



16 July 2024

Gregory McElroy  
President  
The Master Plumbers & Mechanical Contractors Association of New South Wales  
Sent via email: [info@masterplumbers.com.au](mailto:info@masterplumbers.com.au)  
CC: [email@spryroughley.com.au](mailto:email@spryroughley.com.au)

Dear Gregory McElroy

**The Master Plumbers & Mechanical Contractors Association of New South Wales  
Financial Report for the year ended 31 December 2023 – (FR2023/261)**

I acknowledge receipt of the financial report for the year ended 31 December 2023 for the Master Plumbers & Mechanical Contractors Association of New South Wales. The documents were lodged with the Fair Work Commission (the Commission) on 3 July 2024.

The financial report has now been filed.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report:

**Non-compliance with previous requests**

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely *AASB 16 – disclosures relating to leases*:

AASB 16 Leases paragraph 53 requires an entity as a lessee to disclose interest expense on lease liabilities. AASB 16 paragraph 58 also requires a lessee to disclose a maturity analysis of lease liabilities. It appears that no such disclosures have been made in the financial statements or the notes.

Please ensure in future years that the reporting unit's general purpose financial report includes all relevant and required financial disclosures in accordance with AASB 16.

The Fair Work Commission aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports.

The Fair Work Commission is unable to file this report until the abovementioned errors have been addressed. Failure to address these issues may lead to the General Manager of the Fair Work Commission exercising his powers under section 330 of the RO Act.

**Nil activities – not disclosed**

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

The GPFR contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 13(i) – incur expenses due to holding a meeting as required under the rules of the organisation;
- Item 13(j)(i) – pay legal costs relating to litigation;
- Item 13(j)(ii) – pay legal costs relating to other legal matters;
- Item 15(b)(i) – have a payable in respect of legal costs relating to litigation; and
- Item 15(b)(ii) - have a payable in respect of legal costs relating to other legal matters.

### **Reporting Requirements**

The Commission website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the *Fair Work (Registered Organisations) Act 2009* (RO Act), the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

**MASTER PLUMBERS AND MECHANICAL  
CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939175**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF  
NSW  
ABN 64 040 939 175**

---

**CONTENTS**

	<b>Page No.</b>
Notice of Members	2
Certificate by Prescribed Designated Officer	3
Operating Report	4
Income Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Subsection 255(2A) Report	46
Committee of Management Statement	47
Officer Declaration Statement Independent	48
Auditor's Report	49

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939 175**

---

**NOTICE OF MEMBERS**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 (RO Act), the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the Commissioner:

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939 175**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 31 December 2023

I, Greg McElroy, being the President of The Master Plumbers and Mechanical Contractors Association of NSW certify:

- (1) that the documents lodged herewith are copies of the full report for The Master Plumbers and Mechanical Contractors Association of NSW for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- (2) that the full report was provided to members of the reporting unit on 4 June 2024.
- (3) that the full report was presented to an annual general meeting on 27 June 2024 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

President



Greg McElroy

Dated:

27<sup>th</sup> June 2024

---

## MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939175

---

### OPERATING REPORT

I, Greg McElroy, the President of the Master Plumbers and Mechanical Contractors Association of New South Wales ('the Association') hereby present the operating report of the Association for the year ended 31 December 2023.

#### Committee of Management

The Committee of Management of the Association is a committee elected annually by the plumbing members of the Association. The election is run and controlled by the Australian Electoral Commission.

To be eligible to be nominated for a position on the Committee of Management the nominee must be a financial plumbing member (i.e. ordinary member).

During the year ended 31 December 2023 the following persons held membership of the Committee of Management of the Association for the entire year unless otherwise indicated:

Greg McElroy	President
Scott Irwin	Vice President (Ceased 12.04.2023)
Nathan Broughton	Vice President (From 12.04.2023)
David McElroy	Treasurer (Ceased 12.04.2023)
Ashley Lowther	Treasurer (From 12.04.2023)
Bill Armstrong	Guardian
Craig Scott	Guardian
Andrew Murphy	Guardian
Gary Cook	Committee Member
Peter Honey	Committee Member
Ashley Lowther	Committee Member (Ceased 12.04.2023)
Pete Sutherland	Committee Member (Ceased 12.04.2023)
Michael Ruttley	Committee Member (Ceased 12.04.2023)
David Dighton	Committee Member
Peter Richardson	Committee Member
Matthew Braid	Committee Member (From 12.04.2023)

For the purposes of section 254(2)(d) of the Fair Work (Registered Organisations) Act 2009, we confirm that no officer or member of the Association is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity).

---

## MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

---

### OPERATING REPORT

#### Review of Principal Activities

The loss of the Association for the year ended 31 December 2023 was \$1,167,095 (2022: loss of \$763,872).

The principal activities of the Association during the year were representing the interests of its members to Government, conducting training activities and advancing the interests of the plumbing and services industry to the community.

The Association applied for and was granted Federal Registration under the Workplace Relations Act 1996 in May 2006.

Therefore the principal activities have been reviewed and there was no change to the nature of activities through the year.

#### Significant Changes In the State of Affairs

There have been no significant change in the Association's state of affairs during the financial year.

#### Details of Members

As at 31 December 2023:

There were 691 members of the Association (2022: 713 members).

Members have the right to resign their membership in accordance with Section 8 of the Rules of the Association.

Members must deliver written notice to the Association after which the resignation will take effect at the end of two weeks after the notice is received or on a date specified in the notice, whichever is later.

Where a member ceases to be eligible to become a member of the Association, membership will cease:

- (i) on the day on which the notice is received by the organisation; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member, whichever is later.



---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939175**

---

**OPERATING REPORT**

**Employee of the Association**

As at 31 December 2023:

There were 10 full-time equivalent personnel employed by the Association. The following personnel are considered to be key management personnel for the purpose of the financial statements:

Michael Bennett - General Manager (Resigned 12.05.2023)  
Nathaniel Smith - General Manager (Appointed 01.05.2023)  
Albano Zavaglia - Financial Controller  
Luke Tabone - Chief Operating Officer

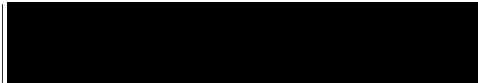
Summary of the remuneration of key management personnel can be found in Note 5 in the notes to the financial statements.

**After Financial Position Date Events**

No other matters or circumstances have arisen since the end of the financial year which may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent years.

Signed in accordance with a resolution of the Members of the Committee of Management.

President



Dated: 4 June 2024

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
Revenue	2	1,315,921	1,122,765
Employee benefits expense		(1,293,361)	(1,020,429)
Annual conference expenses		(79,426)	(33,512)
Consultancy and professional fees		(349,558)	(104,694)
Legal fees		(22,186)	(22,849)
Relocation expenses		(20,741)	(123,256)
Insurance		(23,647)	(18,886)
Rent and occupancy expenses		(116,258)	(57,896)
Doubtful debt/ debt forgiveness		58,787	(63,036)
Other expenses		(270,125)	(159,747)
Depreciation and amortisation expenses		(321,806)	(230,528)
Interest paid		<u>(44,695)</u>	<u>(51,804)</u>
<b>Surplus (loss) before income tax</b>		<b>(1,167,095)</b>	<b>(763,872)</b>
Income tax expense		<u>-</u>	<u>-</u>
<b>Surplus (loss) for the year</b>		<b><u>(1,167,095)</u></b>	<b><u>(763,872)</u></b>
Surplus (loss) attributable to members of the Association		<u>(1,167,095)</u>	<u>(763,872)</u>

The accompanying notes form part of these financial statements.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>Surplus (loss) for the year</b>		(1,167,095)	(763,872)
<b>Other comprehensive income:</b>		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		<hr/> -	<hr/> -
<b>Total comprehensive income (expense) for the year</b>		<u><b>(1,167,095)</b></u>	<u><b>(763,872)</b></u>
Total comprehensive income (expense) attributable to the members of the Association		<u><b>(1,167,095)</b></u>	<u><b>(763,872)</b></u>

The accompanying notes form part of these financial statements.

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,084,159	5,877,753
Trade and other receivables	7	199,184	156,272
Financial assets	8	3,050,000	-
Other current assets	9	458,574	389,732
<b>TOTAL CURRENT ASSETS</b>		<b>4,791,917</b>	<b>6,423,757</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	170,395	116,425
Financial assets	8	10	10
Property, plant and equipment	10	1,039,425	834,168
Right-of-use assets	11	933,805	1,137,059
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,143,635</b>	<b>2,087,662</b>
<b>TOTAL ASSETS</b>		<b>6,935,552</b>	<b>8,511,419</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	148,172	473,936
Borrowings	13	196,072	181,602
Short-term provisions	14	68,100	81,876
Other	15	877,213	781,651
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,289,557</b>	<b>1,519,065</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	861,147	1,057,219
Long-term provisions	14	16,808	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>877,955</b>	<b>1,057,219</b>
<b>TOTAL LIABILITIES</b>		<b>2,167,512</b>	<b>2,576,284</b>
<b>NET ASSETS</b>		<b>4,768,040</b>	<b>5,935,135</b>
<b>ACCUMULATED FUNDS</b>			
Accumulated operating surplus		4,768,040	5,935,135
<b>TOTAL ACCUMULATED FUNDS</b>		<b>4,768,040</b>	<b>5,935,135</b>

The accompanying notes form part of these financial statements.

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**  
**ABN 64 040 939 175**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share Capital \$	Retained Earnings \$	Total \$
<b>Balance at 1 January 2022</b>	-	6,699,007	6,699,007
<b>Comprehensive income</b>			
Surplus (loss) for the year	-	(763,872)	(763,872)
<b>Total comprehensive income for the year attributable to the member of the company</b>	-	(763,872)	(763,872)
<b>Balance at 31 December 2022</b>	-	5,935,135	5,935,135
<b>Balance at 1 January 2023</b>	-	5,935,135	5,935,135
<b>Comprehensive income</b>			
Surplus (loss) for the year	-	(1,167,095)	(1,167,095)
<b>Total comprehensive income for the year attributable to the member of the company</b>	-	(1,167,095)	(1,167,095)
<b>Transactions with the owner, in capacity as owner and other transfers</b>			
<b>Balance at 31 December 2023</b>	-	4,768,040	4,768,040

The accompanying notes form part of these financial statements.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from members and other receipts		1,188,094	1,165,686
Payments to suppliers, employees and others		(2,532,764)	(1,796,395)
Interest received		151,183	23,552
Receipts from other reporting unit/controlled entity(s)		-	-
Payment to other reporting units/controlled entity(s)		-	-
<b>Net cash provided by (used in) operating activities</b>	<b>22</b>	<u>(1,193,487)</u>	<u>(607,157)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(323,810)	(395,620)
Investment in term deposits		<u>(3,050,000)</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(3,373,810)</u>	<u>(395,620)</u>
<b>Cash flows from financing activities</b>			
Payment of lease liability		<u>(226,297)</u>	<u>(219,705)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(226,297)</u>	<u>(219,705)</u>
Net increase (decrease) in cash held		(4,793,594)	(1,222,482)
Cash and cash equivalents at beginning of financial year		<u>5,877,753</u>	<u>7,100,235</u>
Cash and cash equivalents at end of financial year	<b>22</b>	<u>1,084,159</u>	<u>5,877,753</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Master Plumbers and Mechanical Contractors Association of NSW is an Association incorporated in New South Wales under the Fair Work (Registered Organisations) Act 2009.

The financial statements were authorised for issue by the Committee of Management of the Association on the date of the signed Committee of Management statement.

**Basis of Preparation**

The financial statements covers The Master Plumbers and Mechanical Contractors Association of New South Wales ("the Association") as an individual entity.

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 and the requirements of the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Income Tax**

The Association is registered under the Fair Work (Registered Organisation) Act 2009 and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the Income Tax Assessment Act, however the Association still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**(b) Going Concern**

The financial report has been prepared on a going concern basis.

Notwithstanding the continuing operating deficiencies management has determined there are sufficient cash reserves to ensure continuing operations for at least the next 12 months.

A cash flow forecast for the next 12 months prepared by management and approved by the Committee of Management has indicated that the company will continue to have operating cash inflows and be able to meet its debts as and when they fall due.

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis, nor has it agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent financial periods.

**(c) Critical Accounting Estimates and Judgements**

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

**Key Estimates**

*(i) Provision for impairment of trade receivables*

The provision for impairment is based on management's estimate of irrecoverable amounts at year end.

*(ii) Provision for impairment*

The Committee of Management assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers.

*(iii) Recognition of grant income*

The Committee of Management recognises government grant income on a systematic basis when they are reasonably assured they will comply with the conditions attaching to them.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Revenues, 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 statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing 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) Comparative Figures**

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

Where the Association retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

**(f) Financial Instruments**

The Association has various financial assets and liabilities, refer to note 24 for disclosure of the accounting policies applied.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**(g) Government Grants**

The Association receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the Association to treat grant monies as unexpended grants in the Statement of Financial Position where the Association is contractually obliged to provide the services in a subsequent financial period to when the grants are received or in the case of a specific project where the project has not been completed.

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

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

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

**(h) Rounding of Amounts**

Amounts in the financial statements have been rounded off to the nearest dollar.

**(i) Impairment of Non- Financial Assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's liability to generate future cash flows, and the asset would be replaced if the Association were deprived of that asset, its value in use is taken to be its depreciated replacement cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**(j) Costs Recovered from Group Apprenticeship Scheme**

The Committee of Management of the Association have resolved that, in order to reflect the total costs of operating the Group Apprentices Scheme, a proportion of certain relevant expenses incurred by the Association should be charged to Master Plumbers Apprentices Limited. This charge includes various expenditures by the Association, such as secretarial and administration fees.

**(k) Operating Segment**

The Association is incorporated under the Fair Work (Registered Organisations) Act 2009 and is domiciled in Australia. The Association operates only in Australia and their principal activity is the provision of services to its members.

**(l) Acquisition of Assets and Liabilities that do not Constitute a Business Combination**

The Association acquired no assets or liabilities during the year as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>2 REVENUE AND OTHER INCOME</b>		
Revenue		
Interest received	151,183	23,552
Magazine income	33,115	10,563
Commissions received	53,032	86,612
Membership subscriptions	561,763	554,540
Other revenue	22,406	11,772
Costs recovered from Master Plumbers Apprentices Ltd	218,706	276,051
Annual events	39,510	4,318
Training courses	1,263	13,600
Cadetship grant income	1,258	713
Corporate partnership	64,601	26,821
Apprentice training subsidy	169,084	114,223
Total revenue	<u>1,315,921</u>	<u>1,122,765</u>

**Disaggregation of Revenue from Contracts with Customers**

A disaggregation of the Association's revenue by the type of activity has been provided above.

The Association received no capitation fees, levies, grants or donations, or recovery of wages activity during the financial year.

During the reporting period, the Association:

- did not operate a fund for the purpose of compulsory levies/voluntary contributions
- did not operate a fund as required by the Association's rules (other than the general fund)
- did not operate a special purpose fund
- did not hold assets in which compulsory fund monies were invested

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income of the Association as a Not-for-Profit Entity and Other Income</b>		

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

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

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

2023	2022
\$	\$

**Membership subscriptions**

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

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

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

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

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

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Other Sources of Income</b>		
- Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.		
- Annual events revenue which includes conferences, sponsorships and other events are recognised upon commencement of the said conferences and events.		
- Training course revenue is recognised over the period of instruction.		
- Commission is recognised when the right to receive the income has been established.		
- Magazine revenue is recognised when the particular article is due to be published.		
- Grant revenue is recognised in the Income Statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the Statement in the Financial Position as a liability until such conditions are met or services provided.		
- Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.		
All revenue is stated net of the amount of goods and services tax.		

**3. SURPLUS (LOSS) FOR THE YEAR****Expenses:**

Remuneration of Auditor:		
Audit of the financial report	31,500	31,500
Other services	10,381	10,802
	<u>41,881</u>	<u>42,302</u>

Other services provided include preparation of financial report and Fringe Benefits Tax Return based on information provided by the Association.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
Legal expenses	22,186	22,849
Low value lease payments	11,319	11,012

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. The Association also applies the lease of low-value assets recognition exemption to leases of printing equipment. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Association paid no capitation fees, affiliation fees, consideration to employers for payroll deductions, compulsory levies, fees/allowances for meetings and conferences, grants or penalties via Registered Organisations Act or Registered Organisations Regulations during the financial year.

Conferences and meeting expenses are disclosed on the face of the income statement. Legal costs and finance costs are also disclosed on the face of the income statement and relate to other legal matters only.

The Association does not undertake any recovery of wages activity.

The Association is not in receipt of any financial support from another reporting unit of the Association.

**Grants or Donations:****Grants:**

Total expensed that were \$1,000 or less

-

-

Total expensed that exceeded \$1,000

-

-

**Donations:**

Total expensed that were \$1,000 or less

-

-

Total expensed that exceeded \$1,000

5,255

-

5,255

-



---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>4. EMPLOYEE EXPENSES</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Total employee expenses holders of office	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Wages and salaries	1,140,706	932,315
Superannuation	112,402	86,014
Leave and other entitlements	3,032	7,765
Separation and redundancies	25,867	-
Other employee expenses	11,354	-
Total employee expenses other than office holders	<u>1,293,361</u>	<u>1,026,094</u>

**5. KEY MANAGEMENT PERSONNEL  
COMPENSATION**

Short-term benefits	514,618	435,039
Post employment benefits	51,605	44,257
Other long-term benefits	2,190	1,987
Annual leave benefits	21,644	20,131
Total compensation	<u>590,057</u>	<u>501,414</u>

**KMP transactions**

(a) Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any member (whether executive or otherwise) of that entity, is considered a key management person.

(b) Apart from the transactions disclosed above and note 18, no other transactions occurred with key management personnel.

(c) No remuneration s paid or payable to the Committee of Members.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Key management personnel</b>		
Key management personnel of the Association are:		
Michael Bennett-General Manager (Resigned 12.05.2023)		
Nathaniel Smith - General Manager (Appointed 01.05.2023)		
Albano Zavaglia - Financial Controller		
Luke Tabone- Chief Operating Officer		
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	500	500
Cash at bank	<u>1,083,659</u>	<u>5,877,253</u>
	<u>1,084,159</u>	<u>5,877,753</u>
Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.		
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	225,474	228,621
Less provision for expected credit loss	<u>(26,550)</u>	<u>(85,337)</u>
	<u>198,924</u>	<u>143,284</u>
Other receivables:		
Amounts receivable - other	260	8,260
Goods and services tax	<u>-</u>	<u>4,728</u>
	<u>199,184</u>	<u>156,272</u>
<b>NON-CURRENT</b>		
Deposits	153,395	99,425
Advances to Master Plumbers Apprentices Ltd	<u>17,000</u>	<u>17,000</u>
	<u>170,395</u>	<u>116,425</u>
<b>Provision for impairment of receivables</b>		

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
Opening balance	85,337	22,300
Charge for the year	<u>(58,787)</u>	<u>63,037</u>
Closing balance	<u>26,550</u>	<u>85,337</u>

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to the Financial Instruments Policy Note for further discussion on the determination of impairment losses. Refer to the Related Parties Transactions note for provisions raised against related party trade receivables.

**Credit risk**

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned in the 'Trade and Other Receivables' note except for Master Plumbers Apprentices Ltd. The main source of credit risk to the Association is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the Association's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association.

The balances of receivables that remain within initial trading terms (as detailed in the table below) are considered to be of high credit quality.

Trade and term receivables		
Past due and impaired	26,550	85,337
Past due but not impaired:		
< 30 days overdue	25,697	18,193
31-60 days overdue	28,009	38,616
61-90 days overdue	25,139	75,731
> 90 days overdue	<u>120,079</u>	<u>10,744</u>
Gross amount	<u>225,474</u>	<u>228,621</u>

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
The Association has no receivables from other reporting units at year end.		
<b>8. FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Financial assets	(a) <u>3,050,000</u>	<u>-</u>
<b>(a) Financial assets:</b>		
Term deposits (Amortised cost)	<u>3,050,000</u>	<u>-</u>
<b>NON-CURRENT</b>		
Other financial assets (Fair value through profit and loss)	(b) <u>10</u>	<u>10</u>
<b>(b) Other Financial Assets:</b>		
Investment in Master Plumbers Australia Ltd	10	10

**Investments**

Investments include equity securities (i.e. shares) of listed and unlisted entities. The company recognises and measures these investments at cost less any accumulated impairment losses.

The Association has an investment valued at \$10 in shares in an associate, MPA Training Ltd.

MPA Training Ltd is currently a dormant entity, and did not trade in the 2023 year.

Investments also include term deposits. Where maturity date is less than 12 months, they are classified as current.

**9. OTHER ASSETS****CURRENT**

Accrued income	121,817	74,539
Other debtors	283,600	283,600
Advances to other parties	150,000	150,000
Provision for impairment	(150,000)	(150,000)
Prepayments	53,157	31,593
	<u>458,574</u>	<u>389,732</u>

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Motor vehicles	87,804	87,804
Less accumulated depreciation	<u>(20,417)</u>	<u>(9,441)</u>
	<u>67,387</u>	<u>78,363</u>
Office furniture and equipment	721,029	558,265
Less accumulated depreciation	<u>(554,866)</u>	<u>(513,898)</u>
	<u>166,163</u>	<u>44,367</u>
Leasehold improvement	870,345	711,438
Less accumulated depreciation	<u>(64,470)</u>	<u>-</u>
	<u>805,875</u>	<u>711,438</u>
<b>Total property, plant and equipment</b>	<u><u>1,039,425</u></u>	<u><u>834,168</u></u>

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis, less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The depreciation rates used for each class of depreciable asset are:		
Class of Fixed Asset:	Depreciation Rate	
Land and Buildings	2.5-20%	
Office furniture and equipment	6.67-33.33%	
Leasehold improvements	2.5-20%	

**Impairment**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains and losses on disposal**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the capital profits reserve.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Movement in carrying amounts</b>		
<b>Leasehold Improvements</b>		
Opening Balance	711,438	-
Additions	158,907	711,438
Depreciation	(64,470)	-
Net Carrying Amount	<u>805,875</u>	<u>711,438</u>
<b>Plant &amp; Equipment</b>		
Opening Balance	44,367	55,535
Additions	164,903	10,327
Depreciation	(43,107)	(21,495)
Net Carrying Amount	<u>166,163</u>	<u>44,367</u>
<b>Motor Vehicles</b>		
Opening Balance	78,363	23,966
Additions	-	60,176
Depreciation	(10,976)	(5,779)
Net Carrying Amount	<u>67,387</u>	<u>78,363</u>
<b>Total Movement</b>		
Opening Balance	834,168	79,501
Additions	323,810	781,941
Depreciation	(118,553)	(27,274)
Net Carrying Amount	<u>1,039,425</u>	<u>834,168</u>
<b>11. RIGHT-OF-USE ASSETS</b>		
Right-of-use assets - Land & Buildings	1,441,941	1,441,940
Less accumulated amortisation	<u>(508,136)</u>	<u>(304,881)</u>
	<u>933,805</u>	<u>1,137,059</u>

**Right-of-use Assets**

Right-of-use assets are accounted for in accordance with the requirements of AASB 16. Further information on the company's leasing activities can be found in Note 13.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<p>The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.</p>		
<p>Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.</p>		
<b>Movement in carrying amounts</b>		
Opening balance	1,137,059	1,340,314
Additions	-	-
Depreciation expense	<u>(203,254)</u>	<u>(203,255)</u>
Closing balance	<u>933,805</u>	<u>1,137,059</u>

**12. TRADE AND OTHER PAYABLES****CURRENT**

Goods and services tax	6,194	-
Trade creditors	31,058	56,153
Other creditors	<u>110,920</u>	<u>417,783</u>
	<u>148,172</u>	<u>473,936</u>

There were no other payables to employers for making payroll deductions or legal costs.

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

Settlement of trade payables is usually made within 30 days. All other payables are expected to be settled within 12 months from balance date. There are no outstanding payables in relation to legal fees and consideration to employers for payroll deductions of member subscriptions. The Association has no outstanding payables to other reporting units.



---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>13. BORROWINGS</b>		
<b>CURRENT</b>		
Lease liability	<u>196,072</u>	<u>181,602</u>
<b>NON-CURRENT</b>		
Lease liability	<u>861,147</u>	<u>1,057,219</u>

The Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Options to Extend or Terminate**

The options to extend or terminate are contained in several of the property leases of the Association. There were no extension options for equipment leases. These clauses provide the Association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Association. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

**Cash Impact of leases**

Total cash outflows for leases	226,297	228,688
--------------------------------	---------	---------

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 \$	2022 \$
<b>14. PROVISIONS</b>		
<b>Office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Total employee provisions office holders	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual leave	46,595	50,666
Long service leave	34,524	19,591
Separations and redundancies	-	-
Other	3,789	11,619
Total employee provisions other than office holders	<u>84,908</u>	<u>81,876</u>
Current	68,100	81,876
Non-Current	<u>16,808</u>	<u>-</u>
	<u>84,908</u>	<u>81,876</u>

**Employee Benefits**

Provision is made for the Association'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year 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 not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>15. OTHER LIABILITIES</b>		
<b>CURRENT</b>		
Income in advance	<u>877,213</u>	<u>781,651</u>
<b>16. CAPITAL COMMITMENTS</b>		
<b>Capital Expenditure Commitments</b>		
Capital expenditure commitments contracted for the next 12 months:		
Not later than 12 months	<u>-</u>	<u>212,957</u>

**17. CONTINGENT LIABILITIES**

The Association withheld retentions of approximately \$315,942 from its contract with the builder of the Eastern Creek property which was terminated in 2020 due to non-performance.

The Committee of Management believe there is no present legal obligation at balance date as no claim was made under the Securities of Payment Act within the required timeframe. Any potential claim will be countered with a significant counter claim against the builder.

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>18. RELATED PARTY TRANSACTIONS</b>		
<b>Master Plumbers Apprentices Ltd</b>		
The Association shares common key management personnel with Master Plumbers Apprentices Ltd. Master Plumbers Apprentices Ltd is governed by a separate board of Directors who are responsible for the decision making and strategic direction of the entity. The entities negotiated and approved a cost sharing agreement between both parties as outlined below. No guarantee of financial support is provided by either parties and all transactions are on a commercial basis.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party, except as noted below.		
The following transactions occurred with related parties:		
<i>i Revenue received from related parties</i>		
The Association charges Master Plumbers Apprentices Ltd for administration overhead as governed between a heads of agreement between the two entities:		
Administration fees Income	218,706	276,112
<i>ii Expenses paid to related parties</i>		
Master Plumbers Apprentices Ltd charges the Association for administration overhead as governed between a heads of agreement between the two entities:		
Administration expenses	(21,414)	(23,434)

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
<i>iii Loans receivable from related parties</i>		
Loan receivable from Master Plumbers Apprentices Ltd:		
In financial year 2011 Master Plumbers Apprentices Ltd funded the refurbishment of the building roof of the Association amounting to \$304,683. A payment of \$17,000 was made in financial year 2011 against the receivable. It was agreed between both parties that the loan be interest free. The loan was repaid during the 2017 financial year, however the gross amount was repaid resulting in a \$17,000 receivable from Master Plumbers Apprentices Ltd at balance date.		
Value of related party transaction	17,000	17,000
<i>iv Trade &amp; other payables with related parties</i>		
Trade & other payable to Master Plumbers Apprentices Limited:		
Trade & other payable	-	(6,428)
<i>v Trade &amp; other receivables with related parties</i>		
Trade & other receivable from Master Plumbers Apprentices Ltd	178,884	211,747
Provision for non-recovery of debt:		
A provision for expected credit loss was raised in relation to amounts owing of \$211,747 from Master Plumbers Apprentices Ltd at 31/12/2022. No such provision as at 31/12/2023.	-	(71,297)
<i>vi Guarantee provided to related entities</i>		
Guarantee of winding up of MPA Training Ltd:		
The Association has guaranteed to contribute \$10 in the event of the wind up of MPA Training Ltd	<u>(10)</u>	<u>(10)</u>

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<i>vii</i> Committee of Management		
Transaction with Committee of Management:		
(i) The names of the Committee of Management who held office during the year are disclosed in the Operating Report.		
(ii) No employment benefits were paid or is payable to any Committee of Management member from the Association or any related party.		
(iii) No amounts were paid or is payable to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives.		
(iv) Entities related to Committee of Management members paid membership fees, and purchased statutory awards and updates from the Association during the year on the same commercial terms and conditions offered to all other members.		
(v) A number of Committee of Management members of the Association are Directors of Master Plumbers Apprentices Limited.		

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's lengths transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The loan provided to Master Plumbers Apprentices Limited is interest free.

**19. FINANCIAL ASSETS, LIABILITIES AND RISK MANAGEMENT**

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from related entities.

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

<b>Financial Assets</b>		
Cash and cash equivalents	6 1,084,159	5,877,753
Current investments	8 3,050,000	-
Trade and other receivables	7 396,129	358,034
<b>Total Financial Assets</b>	<u>4,530,288</u>	<u>6,235,787</u>

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Financial Liabilities</b>		
Creditors and accruals	12 112,042	445,269
<b>Total Financial Liabilities</b>	<u>112,042</u>	<u>445,269</u>

**Financial Risk Management Policies**

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

The main purpose of non-derivative financial instruments is to raise finance for the Association's operations. The Association does not have any derivative instruments at year end.

The Committee of Management meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**Specific Financial Risk Exposures and Management**

The main risks the Association is exposed to through its financial instruments are credit risk and liquidity risk.

There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the Committee of Management's objectives, policies and processes for managing or measuring the risks from the previous period.

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

2023	2022
\$	\$

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise assessed as being financially sound. Where the Association is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties apart from the related entities Master Plumbers Apprentices Ltd as disclosed in note 7 and 18.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relations to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk, related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Association does not have any overdraft facilities and does not hold any derivative financial liabilities directly.

*Financial assets pledged as collateral*

No financial assets have been pledged as security for debt at year-end.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$

(c) **Market risk**

(i) *Interest rate risk*

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

Interest rate risk is managed using a mix of fixed and floating rate debt.

(ii) *Foreign exchange risk*

The Association is not exposed to fluctuations in foreign currencies.

**Sensitivity Analysis**

The Association is not materially exposed to movements in interest rates or foreign exchange rates as at balance date and as such no sensitivity analysis has been prepared.

**Fair Values**

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

**20. COMPANY DETAILS**

The registered office and principal place of business of the company is:  
Master Plumbers and Mechanical Contractors Association of NSW  
1/13 Stanton Rd  
SEVEN HILLS NSW 2147

**21. DISSOLUTION OF THE ASSOCIATION**

In the event of the dissolution of the Association and after payment of all creditors and outstanding debts, any remaining funds will be paid to some other organisation with objectives similar to the objectives of the Association. In default of such payment, those funds will be paid into the consolidated revenue of the Commonwealth Government.

**22. CASH FLOW INFORMATION**

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW****ABN 64 040 939 175**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>(a) Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash	500	500
Cash at Bank	1,083,659	5,877,253
	<u>1,084,159</u>	<u>5,877,753</u>
<b>(b) Reconciliation of cash flow from operations with surplus</b>		
Surplus after income tax	(1,167,095)	(763,872)
Non-cash flows in surplus:		
Depreciation and amortisation expense	321,806	230,528
Interest expense from financing activities	44,695	51,804
Accrued capital expenditure from Investing activities	-	(386,320)
Changes in Assets & Liabilities:		
Decrease\increase in receivables	3,147	(11,048)
Decrease\increase in other assets	(114,812)	(16,194)
Increase\decrease in provisions	(55,755)	70,801
Increase\decrease in payables	(225,473)	217,144
<b>Net cash provided by (used in) operating activities</b>	<u>(1,193,487)</u>	<u>(607,157)</u>

(c) There are no other reporting units or controlled entities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

2023                      2022  
\$                              \$

24. FINANCIAL INSTRUMENTS ACCOUNTING POLICIES

**Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

**Classification and subsequent measurement**

Financial liabilities are subsequently measured at amortised cost, or fair value through profit or loss. A financial liability is measured at fair value through profit or loss if the financial liability is a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combination applies, held for trading, or initially designated as at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Association does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

2023	2022
\$	\$

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

**Financial Guarantees**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of the amount of loss allowance determined in accordance to AASB 9.3, and the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

**Financial assets**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

2023	2022
\$	\$

The Association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

**Equity instruments**

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Association made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss. Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position. A financial liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie has no practical ability to make unilateral decisions to sell the asset to a third party).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

2023	2022
\$	\$

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Impairment**

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

The Association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income, lease receivables, contract assets (e.g. amount due from customers under construction contracts), loan commitments that are not measured at fair value through profit or loss, and financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss, or equity instruments measured at fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

2023	2022
\$	\$

*General Approach*

Under the general approach, at each reporting period, the company assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

*Simplified Approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component, and lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

*Purchased or originated credit impaired approach*

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the company measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

2023	2022
\$	\$

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Association assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Association applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

*Recognition of expected credit losses in financial statements*

At each reporting date, the Association recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.



## SUBSECTION 255(2A) Report

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2023.

<b>Categories of expenditures</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Remuneration and employment-related costs	1,293,361	1,020,429
Advertising	4,270	994
Operating costs	361,057	390,178
Donations to political parties	-	-
Legal costs	22,187	22,849
Impairment expenses	-	-
Other expenses	802,141	452,187
	<u>2,483,016</u>	<u>1,886,637</u>

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF  
NSW  
ABN 64 040 939 175**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 4 June 2024 the Committee of Management of the Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2023:

The Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial statements relate and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the Association including the rules of a branch concerned;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Association including the rules of the branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

**President**

  
**Greg McElroy**

**Dated** 4 June 2024

---

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW**

**ABN 64 040 939 175**

---

**OFFICER DECLARATION STATEMENT**

I, Greg McElroy, being the President of the Association, declare that the following activities did not occur during the reporting period ending 31 December 2023.

The reporting unit did not:

- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.
- provide cash flows to another reporting unit and/or controlled entity.
- receive cash flows from another reporting unit and/or controlled entity.
- have another entity administer the financial affairs of the reporting unit.
- make a payment to a former related party of the reporting unit.
- have a fund or account for the compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a balance within the general fund

**President**

[REDACTED]

**Dated:**

4 June 2024

**Spry Roughley & Co**  
ABN: 27 962 527 056

Suite 5.01, Level 5, 3 Horwood Place, Parramatta NSW 2150  
PO Box 913, Parramatta NSW 2124 Australia

T: (+61 2) 9891 6100 F: (+61 2) 9635 4782  
E: email@spryroughley.com.au  
www.spryroughley.com.au

**Spry Roughley**  
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF  
NSW**

***Auditor's Opinion***

I have audited the financial report of the Master Plumbers and Mechanical Contractors Association of NSW (the Reporting Unit), which comprises the statement of financial position as at 31 December 2023, the income statement, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended 31 December 2023, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Master Plumbers and Mechanical Contractors Association of NSW as at 31 December 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a the Australian Accounting Standards; and
- b any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

***Basis for Opinion***

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

***Responsibilities of Committee of Management for the Financial Report***

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

***Matters Relating to the Electronic Publication of the Audited Financial Report***

This auditor's report relates to the financial report of the Master Plumbers and Mechanical Contractors Association of New South Wales for the year ended 31 December 2023 included on the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The Committee of Management are responsible for the integrity of the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from the publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Spry Roughley & Co

Spry Roughley & Co

A Saccaro, Partner  
Chartered Accountant

Parramatta

Dated: 4 June 2024

Registration number: AA2021/23