

# **The Baking Industry Association of Queensland**

ABN 42 742 317 256

## **Financial Statements**

For the Year Ended 31 December 2019

# The Baking Industry Association of Queensland

ABN 42 742 317 256

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For the Year Ended 31 December 2019

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## The Baking Industry Association of Queensland

# Independent Auditor's Report to the members of The Baking Industry Association of Queensland

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of The Baking Industry Association of Queensland (the Reporting Unit) and its subsidiaries (together the Group), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee of management statement.

The audit report has been prepared based on the requirements of section 768 of the *Industrial Relations Act 2016*.

In my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of The Baking Industry Association of Queensland and its subsidiaries as at 31 December 2019 and of its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) Tier 1 reporting requirements under Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines under section 765 of the *Industrial Relations Act 2016* or Part 11 of Chapter 12 of the Act.

#### 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 auditor independence requirements of 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 our 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 Managements 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 *Industrial Relations Act 2016*, 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 Managements are 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 Managements either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

## The Baking Industry Association of Queensland

# Independent Auditor's Report to the members of The Baking Industry Association of Queensland

### Auditor's Responsibilities for the Audit of the Financial Report

My 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 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 Managements.
- Conclude on the appropriateness of the Committee of Managements' 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.

**The Baking Industry Association of Queensland**

**Independent Auditor's Report to the members of The Baking Industry Association of Queensland**

**Report on other legal and regulatory requirement**

- I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.
- I declare that I am an approved auditor as defined by section 766 of the *Industrial Relations Act 2016* being a member of Chartered Accountants Australia & New Zealand who holds a current Public Practice Certificate.

**SAAS Audit Pty Ltd**



James Kenward  
Director

138 Juliette Street  
Greenslopes QLD 4120

Dated: 11/8/20

## The Baking Industry Association of Queensland

ABN 42 742 317 256

### Certificate By Prescribed Designated Officer

I, Mark Dennien being the Acting President of The Baking Industry Association of Queensland, certify:

- that the documents lodged herewith are copies of the full report for The Baking Industry Association of Queensland for the period ended 31 December 2019; and
- that the documents lodged are copies of the documents presented to a general meeting of members of the reporting unit on ..... in accordance with section 782 of the *Industrial Relations Act 2016*.

.....  
Mark Dennien (Acting President)

Prescribed designated officer

Dated:

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Operating Report For the Year Ended 31 December 2019

In accordance with section 764 of the *Industrial Relations Act 2016* ("the Act") the Committee of Management presents its operating report on the Group, being the Company (the 'Reporting Unit') and its controlled entities, for the year ended 31 December 2019.

### 1. Operating results and review of operations for the year

#### 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 Reporting Unit were:

- To act as an advocate for Queensland bakers and the industry in general.
- To provide advice to members on staffing and employment issues.

The principal activities of the Reporting Unit's controlled entities were:

- Baking Industry Group Limited is a membership-based organisation, operating at a national level acting as an advocacy group for members and holding events and competitions.
- Baking Industry Training Australia Pty Ltd is a fully registered training organisation that delivers nationally accredited training for the baking industry.
- Bread House Pty Ltd is an asset holding entity within the Group, providing training facilities and the Group's head office in addition to owning an investment property.
- National Baking Industry Association Pty Ltd is no longer active, its operations have been moved into Baking Industry Group Limited.

There have been no significant changes to the principal activities of the organisation.

The loss from ordinary activities of the Group after tax was \$205,228 (2018: loss \$64,134). The decline in the result for the year was influenced by the following key matters:

- a reduction in training income
- increased payroll costs.

#### Significant changes in financial affairs

There have been no significant changes to the financial affairs of the organisation.

#### Right of members to resign

Members of the organisation have the right to resign from the organisation under section 726 of the Act and rule 8(1) of the rules of the organisation.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Operating Report

For the Year Ended 31 December 2019

### 1. Operating results and review of operations for the year

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

No officer or member of the Reporting Unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

#### Number of members

The number of members of the Reporting Unit at 31 December 2019 was 77 (2018: 7).

#### Number of employees

The Reporting Unit does not have any full time equivalent employees at 31 December 2019. The Reporting Unit's controlled entities had a total of 6 full time equivalent employees at 31 December 2019.

### 2. General information

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

The names of each person who has been a member of the Committee of Management during the year and to the date of this report are:

Mark Dennien

John Dabrowski

Christopher Hurford

Myles Morris

Scott Cureton


(resigned 12 April 2020)

Brett Noy

(resigned 31 October 2019)

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

Signed in accordance with a resolution of the Committee of Management:

Acting President:   
Mark Dennien

Dated: 11/8/2020



# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Committee of Management Statement

### For the Year Ended 31 December 2019

On ~~11/3/2020~~ <sup>11/8/2020</sup> the Committee of Management of The Baking Industry Association of Queensland passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2019.

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 the reporting guidelines of the Registrar;
- (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 including the rules of a branch concerned; and
  - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act; and
  - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v) where information has been sought in any request by a member of the reporting unit or Registrar duly made under section 787 of the Act has been provided to the member or Registrar; and
  - vi) where any order for inspection of financial records has been made by the Queensland Industrial Relations Commission under section 788 of the Act, there has been compliance.
- (f) the reporting unit did not provide Financial Management Training to financial management officers as required by section 741 of the Act during the year. Such training was provided in January 2020.

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

Acting President .....  
Mark Dennien

Dated: 11/8/2020

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Revenue</b>					
Member subscriptions		38,343	39,495	-	2,291
Training courses		546,089	699,188	-	-
Rental revenue (property)		296,912	288,200	-	-
Administration and management fees		-	-	-	46,260
Australian Baker Magazine income		4,227	9,849	-	-
Functions and promotions		27,136	17,899	-	-
Commissions		4,570	23,920	4,570	23,920
Interest		8,385	18,342	894	1,917
<b>Total revenue</b>		<b>925,662</b>	<b>1,096,893</b>	<b>5,464</b>	<b>74,388</b>
<b>Other Income</b>					
Gain on disposal of assets		-	124	-	124
Increase in fair value of investments		24,993	-	-	-
Sundry income		7,435	3,148	-	-
<b>Total other income</b>		<b>32,428</b>	<b>3,272</b>	<b>-</b>	<b>124</b>
<b>Total income</b>		<b>958,090</b>	<b>1,100,165</b>	<b>5,464</b>	<b>74,512</b>
<b>Expenses</b>					
Employee benefits expense	4	(465,365)	(379,740)	-	(46,357)
Depreciation and amortisation expense		(214,577)	(228,135)	(2,421)	(3,655)
Other expenses	5	(396,448)	(439,363)	(8,567)	(12,114)
Decrease in fair value of investments		-	(26,402)	-	-
Finance costs	4	(35,931)	(37,157)	(267)	-
<b>Total expenses</b>		<b>(1,112,321)</b>	<b>(1,110,797)</b>	<b>(11,255)</b>	<b>(62,126)</b>
<b>Profit/(loss) before income tax</b>		<b>(154,231)</b>	<b>(10,632)</b>	<b>(5,791)</b>	<b>12,386</b>
Income tax expense	6	(50,997)	(53,502)	-	-
<b>Profit/(loss) from continuing operations</b>		<b>(205,228)</b>	<b>(64,134)</b>	<b>(5,791)</b>	<b>12,386</b>
<b>Profit/(loss) for the year</b>		<b>(205,228)</b>	<b>(64,134)</b>	<b>(5,791)</b>	<b>12,386</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(205,228)</b>	<b>(64,134)</b>	<b>(5,791)</b>	<b>12,386</b>

The accompanying notes form part of these financial statements.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Statement of Financial Position

As At 31 December 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	202,571	343,692	40,728	151,034
Trade and other receivables	8	49,711	21,852	8,444	1,071
Other assets	9	113,141	105,037	1,282	-
<b>TOTAL CURRENT ASSETS</b>		<b>365,423</b>	<b>470,581</b>	<b>50,454</b>	<b>152,105</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	8	-	-	657,236	583,451
Investments in associates	10	25,000	25,000	-	-
Other financial assets	11	168,497	138,783	-	-
Property, plant and equipment	12	973,473	1,038,112	7,257	9,678
Investment property	13	2,402,846	2,508,934	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,569,816</b>	<b>3,710,829</b>	<b>664,493</b>	<b>593,129</b>
<b>TOTAL ASSETS</b>		<b>3,935,239</b>	<b>4,181,410</b>	<b>714,947</b>	<b>745,234</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	64,528	77,813	450	-
Borrowings	15	618,424	626,755	-	-
Lease liabilities	16	20,697	-	-	-
Current tax liabilities	17	44,485	74,291	-	-
Employee benefits	18	25,082	21,024	-	-
Other financial liabilities	19	59,318	65,657	23,891	-
Other liabilities	20	375	375	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>832,909</b>	<b>865,915</b>	<b>24,341</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	15	-	71,492	1,345,024	1,393,861
Lease liabilities	16	50,795	-	-	-
Employee benefits	18	12,760	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>63,555</b>	<b>71,492</b>	<b>1,345,024</b>	<b>1,393,861</b>
<b>TOTAL LIABILITIES</b>		<b>896,464</b>	<b>937,407</b>	<b>1,369,365</b>	<b>1,393,861</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>3,038,775</b>	<b>3,244,003</b>	<b>(654,418)</b>	<b>(648,627)</b>
<b>EQUITY</b>					
Reserves	21	78,203	78,203	78,203	78,203
Retained earnings		2,960,572	3,165,800	(732,621)	(726,830)
<b>TOTAL EQUITY</b>		<b>3,038,775</b>	<b>3,244,003</b>	<b>(654,418)</b>	<b>(648,627)</b>

The accompanying notes form part of these financial statements.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Consolidated		
	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	3,165,800	78,203	3,244,003
Loss for the year	(205,228)	-	(205,228)
<b>Balance at 31 December 2019</b>	<b>2,960,572</b>	<b>78,203</b>	<b>3,038,775</b>

2018

	Consolidated		
	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	3,229,934	78,203	3,308,137
Loss for the year	(64,134)	-	(64,134)
<b>Balance at 31 December 2018</b>	<b>3,165,800</b>	<b>78,203</b>	<b>3,244,003</b>

2019

	Parent		
	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	(726,830)	78,203	(648,627)
Loss for the year	(5,791)	-	(5,791)
<b>Balance at 31 December 2019</b>	<b>(732,621)</b>	<b>78,203</b>	<b>(654,418)</b>

2018

	Parent		
	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	(739,216)	78,203	(661,013)
Profit for the year	12,386	-	12,386
<b>Balance at 31 December 2018</b>	<b>(726,830)</b>	<b>78,203</b>	<b>(648,627)</b>

The accompanying notes form part of these financial statements.

# The Baking Industry Association of Queensland

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## Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers		982,888	1,143,784	23,040	73,928
Payments to suppliers and employees		(963,479)	(827,915)	(11,351)	(78,943)
Interest received		8,385	18,342	894	1,917
Interest paid		(35,931)	(37,157)	(267)	-
Income taxes paid		(80,803)	(18,812)	-	-
Net cash provided by/(used in) operating activities	28	(88,940)	278,242	12,316	(3,098)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sale of plant and equipment		-	1,364	-	1,364
Purchase of property, plant and equipment		(23,331)	(69,790)	-	-
Purchase of financial assets		-	(14,303)	-	-
Loans to related parties - payments made	28	-	-	(73,785)	(11,296)
Payment for investment property		(20,519)	(107,882)	-	-
Net cash provided by/(used in) investing activities		(43,850)	(190,611)	(73,785)	(9,932)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Net (payments of)/proceeds from related party loans	28	-	-	(48,837)	46,353
Proceeds from borrowings		89,144	123,786	-	-
Repayment of borrowings		(75,388)	(345,329)	-	-
Payment of lease liabilities		(22,087)	(20,684)	-	-
Net cash provided by/(used in) financing activities		(8,331)	(242,227)	(48,837)	46,353
Net increase/(decrease) in cash and cash equivalents held		(141,121)	(154,596)	(110,306)	33,323
Cash and cash equivalents at beginning of year		343,692	498,288	151,034	117,711
Cash and cash equivalents at end of financial year	7	202,571	343,692	40,728	151,034

The accompanying notes form part of these financial statements.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers The Baking Industry Association of Queensland and its controlled entities ('the Group'). The Baking Industry Association of Queensland is a not-for-profit Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

Amounts in the financial statements and Operating Report have been rounded to the nearest dollar.

### 1 Basis of Preparation

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 *Industrial Relations Act 2016*. The reporting unit has applied the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected financial assets.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

A list of controlled entities is contained in Note 25 to the financial statements.

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

#### *Associates*

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

#### (b) Revenue recognition

Revenue is recognised as follows:

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

### **2 Summary of Significant Accounting Policies**

#### **(b) Revenue recognition**

##### **Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

##### **Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

##### **Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

#### **(c) Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements. Deferred tax assets have not been recognised in relation to tax losses at the year end as there is not sufficient probability that taxable profits will be available in the future against which the losses can be utilised.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies

#### (d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	5%
Furniture, Fixtures and Fittings	20%
Motor Vehicles	25%
Office Equipment	25-37.5%
Skills centre equipment	25-35%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties are depreciated on a diminishing value basis at 5% per annum.

#### (h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.



# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies

#### (h) Trade and other receivables

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### (i) Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

#### (j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (k) Leases

For the comparative year:

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For the current year:

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies

#### (k) Leases

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Exceptions to lease accounting*

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (l) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

#### (m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

#### (n) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Assets held under finance leases previously included as property, plant and equipment are now classified as right of use assets, disclosed as such in the property, plant and equipment note. The Group did not have any assets under operating leases which required recognition as right of use assets. Finance lease liabilities previously included within borrowings are now disclosed separately as lease liabilities in the statement of financial position.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies

#### (o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards and does not consider that they will have any significant impact on the the Group.

### 3 Critical Accounting Estimates and Judgments

The committee members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - useful lives of property, plant and equipment**

The members of the committee determine the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### **Key judgments - taxes**

The Association estimates its tax liabilities based on the Committee's understanding of tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact tax liabilities in which such determination is made.

# The Baking Industry Association of Queensland

ABN 42 742 317 256

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 4 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Finance Costs				
- Interest on finance leases	5,080	3,410	-	-
- Interest on bank loans and overdrafts	29,798	33,645	267	-
- Other interest expense	1,053	102	-	-
<b>Total finance costs</b>	<b>35,931</b>	<b>37,157</b>	<b>267</b>	<b>-</b>

The result for the year includes the following specific income and expenses:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Income</b>				
Capitation fees*	-	-	-	-
Levies*	-	-	-	-
<b>Expenses</b>				
Employee benefit expenses (employees other than office holders):				
Wages and salaries	409,647	339,086	-	42,431
Leave and other entitlements	16,466	7,855	-	-
Superannuation contributions	39,252	32,799	-	3,926
Employee benefit expenses	465,365	379,740	-	46,357
Impairment of receivables:				
- Trade receivables	(10,000)	(900)	-	-
Total impairment of receivables	(10,000)	(900)	-	-
Affiliation fees*	-	-	-	-
Consideration to employers for payroll deductions*	-	-	-	-
Compulsory levies*	-	-	-	-
Grants paid*	-	-	-	-
Penalties - via IR Act 2016*	-	-	-	-

\* the above items are disclosed as a requirement of the section 765 Reporting Guidelines even if 'nil'.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 5 Other expenses

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accounting fees	15,803	13,728	1,200	1,320
Apprenticeship training cost	9,914	3,799	-	-
Audit fees	15,000	16,056	2,250	3,556
Bad debts	(10,000)	(900)	-	-
Bank charges	3,254	3,115	388	390
Cleaning	8,558	8,305	-	-
Magazine costs	8,133	16,316	-	-
Computer expenses	9,057	9,785	-	40
Consulting and professional fees	1,200	10,380	-	-
Body corporate & management fees	7,827	6,975	-	-
Contract trainers	-	53	-	-
Donations and sponsorship	-	2,000	-	-
Electricity and gas	38,063	29,065	-	-
Filing fees	677	357	-	-
Fringe benefits tax	-	1,754	-	-
Insurance	29,424	28,848	2,597	4,723
Investment manager's fees	2,037	2,000	-	-
Industrial relations support costs	8,400	10,203	-	700
Land tax	23,704	23,793	-	-
Motor vehicle expenses	35,558	24,936	-	-
Office expenses	3,692	2,877	-	-
Pest control	214	296	-	-
Payroll expenses	-	991	-	496
Postage	3,067	7,400	549	-
Printing and stationery	27,738	29,244	1,500	-
Event expenses	61,636	100,040	-	688
Rates and taxes	-	13,029	-	-
Registration fees	8,406	11,041	-	-
Rent	-	872	-	-
Repairs and maintenance	12,695	19,517	-	-
Sponsorship	9,744	4,550	-	-
Staff recruitment and training	13,847	2,626	-	-
Subscriptions	5,505	187	83	-
Telephone and fax	11,952	9,622	-	201
Travel	28,581	22,547	-	-
Uniforms	441	1,524	-	-
Waste disposal	1,894	2,432	-	-
Website expenses	427	-	-	-
	<b>396,448</b>	<b>439,363</b>	<b>8,567</b>	<b>12,114</b>

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 6 Income Tax Expense

(a) The major components of tax expense comprise:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Current tax expense				
Local income tax - current period	50,997	46,656	-	-
Under/(over) provision in respect of prior years	-	6,846	-	-
	<b>50,997</b>	<b>53,502</b>	<b>-</b>	<b>-</b>

(b) Reconciliation of income tax to accounting profit:

Profit/(loss)	(154,231)	(10,632)	(5,791)	12,386
Tax	27.50 %	27.50 %	- %	- %
	<b>(42,414)</b>	<b>(2,924)</b>	<b>-</b>	<b>-</b>

Add:

Tax effect of:

- non-deductible depreciation and amortisation	25,467	28,833	-	-
- non-deductible expenses	2,851	2,554	-	-
- losses carried forward to future periods	28,609	1,709	-	-
- under provision for income tax in prior year	-	6,846	-	-
- results of reporting unit not taxable	1,593	-	-	-
- non-deductible member income arising from principle of mutuality	37,567	41,661	-	-
- unrealised loss not deductible for tax	-	7,260	-	-
- group entity subject to tax at 30%	4,250	-	-	-
	<b>57,923</b>	<b>85,939</b>	<b>-</b>	<b>-</b>

Less:

Tax effect of:

- unrealised gain not subject to income tax	6,926	-	-	-
- tax losses from prior years utilised	-	29,031	-	-
- results of reporting unit not taxable	-	3,406	-	-
Income tax expense	<b>50,997</b>	<b>53,502</b>	<b>-</b>	<b>-</b>

Weighted average effective tax rate	<b>(33)%</b>	<b>(503)%</b>	<b>- %</b>	<b>- %</b>
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The increase in the weighted average effective consolidated tax rate for 2019 is principally as a result of significant losses occurring in entities in the group which are carried forward rather than reducing the tax liability overall.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 7 Cash and Cash Equivalents

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash at bank and in hand	202,571	343,692	40,728	151,034
	<b>202,571</b>	<b>343,692</b>	<b>40,728</b>	<b>151,034</b>

### 8 Trade and Other Receivables

#### CURRENT

Trade receivables		42,402	27,861	6,120	-
Provision for impairment	(a)	-	(10,000)	-	-
		<b>42,402</b>	<b>17,861</b>	<b>6,120</b>	<b>-</b>
Deposits		-	1,000	-	-
GST receivable		4,941	1,071	2,324	1,071
Amount due from Associate	10	1,500	1,500	-	-
Other receivables		868	420	-	-
<b>Total current trade and other receivables</b>		<b>49,711</b>	<b>21,852</b>	<b>8,444</b>	<b>1,071</b>

#### NON-CURRENT

Related party receivables	27	-	-	657,236	583,451
<b>Total non-current trade and other receivables</b>		<b>-</b>	<b>-</b>	<b>657,236</b>	<b>583,451</b>

#### (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year		10,000	10,900	-	-
Reversal of impairment		(10,000)	(900)	-	-
<b>Balance at end of the year</b>		<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>

#### (b) Collateral held as security

The Group does not hold any collateral over any receivables balances.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 9 Other Assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Prepayments	50,393	27,776	1,282	-
Contract assets/Accrued income	62,748	77,261	-	-
	<b>113,141</b>	<b>105,037</b>	<b>1,282</b>	<b>-</b>

### 10 Interests in Associates

	Principal place of business / Country of Incorporation	Percentage	Percentage
		Owned (%)* 2019	Owned (%)* 2018
<b>Associates:</b>			
National Pie Council Pty Ltd	Australia	25	25

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

The Association's interest in National Pie Council Pty Ltd, which the Committee of management do not consider material, is recorded at its cost of \$25,000. The Committee believe this cost is not materially different from the fair value of the holding based the June 2019 financial report of National Pie Council Pty Ltd which disclosed net assets of \$122,103.

An amount of \$1,500 (2018: \$1,500) was owed to the Association by National Pie Council Pty Ltd at the year end. This balance is interest free with no fixed date of repayment.

### 11 Other Financial Assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
NON-CURRENT				
Managed fund investment at fair value through profit or loss	168,497	138,783	-	-
<b>Total</b>	<b>168,497</b>	<b>138,783</b>	<b>-</b>	<b>-</b>



# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 12 Property, plant and equipment

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Buildings				
At cost	1,167,395	1,167,395	-	-
Accumulated depreciation	(335,495)	(291,962)	-	-
<b>Total buildings</b>	<b>831,900</b>	<b>875,433</b>	<b>-</b>	<b>-</b>
<b>Total land and buildings</b>	<b>831,900</b>	<b>875,433</b>	<b>-</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>				
Furniture, fixtures and fittings				
At cost	124,797	124,797	-	-
Accumulated depreciation	(71,063)	(56,536)	-	-
<b>Total furniture, fixtures and fittings</b>	<b>53,734</b>	<b>68,261</b>	<b>-</b>	<b>-</b>
Motor vehicles				
At cost	-	97,250	-	-
Accumulated depreciation	-	(34,403)	-	-
<b>Total motor vehicles</b>	<b>-</b>	<b>62,847</b>	<b>-</b>	<b>-</b>
Office equipment				
At cost	103,657	92,413	29,757	29,757
Accumulated depreciation	(76,747)	(72,928)	(29,225)	(29,043)
<b>Total office equipment</b>	<b>26,910</b>	<b>19,485</b>	<b>532</b>	<b>714</b>
Skills centre				
At cost	50,522	50,522	36,083	36,083
Accumulated depreciation	(41,498)	(38,436)	(29,358)	(27,119)
<b>Total skills centre</b>	<b>9,024</b>	<b>12,086</b>	<b>6,725</b>	<b>8,964</b>
Right of Use Assets-Motor Vehicles				
At cost	97,250	-	-	-
Accumulated depreciation	(50,114)	-	-	-
<b>Total Right of Use Assets-Motor Vehicles</b>	<b>47,136</b>	<b>-</b>	<b>-</b>	<b>-</b>
Right of Use Asset-Office Equipment				
At cost	12,087	-	-	-
Accumulated depreciation	(7,318)	-	-	-
<b>Total Right of Use Asset-Office Equipment</b>	<b>4,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total plant and equipment</b>	<b>141,573</b>	<b>162,679</b>	<b>7,257</b>	<b>9,678</b>
<b>Total property, plant and equipment</b>	<b>973,473</b>	<b>1,038,112</b>	<b>7,257</b>	<b>9,678</b>

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 12 Property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Office Equipment	Skill Centre Equipment	Total
	\$	\$	\$
<b>Parent</b>			
<b>Year ended 31 December 2019</b>			
Balance at the beginning of year	714	8,964	9,678
Depreciation expense	(182)	(2,239)	(2,421)
<b>Balance at the end of the year</b>	<b>532</b>	<b>6,725</b>	<b>7,257</b>
<b>Year ended 31 December 2018</b>			
Balance at the beginning of year	984	13,589	14,573
Disposals - written down value	(12)	(1,228)	(1,240)
Depreciation expense	(258)	(3,397)	(3,655)
<b>Balance at the end of the year</b>	<b>714</b>	<b>8,964</b>	<b>9,678</b>

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Skill Centre Equipment	Right of Use Assets-Motor Vehicles
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
<b>Year ended 31 December 2019</b>						
Balance at the beginning of year	875,433	68,261	62,847	19,485	12,086	-
Reclassify right-of-use assets	-	-	(62,847)	(6,813)	-	62,847
Additions	-	-	-	23,331	-	-
Depreciation expense	(43,533)	(14,527)	-	(9,093)	(3,062)	(15,711)
<b>Balance at the end of the year</b>	<b>831,900</b>	<b>53,734</b>	<b>-</b>	<b>26,910</b>	<b>9,024</b>	<b>47,136</b>

	Right of Use Asset-Office Equipment	Total
	\$	\$
<b>Consolidated</b>		
<b>Year ended 31 December 2019</b>		
Balance at the beginning of year	-	1,038,112
Reclassify right-of-use assets	6,813	-
Additions	-	23,331
Depreciation expense	(2,044)	(87,970)
<b>Balance at the end of the year</b>	<b>4,769</b>	<b>973,473</b>

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Skill Centre Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
<b>Year ended 31 December 2018</b>						
Balance at the beginning of year	916,433	27,991	83,795	24,988	17,535	1,070,742
Additions	4,822	50,245	-	4,399	10,324	69,790
Disposals - written down value	-	-	-	(12)	(1,228)	(1,240)
Depreciation expense	(45,822)	(9,975)	(20,948)	(9,890)	(14,545)	(101,180)
<b>Balance at the end of the year</b>	<b>875,433</b>	<b>68,261</b>	<b>62,847</b>	<b>19,485</b>	<b>12,086</b>	<b>1,038,112</b>

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 13 Investment Properties

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Balance at beginning of the period	2,508,934	2,529,508	-	-
Additions	20,519	107,882	-	-
Depreciation	(126,607)	(128,456)	-	-
<b>Balance at end of the period</b>	<b>2,402,846</b>	<b>2,508,934</b>	<b>-</b>	<b>-</b>
<b>Total Investment Properties</b>	<b>2,402,846</b>	<b>2,508,934</b>	<b>-</b>	<b>-</b>

The Association's investment property is a commercial property in Milton, it is recorded at its cost of \$3,013,799 (2018: \$2,993,280) less accumulated depreciation of \$610,953 (2018: \$484,346).

Rental income from the property was \$296,912 (2018: \$287,350), direct operating expenses (including repairs and maintenance but excluding depreciation) for the property were \$60,912 (2018: \$58,549)

The fair value of the investment property is \$ 3,500,000. This value is based upon a valuation obtained from an independent professional valuer on 6 February 2020 based on market conditions in February 2020.

### 14 Trade and Other Payables

Current				
Trade payables	28,189	36,110	450	-
Sundry payables and accrued expenses	18,174	32,448	-	-
Consideration to employers for payroll deductions	-	-	-	-
Other payables	18,165	9,255	-	-
	<b>64,528</b>	<b>77,813</b>	<b>450</b>	<b>-</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 15 Borrowings

#### CURRENT

#### Secured liabilities:

Bank loans	618,424	604,668	-	-
Lease liability	-	22,087	-	-
<b>Total current borrowings</b>	<b>618,424</b>	<b>626,755</b>	<b>-</b>	<b>-</b>

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 15 Borrowings

		Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
NON-CURRENT					
Unsecured liabilities:					
Related party payables	27	-	-	1,345,024	1,393,861
		-	-	1,345,024	1,393,861
Secured liabilities:					
Lease liability		-	71,492	-	-
		-	71,492	-	-
<b>Total non-current borrowings</b>		-	71,492	1,345,024	1,393,861
<b>Total borrowings</b>		618,424	698,247	1,345,024	1,393,861

(a) The carrying amounts of non-current assets pledged as collateral for liabilities are:

- freehold land and buildings	2,402,846	2,508,934	-	-
- leased plant and equipment	51,905	76,294	-	-
	2,454,751	2,585,228	-	-

The bank debt is secured by a first registered mortgage over freehold property owned by the Group and a general security of the assets of the subsidiary that holds this property.

Lease liabilities are secured by the related leased assets.

(b) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 16 Lease liabilities

#### (a) Lease liabilities

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Current	20,697	22,087	-	-
Non-current	50,795	71,492	-	-
<b>Total</b>	<b>71,492</b>	<b>93,579</b>	<b>-</b>	<b>-</b>

#### (b) Maturity analysis of lease liabilities based on contractual undiscounted cash flows

Minimum lease payments:

- not later than one year	24,332	27,167	-	-
- between one year and five years	54,074	78,405	-	-
Undiscounted liabilities	78,406	105,572	-	-
Less: finance changes	(6,914)	(11,993)	-	-
Lease liabilities in statement of financial position	71,492	93,579	-	-

Lease liabilities, previously included as borrowings, relate to hire purchase agreements in place for plant & equipment. The disclosures above for the prior year have been retained to aid the users understanding of these balances.

### 17 Tax assets and liabilities

Income tax payable	44,485	74,291	-	-
<b>Current tax liabilities</b>	<b>44,485</b>	<b>74,291</b>	<b>-</b>	<b>-</b>

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

Tax losses	190,431	159,067	-	-
Temporary differences	11,240	8,694	-	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

### 18 Employee Benefits

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Current liabilities				
Provision for annual leave	25,082	21,024	-	-
Non-current liabilities				
Long service leave	12,760	-	-	-

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 19 Other Financial Liabilities

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Contract liabilities/Deferred income	59,318	65,657	23,891	-
<b>Total</b>	<b>59,318</b>	<b>65,657</b>	<b>23,891</b>	<b>-</b>

### 20 Other Liabilities

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Liability for members shares	375	375	-	-
<b>Total</b>	<b>375</b>	<b>375</b>	<b>-</b>	<b>-</b>

The liability for members shares of \$375 represents members shares issued by Baking Industry Group, an entity controlled by the association. This share capital meets the definition of a financial liability in accordance with Accounting Standards.

### 21 General reserve

The general reserve records funds set aside for future expansion of the Association. The Association does not maintain any other funds referred to in the section 765 reporting guidelines.

### 22 Financial Risk Management

The Group's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

#### Liquidity risk

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

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. The Group's borrowings are refinanced when necessary to ensure the adequacy of cash reserves.

#### Credit risk

The Group is not exposed to any significant credit risk.

#### Market risk

##### Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

##### Price risk

The company is not exposed to any significant price risk.

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 22 Financial Risk Management

#### *Interest rate risk*

The Group's main interest rate risk arises from bank borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. The members of the Committee of management periodically review borrowing facilities to ensure they represent the lowest cost of finance available to the Group. Finance leases to acquire certain assets are on fixed interest terms.

The Group's bank loan outstanding, totalling \$618,424 (2018: \$604,668), is a principal and interest payment loan. Monthly cash outlays of approximately \$8,896 (2018: \$8,896) per month are required to service the interest and capital payments. An official increase/decrease in interest rates of 100 (2018: 100) basis points would have an adverse/favourable effect on profit before tax of \$6,184 (2018: \$6,047) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 22 Financial Risk Management

#### Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Investments in managed funds
- Trade and other payables (including lease liabilities)
- Floating rate bank loans

		Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	7	202,571	343,692	40,728	151,034
Trade and other receivables	8	49,711	21,852	8,444	1,071
Investments in managed funds	11	168,497	138,783	-	-
		<b>420,779</b>	<b>504,327</b>	<b>49,172</b>	<b>152,105</b>
<b>Financial liabilities</b>					
Trade and other payables	14	64,528	77,813	450	-
Lease liabilities	16	71,492	93,579	-	-
Floating rate bank loan	15	618,424	604,668	-	-
		<b>754,444</b>	<b>776,060</b>	<b>450</b>	<b>-</b>

#### Remaining contractual maturities of financial liabilities

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The Group's liabilities have contractual maturities which are summarised below:

Consolidated	1 year or less		Between 1 and 2 years		Between 2 and 5 years		Over 5 years	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Bank loans	106,752	76,670	106,752	76,670	320,256	230,010	293,535	221,318
Lease liabilities	24,332	27,167	21,497	27,167	32,576	51,238	-	-
Trade and other payables	64,528	77,813	-	-	-	-	-	-
<b>Total</b>	<b>195,612</b>	<b>181,650</b>	<b>128,249</b>	<b>103,837</b>	<b>352,832</b>	<b>281,248</b>	<b>293,535</b>	<b>221,318</b>

### 23 Key Management Personnel Remuneration

The members of the committee of management are considered Key management personnel of the Association. The members of the committee did not receive any remuneration for their services as committee members in the current or preceding year.



# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 24 Auditors' Remuneration

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
- auditing or reviewing the financial statements	15,000	15,000	2,250	4,000
- other services	-	-	-	-
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>2,250</b>	<b>4,000</b>

### 25 Interests in Subsidiaries

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2019	2018
<b>Subsidiaries:</b>			
National Baking Industry Association Pty Ltd	Australia	100	100
Baking Industry Group Limited	Australia	-	-
Baking Industry Training Australia Pty Ltd	Australia	100	100
Bread House Pty Ltd	Australia	-	-

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

#### Controlled entities with ownership interest of 50% or less

Baking Industry Group Limited is a company limited by guarantee and as such does not have any share capital. The company is a controlled entity as the board of directors of Baking Industry Group Limited mirrors the Committee of management of Baking Industry Association of Queensland. All financial and operating decisions of Baking Industry Group Limited are consistent with the policies of the Group.

Shares in Bread House Pty Ltd are held by four individuals who are former committee members. These individuals hold the shares in trust for Baking Industry Association of Queensland. The company is a controlled entity as the board of directors of Bread House Pty Ltd mirrors the Committee of management of Baking Industry Association of Queensland. All financial and operating decisions of Bread House Pty Ltd are consistent with the policies of the Group.

### 26 Contingencies

In the opinion of the Committee of Management, the Company did not have any contingencies at 31 December 2019 (31 December 2018:None).

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 27 Related Parties

(a) **The Group's main related parties are as follows:**

Key management personnel - refer to Note 23 and below.

Associates - refer to Note 10.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions between the Group and related parties**

No transactions occurred between the Group and related parties in the current year.

(c) **Transactions between the Reporting Unit and controlled entities**

Charges made between entities within the Group are determined on a commercial basis. Such charges are booked to intercompany accounts rather than being settled in cash. Balances between entities within the Group are interest free and have no fixed date of repayment.

	2019	2018
<b>Balances due from controlled entities to the Reporting Unit</b>		
National Baking Industry Association Pty Ltd	468,736	468,768
Baking Industry Group Limited	188,500	114,683
	<u>657,236</u>	<u>583,451</u>
<b>Balances due to controlled entities by the Reporting Unit</b>		
Baking Industry Training Australia Pty Ltd	259,385	294,730
Bread House Pty Ltd	1,085,639	1,099,131
	<u>1,345,024</u>	<u>1,393,861</u>
<b>Other transactions</b>		
Management and other fees charged to controlled entities by the Reporting Unit	-	46,259

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 28 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Profit/(loss) for the year	(205,228)	(64,134)	(5,791)	12,386
Non-cash flows in profit:				
- depreciation	214,577	229,636	2,421	3,655
- gain on disposal of property, plant and equipment	-	(124)	-	(124)
- impairment of receivables	(10,000)	(900)	-	-
- fair value movements on investments	(29,714)	28,107	-	-
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	(18,859)	62,794	(7,373)	(1,071)
- (increase)/decrease in other assets	15,513	(45,480)	-	-
- (increase)/decrease in prepayments	(22,617)	7,325	(1,282)	3,110
- increase/(decrease) in contract liabilities	(6,339)	(8,916)	23,891	-
- increase/(decrease) in trade and other payables	(13,285)	28,760	450	(18,938)
- increase/(decrease) in income taxes payable	(29,806)	34,690	-	-
- increase/(decrease) in employee benefits	16,818	6,484	-	(2,116)
Net cashflows from operating activities	(88,940)	278,242	12,316	(3,098)

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 28 Cash Flow Information

#### (b) Changes in liabilities arising from financing activities

	2018	Cash flows	2019
	\$	\$	\$
<b>Consolidated</b>			
Bank loan	604,668	13,756	618,424
Lease liabilities	93,579	(22,087)	71,492
<b>Total liabilities from financing activities</b>	<b>698,247</b>	<b>(8,331)</b>	<b>689,916</b>

	2017	Cash flows	2018
	\$	\$	\$
<b>Consolidated</b>			
Bank loan	826,211	(221,543)	604,668
Lease liabilities	114,263	(20,684)	93,579
<b>Total liabilities from financing activities</b>	<b>940,474</b>	<b>(242,227)</b>	<b>698,247</b>

	2018	Cash flows	2019
	\$	\$	\$
<b>Parent</b>			
Related party creditors	1,393,861	(48,837)	1,345,024
<b>Total liabilities from financing activities</b>	<b>1,393,861</b>	<b>(48,837)</b>	<b>1,345,024</b>

	2017	Cash flows	2018
	\$	\$	\$
<b>Parent</b>			
Related party creditors	1,347,508	46,353	1,393,861
<b>Total liabilities from financing activities</b>	<b>1,347,508</b>	<b>46,353</b>	<b>1,393,861</b>

#### (c) Information required by the section 765 Reporting Guidelines

	Parent	
	2019	2018
	\$	\$
<b>Net cash inflows/(outflows) from loans from controlled entities of Reporting Unit</b>		
Baking Industry Training Australia Pty Ltd	(35,344)	50,235
Bread House Pty Ltd	(13,493)	(3,882)
	<b>(48,837)</b>	<b>46,353</b>

# The Baking Industry Association of Queensland

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## Notes to the Financial Statements For the Year Ended 31 December 2019

### 28 Cash Flow Information

#### (c) Information required by the section 765 Reporting Guidelines

	Parent	
	2019	2018
	\$	\$
<b>Cash inflows/(outflows) from balances due from controlled entities of Reporting Unit</b>		
National Baking Industry Association Pty Ltd	32	6,715
Baking Industry Group Limited	(73,817)	(18,011)
	<u>(73,785)</u>	<u>(11,296)</u>

### 29 Events Occurring After the Reporting Date

The Committee of Management has investigated the opportunity to restructure the group to ensure the current structure fulfils its rules and provides the best benefit to its members. Commencing 2018, operations undertaken by the Reporting Unit, The Baking Industry Association of Queensland, were moved into Baking Industry Group Limited. Initial efforts to restructure the Group were not successful, the Committee has appointed new legal advisors and is hopeful that progress towards a restructuring will be made in the 2020 financial year.

Also in the 2020 financial year, the membership base will transition back to Baking Industry Association of Queensland from Baking Industry Group Limited. This is due, again to incorrect advice received from the Group's former legal advisors.

The covid-19 pandemic has created unprecedented uncertainty in the economic environment. As a result of the pandemic, the Group has experienced a significant decline in income since the year end. Rental income reduced as a result of rent relief offered to a commercial tenant. Revenue from training courses also declined due to the Group being unable to deliver all courses. The Group's bank has agreed to defer certain loan repayments. The Committee of Management are not able to determine the full financial impact of covid-19 as its effects are still ongoing.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.