opinion, there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.



Dated this .....26..... day of ...September..... 2024.