Fair Work Commission

26 November 2024

Frank Porreca
President
Master Builders Association of the Australian Capital Territory

Sent via email: zzakout@mba.org.au

CC: ged.stenhouse@rsm.com.au

Dear Frank Porreca

Master Builders Association of the Australian Capital Territory
Financial Report for the year ended 30 June 2024 – FR2024/57

I acknowledge receipt of the financial report for the year ended 30 June 2024 for the Master Builders Association of the Australian Capital Territory (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 19 November 2024.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

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. The Commission will confirm these matters have been addressed prior to filing next year's report.

1. Incorrect legislative references

Reference to Commissioner

The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner of the Registered Organisations Commission must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that item e (v) of the 'Statement by Members of the Council of Management' and Note 18 to the General Purpose Financial Report both refer to Commissioner instead of General Manager.

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITIES

ABN 52 853 376 568

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Certificate by prescribed designated officer

For the year ended 30 June 2024

I, Frank Porreca, being the President of the Master Builders Association of the ACT, certify:

1. That the documents lodged herewith are copies of the full report of the *Master Builders Association of the ACT* 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 22 October 2024; and

3. That the full report was presented to a general meeting of members of the reporting unit on 18 November 2024 in accordance with s. 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed officer: ____________________

Name of prescribed officer: **Frank Porreca**

Title of prescribed designated officer: **President**

Dated: 25 November 2024

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Independent Audit Report to the Members of Master Builders Association of the ACT and its Controlled Entities

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Master Builders Association of the ACT and its Controlled Entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2024, notes to the financial statements, including a summary of material accounting policies; and the statement by members of the Council of Management, 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 Master Builders Association as at 30 June 2024, 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 Council 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 Council of Management for the Financial Report

The Council 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 Council 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 Council 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 Council 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 council 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 Council 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.

RSM

RSM Australia Pty Ltd

[redacted]

Ged Stenhouse
Partner

Canberra, Australia Capital Territory
Dated: 21 October 2024

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/129

Report required under subsection 255(2A)

For the year ended 30 June 2024

The committee of management presents the expenditure report as required under subsection 255(2A) on the Master Builders Association of the ACT (the "Parent") and its controlled entities (collectively the "Association") for the year ended 30 June 2024.

	2024 $	2023 $
Categories of expenditures		
Remuneration and other employment-related costs and expenses - employee	5,391,556	5,588,208
Advertising	136,928	172,823
Operating costs	2,192,457	2,992,582
Donations to political parties	-	-
Legal costs	1,697	36

Signature of designated officer: ....

Name and title of designated officer: FRANCESCO PORRECA

Dated: 21. 10 . 2024

Signature of designated officer: ....

Name and title of designated officer: SARAH FLANAGAN

Dated: 21-10-24

Operating report

For the year ended 30 June 2024

The Council of Management present their report on the Master Builders Association of the ACT (the "Parent") and its controlled entities (collectively the "Association") for the financial year ended 30 June 2024.

Results of principal activities
The Principal activities of the Association were to serve the interest of employers in the Australian Capital Territory's building and construction sector.

In this regard, for the financial period we:

- Aided [Hosted 2,965 event attendees] of members
- Responded to 613 member inquires for legal and employment matters
- Trained over [12,557]across 70 different qualifications and short courses

Significant changes in nature of principal activities - s254(2)(a)
There were no significant changes in the nature of the Association's principal activities during the financial year.

Significant changes in the state of financial affairs - s254(2)(b)
There were no significant changes in the Association's state of financial affairs occurred during the financial year.

Rights of members to resign -s245(2)(c)
As required to be disclosed by the *Fair Work (Registered Organisations) Act 2009*. In summary, in accordance with Rule 8 of the Association's rule a member may resign from the Association by written notice addressed and delivered to a person designated for the purpose in the rules of Association.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position - S254(2)(d)

No officer, or member of the reporting unit, to the best of our knowledge, holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members
The number of persons who, at the end of the financial year were recorded on the Register of Members was 969 (2023: 1,004).

Number of employees
The number of persons who were, at the end of the financial year employees of the Association was 19 (2023:20), measured on a full time equivalent basis.

Names of committee of management members and period positions held during the financial year
The names of the Members of the Council of Management during the year and to the date of this report are:

Name	Position on Committee	Period position held during the year
Mr Frank Porreca	President	1 July 2023 – 30 June 2024
Ms Alisa Taylor	Professional Representative	20 November 2023 – 30 June 2024
Mr Bryan Leeming	Professional Representative	1 July 2023 – 20 November 2023
Mr Jason Tanchevski	Residential Builder Representative	1 July 2023 – 30 June 2024
Mr Mark Bauer	Commercial Builder Representative	1 July 2023 – 20 November 2023
Mr Nick Zardo	Civil Contractor Representative	1 July 2023 – 30 June 2024
Mr Peter Henden	Commercial Builder Representative	20 November 2023 – 30 June 2024
Ms Sarah Flanagan	Supplier and Subcontractor Representative	1 July 2023 – 30 June 2024
Mr Bryan Leeming	Extraordinary Member	20 November 2023 – 30 June 2024
Ms Graciete Ferreira	Extraordinary Member	1 July 2023 – 30 June 2024
Mr Simon Butt	Extraordinary Member	1 July 2023 – 16 October 2024

Operating report (continued)

For the year ended 30 June 2024

Names of committee of management members and period positions held during the financial year (continued)

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

Review of operations
The consolidated deficit of the Association amounted to ($459,853) (2023: surplus of $1,135,168). The surplus of the parent entity amounted to $309,511 (2023: surplus of $1,073,013).

A review of operations of the Association and its controlled entities during the financial year noted that the following were contributing factors to the financial performance:

- Lower overall market activity in the construction industry has resulted in subdued demand in services provided by MBA and its associated entities.
- The completion of the mandated silica awareness training after the first quarter of the financial year.
- Apprentice numbers are reduced from the prior year, due to lessening demand from employers and new entrants to the industry.
- Other revenue is largely in line with the prior year.

Principal activities - s254(2)(9a)
The principal activities of the Association are to promote, protect and advance the interest of its members engaged in any manner of the construction and building industry within the ACT and its surrounding region by being a representative body for the building and construction industry.

The Association provides professional services, information and advice including industrial relations advice, dispute resolution, training (including, but not limited to, business, apprentice and workplace health and safety), changes to Acts and legislation, changes to awards rates and work practices to members of the Association throughout Australian Capital Territory.

The Association also represents its members at all levels of Government and holds events and seminars throughout the year to engage and support its membership to connect and network.

A controlled entity of the Association, MBA Group Training Limited, engages in Registered Training Organisation (RTO) activities including training of carpentry apprentices and short course training for the wider building industry to train and maintain skills for the construction and building industry in the ACT.

A controlled entity of the Association, Southern Training Organisation Pty Ltd provides high risk training services to the building and construction industry in the ACT and the NSW South Coast.

A controlled entity of the Association, MBA Legal Pty Ltd provides legal services as an additional support to its members.

Operating report

For the year ended 30 June 2024

Significant events after the reporting period

There were no events that occurred after 30 June 2024, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Likely developments and expected results of operations

The Association expects to continue the present level of services to members.

Environmental regulation

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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

Signature of designated officer: ....

Name and title of designated officer: SARAH FLANAGAN
Dated: 21-10-24

Signature of designated officer: ....

Name and title of designated officer: FRANCESCO PORRECA.
Dated: 21.10.2024

Statement by Members of the Council of Management

On the 21 October 2024, the Members of the Council of Management of the Master Builders Association of the ACT passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the year ended 30 June 2023:

We, F Porreca and N Zardo being two members of the Council of Management of the Master Builders Association of the ACT, do state on behalf of the Council that in the opinion of the Council:

1) The financial statements and notes comply with the Australian Accounting Standards,
2) 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);
3) The financial statements and notes give a true and fair value of the financial performance, financial position and cash flows of the Association and its controlled entities for the financial year to which they relate;
4) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
5) During the financial year to which the financial report relates and since the end of that year:
    (i) meetings of the Council were held in accordance with rules of the organisation including the rules of the branch concerned; and
    (ii) the financial affairs of the Association have been managed in accordance with rules of the organisation including the rules of the branch concerned; and
    (iii) the financial records of the Association have been kept and maintained in accordance with the RO Act; and
    (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
    (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
    (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: ....

Name and title of designated officer: FRANCESCO PORRECA

Dated: 21. 10. 2024

Signature of designated officer: ....

Name and title of designated officer: SARAH FLANAGAN

Dated: 21-10-24

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

		Consolidation		Parent	
		2024	2023	2024	2023
	Note	$	$	$	$
Revenue from contracts with customers					
Membership subscription		1,337,695	1,333,059	1,337,695	1,333,059
Capitation fees and other revenue from another reporting unit		-	-	-	-
Levies		-	-	-	-
Total revenue from contracts with customers		**1,337,695**	**1,333,059**	**1,337,695**	**1,333,059**
Income for furthering objectives					
Grants and/or donations	3D	338,072	480,581	1,750	-
Income recognised from volunteer services		-	-	-	-
Total income for furthering objectives		**338,072**	**480,581**	**1,750**	**-**
Other income					
Investment income	3A	158,945	124,639	130,127	107,389
Rental revenue	3B	59,148	57,424	433,618	432,970
Other revenue	3C	7,325,580	8,965,818	3,380,667	4,009,745
Net gains from sale of assets	3E	46,249	-	23,114	-
Revenue from recovery of wages activity		-	-	-	-
Total other income		**7,589,922**	**9,147,881**	**3,967,526**	**4,550,104**
Total income		**9,265,689**	**10,961,521**	**5,306,971**	**5,883,163**
Expenses					
Employee expense	4A	(5,391,556)	(5,588,208)	(2,852,938)	(3,071,246)
Capitation fees and other expenses to another reporting unit		-	-	-	-
Affiliation fees		-	-	-	-
Administration expenses	4B	(1,346,371)	(1,555,560)	(291,730)	(240,838)
Grants or donations	4C	(1,505)	(500)	(1,505)	(500)
Depreciation and amortisation	4D	(619,156)	(656,760)	(295,593)	(368,972)
Finance costs	4E	(23,020)	(22,620)	(10,150)	(10,933)
Legal costs	4F	(1,697)	(36)	(6,421)	(498)
Audit fees		(64,500)	(60,580)	(34,600)	(33,280)
Other expenses	4G	(2,329,385)	(3,165,405)	(1,496,928)	(2,279,786)
Surplus (deficit) for the year before income tax		**(511,501)**	**(88,148)**	**317,106**	**(122,890)**
Gain on revaluation of land and building		-	1,195,903	-	1,195,903
Income tax (expense)	16	59,693	27,413	-	-
Total comprehensive Surplus (deficit) for the year		**(451,808)**	**1,135,168**	**317,106**	**1,073,013**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Consolidation		Parent	
		2024	2023	2024	2023
	Note	$	$	$	$
Assets					
Current assets					
Cash and cash equivalents	5A	3,650,063	3,720,037	2,600,568	2,698,577
Trade and other receivables	5B	536,064	887,014	752,814	278,935
Inventories		5,853	4,635	5,853	4,635
Prepayments		449,055	495,675	346,660	359,973
Total current assets		**4,641,035**	**5,107,361**	**3,705,895**	**3,342,120**
Non-current assets					
Property, plant and equipment	6A	11,489,991	11,710,464	11,305,091	11,490,969
Intangibles assets	6B	189,890	365,431	51,013	97,048
Other financial assets	6C	120,000	120,000	120,000	120,000
Right-of-use asset	6D	212,809	144,068	13,143	10,288
Total non-current assets		**12,012,690**	**12,339,963**	**11,489,247**	**11,718,305**
Total assets		**16,653,725**	**17,447,324**	**15,195,142**	**15,060,425**
Liabilities					
Current liabilities					
Trade payables	7A	409,757	571,361	213,497	229,045
Other payables	7B	1,509,534	1,599,878	1,541,851	1,640,948
Employee provisions	8A	396,762	444,894	242,900	288,322
Lease liabilities	6D	52,337	120,100	3,047	8,471
Total current liabilities		**2,368,390**	**2,736,233**	**2,001,295**	**2,166,786**
Non- current liabilities					
Employee provisions	8A	90,553	135,267	52,047	76,176
Lease liabilities	6D	163,300	32,840	10,244	3,013
Deferred tax	16	(46,703)	12,991	-	-
Total non-current liabilities		**207,150**	**181,098**	**62,291**	**79,189**
Total liabilities		**2,575,540**	**2,917,331**	**2,063,586**	**2,245,975**
Net assets		**14,078,185**	**14,529,993**	**13,131,556**	**12,814,450**
Equity					
Retained earnings		11,760,687	12,212,495	10,814,058	10,496,952
Asset revaluation reserve		2,317,498	2,317,498	2,317,498	2,317,498
Total equity		**14,078,185**	**14,529,993**	**13,131,556**	**12,814,450**

The above statement of financial position should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Asset revaluation reserve $	Retained earnings $	Total equity $
Consolidated			
Balance as at 1 July 2022	**1,121,595**	**12,273,230**	**13,394,825**
Surplus / (deficit)	1,195,903	(60,735)	1,135,168
Balance as at 30 June 2023	**2,317,498**	**12,212,495**	**14,529,993**
Surplus / (deficit)	-	(451,808)	(451,808)
Balance as at 30 June 2024	**2,317,498**	**11,760,687**	**14,078,185**
Parent			
Balance as at 1 July 2022	**1,121,595**	**10,619,842**	**11,741,437**
Surplus / (deficit)	1,195,903	(122,890)	1,073,013
Balance as at 30 June 2023	**2,317,498**	**10,496,952**	**12,814,450**
Surplus / (deficit)	-	317,106	317,106
Balance as at 30 June 2024	**2,317,498**	**10,814,058**	**13,131,556**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidation		Parent	
		2024	**2023**	**2024**	**2023**
	Note	**$**	**$**	**$**	**$**
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		10,217,112	11,413,656	5,120,334	6,407,502
Payments to suppliers and employees		(10,204,735)	(11,438,303)	(5,283,240)	(6,248,864)
Interest paid on lease liability		(8,563)	(8,669)	(502)	(72)
Interest received		106,445	51,994	77,627	34,744
Net cash from/(used in) operating activities	**10**	**110,259**	**18,678**	**(85,781)**	**193,310**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(96,507)	(184,070)	(58,773)	(91,141)
Payment for purchase of business, net of cash acquired		-	-	-	-
Purchase of intangible assets		-	(55,803)	-	-
Dividend Income		52,500	72,645	52,500	72,645
Net cash from/(used in) investing activities		**(44,007)**	**(167,228)**	**(6,273)**	**(18,496)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities		(136,226)	(118,355)	(5,955)	(8,700)
Net cash from/(used in) financing activities		**(136,226)**	**(118,355)**	**(5,955)**	**(8,700)**
Net increase/(decrease) in cash held		(69,974)	(266,905)	(98,009)	166,114
Cash at the beginning of the financial year		3,720,037	3,986,942	2,698,577	2,532,463
Cash at the end of the financial year	**5A**	**3,650,063**	**3,720,037**	**2,600,568**	**2,698,577**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Index to the notes of the financial statements

General information

The consolidated financial statements cover the Master Builders Association of the ACT (the "parent") and its Controlled Entities (MBA Group Training Limited, Southern Training Organisation Pty Ltd, and MBA Legal Pty Ltd), collectively the "Association", and the separate financial statements cover the Master Builders Association of the ACT as an individual parent entity.

The nature of the operations and principal activities of the Association are described in the operating report.

Note 1. Summary of material accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Register Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity.

The financial statements, except the cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

The prior year comparatives have been adjusted to conform to the changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Provision for expected credit losses
The provision for expected credit losses assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Fair value measurement hierarchy
The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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

Note 1. Summary of material accounting policies (continued)

1.3 Significant accounting judgements and estimates (continued)

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year. No accounting standard has been adopted earlier than the application date stated in the standard.

1.5 Investment in joint ventures

An associate is an entity over which Master Builders Association of the ACT has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *AASB 5 Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Note 1. Summary of material accounting policies (continued)

1.6 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Association as at year end date and the results of a subsidiary for the year then ended.

Subsidiaries are all those entities over which the Association has control. The Association controls an entity when the Association is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Association. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Association are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Association.

Where the Association loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Association recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

1.7 Current versus non-current classification

The Association presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Association classifies all other liabilities as non-current.

1.8 Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

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

Donation income

Donation income is recognised when it is received.

Note 1. Summary of material accounting policies (continued)

1.8 Revenue

Revenue from contracts with customers

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

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

Membership subscription

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 the association's promise to stand ready to provide assistance and support to the member as required.

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

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

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

Interest income

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

Rental income

Leases in which the Association as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Note 1. Summary of material accounting policies (continued)

1.8 Revenue

Capitation fees

Where the Association's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Association recognises the capitation fees promised under that arrangement when or as it transfers the Association specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other Association.

In circumstances where the criteria for a contract with a customer are not met, the association will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Association transfers the goods or services to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the association will recognise levies as income upon receipt.

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

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

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

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

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

1.9 Inventory

Finished goods

Finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1. Summary of material accounting policies (continued)

1.10 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

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

Provision is made for separation and redundancy benefit payments. The Association recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.11 Leases

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.

Association as a lessee

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.

Right-of-use assets

The association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the association and payments of penalties for terminating the lease, if the lease term reflects the association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Note 1. Summary of material accounting policies (continued)

1.11 Leases

Lease liabilities (continued)

In calculating the present value of lease payments, the association uses the **implicit interest rate** or **incremental borrowing rate** if the implicit lease rate is not readily determinable. 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.

Short-term leases and leases of low-value assets

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below $10,000. 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.

1.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.13 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.14 Financial Instruments

Financial assets and financial liabilities are recognised when the Association entity becomes a party to the contractual provisions of the instrument.

1.15 Financial assets

Contract assets and receivables

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

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

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

Note 1. Summary of material accounting policies (continued)

1.15 Financial assets

Initial recognition and measurement

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

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

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

The Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

Subsequent measurement

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

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

Financial assets at amortised cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Association's financial assets at amortised cost includes trade receivables and loans to related parties.

Note 1. Summary of material accounting policies (continued)

1.15 Financial assets

Financial assets at fair value through other comprehensive income

The Association measures debt instruments at fair value through other comprehensive income (**OCI**) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Association's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

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

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

Note 1. Summary of material accounting policies (continued)

1.15 Financial assets

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Impairment

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

(i) Trade receivables
For trade receivables that do not have a significant financing component, the association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.
Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

ECLs are recognised in two stages:

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

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

Note 1. Summary of material accounting policies (continued)

1.16 Financial liabilities

Initial recognition and measurement

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

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

The Association's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.17 Liabilities relating to contracts with customers

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

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

1.18 Contingent liabilities and contingent assets

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

Note 1. Summary of material accounting policies (continued)

1.19 Land, buildings, plant and equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Land and building	1.79%
Motor vehicles	22.5%
Plant and equipment	6.7% to 33%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.20 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Association's intangible assets is:

Intangibles	10% to 33%

Note 1. Summary of material accounting policies (continued)

1.20 Intangibles (continued)

SaaS arrangements

SaaS arrangements are software product offerings in which the Association does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Association has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Association recognises those costs as an expense when the supplier provides the services. However, The Association recognise those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the Association cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Association.

Previously some SaaS -related costs had been capitalised and amortised over its useful life. In the process of applying The Association's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset
  - The Association evaluates cloud computing arrangements to determine if it provides a resource that The Association can control. The Association determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
    - The Association has the contractual right to take possession of the software during the hosting period without significant penalty.
    - It is feasible for the Association to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements
  - Where The Association incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to The Association or to provide code that can be used by The Association in other arrangements, The Association applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 Intangible Assets (AASB 138).

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Note 1. Summary of material accounting policies (continued)

1.21 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 ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.23 Taxation

The Association is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.24 Fair value measurement

The Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

Note 1. Summary of material accounting policies (continued)

1.24 Fair value measurement

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.25 Going concern

The Association is not reliant on the agreed financial support of another association to continue as a going concern basis.

The Association has not agreed to provide financial support to another association to ensure they can continue as a going concern basis.

1.26 Business Combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Note 1. Summary of material accounting policies (continued)

1.26 Business Combination (continued)

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Events after the reporting period

There has not been any 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.

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Association's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Type of customer				
Members	1,337,695	1,333,059	1,337,695	1,333,059
Total revenue from contracts with customers	**1,337,695**	**1,333,059**	**1,337,695**	**1,333,059**

There has been no economic factors that have affected revenue from members.

Disaggregation of income for furthering activities

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

Income funding sources				
Grants and/or donations	338,072	480,581	1,750	-
Total income for furthering activities	**338,072**	**480,581**	**1,750**	**-**

	Consolidation		Parent	
Note 3: Income	**2024**	**2023**	**2024**	**2023**
3A: Investment income				
Interest - Deposits	106,445	51,994	77,627	34,744
Dividend Income	52,500	72,645	52,500	72,645
Total investment income	**158,945**	**124,639**	**130,127**	**107,389**
3B: Rental revenue				
Properties	59,148	57,424	433,618	432,970
Total rental revenue	**59,148**	**57,424**	**433,618**	**432,970**
3C: Other revenue				
Building awards and other events	508,134	507,495	508,134	507,495
Commission and fees	1,165,621	1,136,664	1,037,848	1,011,129
Government subsidies	-	7,076	-	-
Employer reimbursements	-	53,679	-	-
Industry Training Fund funding	-	2,850	-	-
Advertising fees	298,067	262,529	314,197	279,559
Miscellaneous events	-	-	-	-
Publication sales	22,194	21,288	22,194	20,743
Service agreement fee	-	-	835,220	764,964
Sponsorships	585,028	620,472	585,028	620,472
Training fees and rebates	3,816,578	4,518,954	-	-
User choice training fees	810,584	984,152	-	-
Sundry income	119,374	850,131	78,046	805,383
Worker's compensation insurance reimbursement	-	528	-	-
Total other revenue	**7,325,580**	**8,965,818**	**3,380,667**	**4,009,745**
3D: Grants and/or donations				
Grants	69,010	132,281	1,750	-
Donations	269,062	348,300	-	-
Total grants and donations	**338,072**	**480,581**	**1,750**	**-**
3E: Net gains from sale of assets				
Plant and equipment	46,249	-	23,114	-
Total net gain from sale of assets	**46,249**	**-**	**23,114**	**-**

	Consolidation		Parent	
	2024	2023	2024	2023
Note 4: Expenses	**$**	**$**	**$**	**$**
4A: Employee expense				
Holders of office:	-	-	-	-
Wages and salaries	-	-	-	-
Superannuation	-	-	-	-
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
Subtotal employee expenses holders of office	-	-	-	-
Employees other than office holders:				
Wages and salaries	4,644,457	4,740,851	2,461,630	2,541,568
Superannuation	493,478	481,205	256,495	261,480
Leave and other entitlements	(92,846)	37,223	(69,551)	55,159
Separation and redundancies	-	-	-	-
Other employee expenses	346,467	328,929	204,364	213,039
Subtotal employee expenses employees other than office holders	5,391,556	5,588,208	2,852,938	3,071,246
Total employee expenses	**5,391,556**	**5,588,208**	**2,852,938**	**3,071,246**
4B: Administration expenses				
Total paid to employers for payroll deductions of membership subscriptions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances - meetings and conferences	-	-	-	-
Conference and meeting expenses	-	-	-	-
Consultants	1,035,954	1,231,970	106,528	46,046
Office expenses	58,127	55,829	30,682	33,808
Property expenses	239,032	249,217	148,069	148,869
Information communications technology	13,258	18,544	6,451	12,115
Total administrative expenses	**1,346,371**	**1,555,560**	**291,730**	**240,838**
4C: Grants or donations				
Grants:				
Total expensed that were $1,000 or less	-	-	-	-
Total expensed that exceed $1,000	-	-	-	-
Donations:				
Total expensed that were $1,000 or less	1,505	500	1,505	500
Total expensed that exceed $1,000	-	-	-	-
Total grants or donations	**1,505**	**500**	**1,505**	**500**

	Consolidation		Parent	
	2024	2023	2024	2023
Note 4: Expenses (continued)	**$**	**$**	**$**	**$**
4D: Depreciation and amortisation				
Depreciation:				
Land & buildings	162,577	234,347	162,577	234,347
Property, plant and equipment	150,856	135,682	82,074	80,635
Right of use asset	130,182	117,556	4,907	7,940
Total depreciation	**443,615**	**487,585**	**249,558**	**322,922**
Amortisation:				
Intangibles	175,541	169,175	46,035	46,050
Total amortisation	175,541	169,175	46,035	46,050
Total depreciation and amortisation	**619,156**	**656,760**	**295,593**	**368,972**
4E: Finance costs				
Bank charges	23,020	22,620	10,150	10,933
Total finance costs	**23,020**	**22,620**	**10,150**	**10,933**
4F: Legal costs				
Litigation	-	-	-	-
Other legal costs	1,697	36	6,421	498
Total legal costs	**1,697**	**36**	**6,421**	**498**
4G: Other expenses				
Penalties - via RO Act or the *Fair Work Act 2009*	-	-	-	-
Advertising expense	136,928	172,823	136,928	171,923
Catering	402,773	404,713	400,394	403,794
Compliance costs	55,890	58,514	-	-
Doubtful debts expense	(20,863)	10,040	-	-
Other event expenses	301,821	270,349	301,821	270,349
Insurance	97,087	88,731	32,763	37,261
Material expenses	67,318	84,196	-	-
Meetings and seminars	15,758	14,970	14,733	13,555
Subscription expense	385,197	355,388	234,753	230,575
Motor vehicle expense	22,568	22,435	6,225	3,660
Printing, postage and stationary	125,658	160,870	100,511	108,421
Repairs and maintenance	148,899	132,329	140,187	127,220
Worker's compensation	167,711	223,994	20,914	26,862
Interest expense on lease liability	8,563	8,669	502	72
Discounts given	-	-	-	-
Other expenses	414,077	1,157,384	107,197	886,094
Total other expenses	**2,329,385**	**3,165,405**	**1,496,928**	**2,279,786**

Note 5: Current assets

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 5A: Cash and cash equivalents				
Cash at bank	1,829,563	1,909,537	1,280,568	1,198,577
Cash on hand	500	500	-	0
Short term deposits	1,820,000	1,810,000	1,320,000	1,500,000
Total cash and cash equivalent	**3,650,063**	**3,720,037**	**2,600,568**	**2,698,577**

Note 5B: Trade and other receivables

	Consolidation 2024	Consolidation 2023	Parent 2024	Parent 2023
Receivables from other reporting unit[s]				
Less allowance for expected credit losses	-	-	-	-
Receivable from other reporting unit[s] (net)	-	-	-	-
Trade receivables				
Accounts receivable	564,710	954,621	754,075	292,240
Less allowance for expected credit losses	(46,647)	(71,647)	(15,000)	(15,000)
Total trade receivables (net)	**518,063**	**882,974**	**739,075**	**277,240**
Other receivables				
Interest receivable	18,001	4,040	13,739	1,695
Total other receivables	**18,001**	**4,040**	**13,739**	**1,695**
Total trade and other receivables (net)	**536,064**	**887,014**	**752,814**	**278,935**

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

	Consolidation 2024	Consolidation 2023	Parent 2024	Parent 2023
At 1 July 2023	71,647	119,062	15,000	15,000
Provision for expected credit losses	-	10,040	-	-
Write-off	-	(57,455)	-	-
At 30 June 2024	**71,647**	**71,647**	**15,000**	**15,000**

The Association has recognised the following assets and liabilities related to contracts with customers:

	Consolidation 2024	Consolidation 2023	Parent 2024	Parent 2023
Receivables	564,710	954,621	754,075	292,240
Receivables - current	564,710	954,621	754,075	292,240
Receivables – non-current	-	-	-	-
Contract assets	-	-	-	-
Contract assets - current	-	-	-	-
Contract assets – non-current	-	-	-	-
Other contract liabilities	-	-	-	-
Contract liabilities - current	-	-	-	-
Contract liabilities – non-current	-	-	-	-

Note 6: Non-current assets

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 6A: Property, plant and equipment				
Land and buildings - at independent valuation	11,353,877	11,353,877	11,353,877	11,353,877
Less: accumulated depreciation	(162,577)	-	(162,577)	-
Total land and building	**11,191,300**	**11,353,877**	**11,191,300**	**11,353,877**
Motor vehicles - at cost	40,263	94,978	-	54,715
Less: accumulated depreciation	(40,263)	(88,154)	-	(54,715)
Total motor vehicles	**-**	**6,824**	**-**	**-**
Plant and equipment - at cost	1,187,982	1,105,525	678,743	621,034
Less: accumulated depreciation	(889,291)	(755,762)	(564,952)	(483,942)
Total plant and equipment	**298,691**	**349,763**	**113,791**	**137,092**
Total property, plant and equipment	**11,489,991**	**11,710,464**	**11,305,091**	**11,490,969**

Reconciliation of opening and closing balances of property, plant and equipment

	Consolidation 2024	Consolidation 2023	Parent 2024	Parent 2023
Land and buildings				
Balance at the beginning of the year	11,353,877	10,342,366	11,353,877	10,342,366
Additions	-	49,955	-	49,955
Revaluation	-	1,195,903	-	1,195,903
Depreciation for the year	(162,577)	(234,347)	(162,577)	(234,347)
Balance at the end of the year	**11,191,300**	**11,353,877**	**11,191,300**	**11,353,877**
Motor vehicles				
Balance at the beginning of the year	6,822	16,380	-	-
Disposals	-	-	-	-
Depreciation for the year	(6,822)	(9,558)	-	-
Balance at the end of the year	**-**	**6,822**	**-**	**-**
Plant and equipment				
Balance at the beginning of the year	349,765	341,774	137,092	176,541
Additions	96,507	134,115	58,773	41,186
Disposals	(3,547)	-	-	-
Recognised in business combination	-	-	-	-
Depreciation for the year	(144,034)	(126,124)	(82,074)	(80,635)
Balance at the end of the year	**298,691**	**349,765**	**113,791**	**137,092**
Total property, plant and equipment				
Balance at the beginning of the year	11,710,464	10,700,520	11,490,969	10,518,907
Additions	96,507	184,070	58,773	91,141
Revaluation	-	1,195,903	-	1,195,903
Recognised in business combination	-	-	-	-
Disposals	(3,547)	-	-	-
Depreciation for the year	(313,433)	(370,029)	(244,651)	(314,982)
Balance at the end of the year	**11,489,991**	**11,710,464**	**11,305,091**	**11,490,969**

Note 6: Non-current assets (continued)

The revalued land and buildings consist of $2,250,000 of Land and $9,103,877 of Buildings. Management determined that these constitute one class of asset under AASB 13 Fair Value Measurement, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 30 June 2023, the properties' fair values are based on valuations performed by Knight Frank, an accredited independent valuer.

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 6B: Intangibles				
Website development costs - at cost				
Purchased	149,430	149,430	149,430	149,430
Less: accumulated amortisation	(134,861)	(124,475)	(134,861)	(124,475)
Total website development costs	**14,569**	**24,955**	**14,569**	**24,955**
Database development costs - at cost				
Purchased	462,921	462,921	257,191	257,191
Less: accumulated amortisation	(287,600)	(224,112)	(220,747)	(185,098)
Total database development costs	**175,321**	**238,809**	**36,444**	**72,093**
Training courses - at cost				
Purchased	305,000	305,000	-	-
Less: accumulated amortisation	(305,000)	(203,333)	-	-
Total training courses costs	**-**	**101,667**	**-**	**-**
Total intangibles	**189,890**	**365,431**	**51,013**	**97,048**

Reconciliation of opening and closing balances of intangibles

	Consolidation 2024	Consolidation 2023	Parent 2024	Parent 2023
Website development costs				
Balance at the beginning of the year	24,955	35,354	24,955	35,354
Amortisation for the year	(10,399)	(10,399)	(10,386)	(10,399)
Balance at the end of the year	**14,556**	**24,955**	**14,569**	**24,955**
Database development costs				
Balance at the beginning of the year	238,810	240,116	72,093	107,744
Additions	-	55,803	-	-
Amortisation for the year	(63,474)	(57,109)	(35,649)	(35,651)
Balance at the end of the year	**175,336**	**238,810**	**36,444**	**72,093**
Training courses costs				
Balance at the beginning of the year	101,666	203,333	-	-
Recognised in business combination	-	-	-	-
Amortisation for the year	(101,666)	(101,667)	-	-
Balance at the end of the year	**0**	**101,666**	**-**	**-**

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$

Note 6B: Intangibles (continued)

Total intangibles				
Balance at the beginning of the year	365,431	478,803	97,048	143,098
Additions	-	55,803	-	-
Recognised in business combination	-	-	-	-
Amortisation for the year	(175,541)	(169,175)	(46,035)	(46,050)
Balance at the end of the year	**189,890**	**365,431**	**51,013**	**97,048**

Note 6C: Other financial assets

Financial assets at fair value through profit or loss				
Non-listed equity shares	120,000	120,000	120,000	120,000
Total other financial assets	**120,000**	**120,000**	**120,000**	**120,000**

Note 6D: Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of use asset				
Balance at the beginning of the year	144,068	261,624	10,288	18,228
Additions	208,630	-	14,878	-
Depreciation for the year	(130,182)	(117,556)	(4,907)	(7,940)
Disposal	(9,707)	-	(7,116)	-
Balance at the end of the year	**212,809**	**144,068**	**13,143**	**10,288**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Lease liabilities				
Balance at the beginning of the year	152,940	271,295	11,484	20,184
Additions	208,630	-	14,878	-
Accretion of interest	8,563	8,669	502	72
Payments	(119,246)	(127,024)	(7,445)	(8,772)
Disposal	(35,250)	-	(6,128)	-
Balance at the end of the year	**215,637**	**152,940**	**13,291**	**11,484**
Current	52,337	120,100	3,047	8,471
Non Current	163,300	32,840	10,244	3,013

The maturity analysis of lease liabilities is disclosed in Note 14D

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	(130,182)	(117,556)	(4,907)	(7,940)
Interest expense on lease liabilities	(8,563)	(8,669)	(502)	(72)
Total amount recognised in profit or loss	**(138,745)**	**(126,225)**	**(5,409)**	**(8,012)**

Note 7: Current liabilities

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 7A: Trade payables				
Trade creditors and accrual	409,757	571,361	213,497	229,045
Subtotal trade creditors	**409,757**	**571,361**	**213,497**	**229,045**
Payables to other reporting unit[s]	-	-	-	-
Subtotal payables to other reporting unit[s]	-	-	-	-
Total trade payables	**409,757**	**571,361**	**213,497**	**229,045**

Note 7B: Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
Legal costs - Litigation	-	-	-	-
GST payable	100,985	119,687	183,411	238,001
PAYG tax payable	120,759	84,003	77,732	45,752
Unearned revenue	1,268,241	1,361,289	1,268,241	1,343,789
Other payables	19,549	34,899	12,467	13,406
Total other payables	**1,509,534**	**1,599,878**	**1,541,851**	**1,640,948**

Total other payables are expected to be settled in:				
No more than 12 months	1,509,534	1,599,878	1,541,851	1,640,948
More than 12 months	-	-	-	-
Total other payables	**1,509,534**	**1,599,878**	**1,541,851**	**1,640,948**

Note 8: Provisions

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 8A: Employee provisions				
Office holders:				
Annual leave	-	-	-	-
Long service leave	-	-	-	-
Separations and redundancies	-	-	-	-
Others	-	-	-	-
Subtotal employee benefits - office holders	-	-	-	-
Employees other than office holders:				
Annual leave	299,697	347,344	175,320	209,750
Long service leave	187,618	232,817	119,627	154,748
Separations and redundancies	-	-	-	-
Others	-	-	-	-
Subtotal employee benefits other than office holders	**487,315**	**580,161**	**294,947**	**364,498**
Total employee provisions	**487,315**	**580,161**	**294,947**	**364,498**
Current	396,762	444,894	242,900	288,322
Non-current	90,553	135,267	52,047	76,176
Total employee provisions	**487,315**	**580,161**	**294,947**	**364,498**

Note 9: Equity

Note 9A: Other Specific disclosures - funds

Compulsory levy/voluntary contribution fund - if invested in assets	-	-	-	-
Balance as at start of year	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
Balance as at end of year	-	-	-	-

Note 10: Cash flow

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 10A: Cash flow reconciliation				
Reconciliation of cash and cash equivalent as per balance sheet to cash flow statement				
Cash and cash equivalent as per:				
Cash flow statement	3,650,063	3,720,037	2,600,568	2,698,577
Balance sheet	3,650,063	3,720,037	2,600,568	2,698,577
Difference	-	-	-	-
Reconciliation of profit (deficit) to net cash from operating activities:				
Profit/(deficit) for the year after income tax	(451,808)	(60,735)	317,106	(122,890)
Adjustments for non-cash items				
Depreciation/amortisation	619,156	656,760	295,593	368,972
(Gain)/Loss on disposal of assets	3,547	-	-	-
Investment income	(52,500)	(72,645)	(52,500)	(72,645)
Changes in assets and liabilities:				
(Increase)/decrease in net receivables	350,950	(366,078)	(473,879)	22,902
(Increase)/decrease in prepayments	46,620	(231,418)	13,313	(146,116)
(Increase)/decrease in inventories	(1,218)	(619)	(1,218)	(619)
Increase/(decrease) in supplier payables	(161,604)	207,977	(15,548)	56,680
Increase/(decrease) in other payables	(150,038)	(140,217)	(99,097)	31,868
Increase/(decrease) in employee provisions	(92,846)	25,653	(69,551)	55,158
Net cash flows from operating activities	**110,259**	**18,678**	**(85,781)**	**193,310**

Note 10B: Cash flow information

Cash inflows				
Master Builders Association of the ACT	5,250,461	6,514,891	5,250,461	6,514,891
MBA Group Training Limited	5,125,596	5,023,404	-	-
Total cash inflows	**10,376,057**	**11,538,295**	**5,250,461**	**6,514,891**
Cash outflows				
Master Builders Association of the ACT	5,348,470	6,348,777	5,348,470	6,348,777
MBA Group Training Limited	5,097,561	5,456,423	-	-
Total cash outflows	**10,446,031**	**11,805,200**	**5,348,470**	**6,348,777**

Note 11: Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies
Operating lease commitments - as lessor
Master Builders ACT has a current rental and service agreement in place with Master Builders Fidelity Fund. There are no provisions for fixed increases although increases are agreed upon by both parties at approximately 3% per annum.

MBA ACT has a current agreement in place with MBA Insurance Services, (now branded as Master Builders Insurance Brokers), which includes licence to occupy office space with fees to be reviewed on an annual basis.

Note 11A: Commitments and contingencies (continued)

Risk management for rights retained in the underlying assets
The office space occupied by Master Builders Fidelity Fund and Master Builders Insurance Brokers is located at the same premises as Master Builders ACT and as such is subject to ongoing observation. Risks associated with any rights retained in underlying assets are mitigated given that MBA ACT reviews monthly financial reports and audited financials of both entities to assess their ability to service their agreements. Risk is also mitigated given the reciprocal nature of both entities with MBA ACT.

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Within one year	59,148	57,424	433,618	421,024
After one year but not more than five years	-	-	-	-
	59,148	**57,424**	**433,618**	**421,024**

Note 12: Related party disclosures

Note 12A: Related party transactions for the reporting period

Revenue received from MBA Group Training Limited includes the following:				
Rent	-	-	358,749	348,300
Service fee	-	-	626,389	583,996
Revenue received from MBA Southern Training Organisation includes the following:				
Rent	-	-	-	11,945
Service fee	-	-	109,538	162,153
Revenue received from Master Builders Fidelity Fund includes the following:				
Service fee	882,754	882,754	854,222	854,222
Rent	33,090	32,126	33,090	32,126
Revenue received from MBA Legal Pty Ltd includes the following:				
Rent	-	-	15,721	15,300
Service fee	-	-	99,292	18,816
Advertising	-	-	16,130	17,030
Amounts owed by MBA Legal	-	-	157,942	56,915
Amounts owed by Master Builders Fidelity Fund	82,233	75,000	82,233	75,000
Amounts owed by MBA Group Training Limited	-	-	230,684	7,224
Amounts owed by MBA Southern Training Organisation	-	-	33,418	29,868

Note 12: Related party disclosures (continued)

Loans to/from related parties
There is the no loan to any related parties.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length 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. For the year ended 30 June 2023, the Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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.

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 12B: Key management personnel remuneration for the reporting period				
Short-term employee benefits				
Salary (including annual leave taken)	850,484	695,317	850,484	695,317
Annual leave accrued	37,207	20,366	37,207	20,366
Reportable fringe benefit	132,355	119,895	132,355	119,895
	1,020,046	**835,578**	**1,020,046**	**835,578**
Post-employment benefits				
Superannuation	90,266	84,705	90,266	84,705
	90,266	**84,705**	**90,266**	**84,705**
Other long-term benefits				
Long service leave	23,293	19,440	23,293	19,440
	23,293	**19,440**	**23,293**	**19,440**
	1,133,605	**939,723**	**1,133,605**	**939,723**

Note 12: Related party disclosures (continued)

		Consolidation		Parent	
		2024	2023	2024	2023
		$	$	$	$
Note 12C: Transactions with key management personnel					
Executive member	**Revenue received from**				
Gracie Ferreira	Pacific Formwork	5,699	-	2,869	-
Frank Porreca	Benchmark Projects	2,316	996	1,051	996
Matthew Rayment	PBS Building	-	9,372	-	3,437
Nick Zardo	Guideline ACT	26,406	35,045	7,178	6,820
Bryan Leeming	Connected Projects	1,281	3,611	1,281	1,076
Jason Tancheveski	Classic Constructions	1,868	6,240	1,868	1,760
Anisha Sachdeva	Huon Contractors	-	-	-	-
Michelle Tifan	Brooks Marchant	1,400	330	-	-
Ben McGeechan	Bal Building	1,524	2,938	1,524	996
Sarah Flanagan	Harvey Norman Commercial Division	-	42,678	-	30,758
Sarah Flanagan	E. & S. Trading Co.	-	2,116	-	996
Mark Bauer	Manteena	20,322	15,808	11,677	9,708
Sarah Flanagen	E. & S. Trading Co. (Discounts) Pty Ltd	30,878	-	30,878	-
Alisa Taylor	MV Law	13,489	-	13,489	-
Peter Henden	Cercol	6,118	-	4,758	-
Parry Pichelmann	Pichelmann Custom Building	1,306	-	1,306	-
		112,607	**119,135**	**77,879**	**56,548**
Loans to/from key management personnel		-	-	-	-

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 13: Auditor's remuneration				
Audit of financial statements	47,900	44,800	25,100	23,500
Assistance with the compilation of financial statements	11,100	10,300	7,000	6,500
	59,000	**55,100**	**32,100**	**30,000**

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

Note 14. Financial instruments

	Consolidation		Parent	
	2024	2023	2024	2023
	$	$	$	$
Note 14A: Categories of financial instruments				
Financial assets				
Non listed equity shares	120,000	120,000	120,000	120,000
Loans and receivables	536,064	887,014	752,814	278,935
Carrying amount of financial assets	**656,064**	**1,007,014**	**872,814**	**398,935**
Financial liabilities				
Other financial liabilities	1,919,291	2,171,239	1,755,348	1,869,993
Carrying amount of financial liabilities	**1,919,291**	**2,171,239**	**1,755,348**	**1,869,993**
Note 14B: Net income and expense from financial assets				
Held-to-maturity				
Interest revenue	106,445	51,994	77,627	34,744
Dividend income	52,500	72,645	52,500	72,645
Net gain/(loss) from financial assets	**158,945**	**124,639**	**130,127**	**107,389**

Note 14C: Credit risk

The Association is not exposed to any significant credit risk. Credit risk is managed through close management of all debtors. Historically, the Association has had very few issues with the collection of debts.

Consolidated 30 June 2024	Trade and other receivables					
			Days past due			
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	$	$	$	$	$	$
Expected credit loss rate	-%	-%	-%	-%	44%	3%
Estimate total gross carrying amount at default	177,318	149,627	25,962	20,314	106,185	479,405
Expected credit loss	-	-	-	-	46,267	46,267

Parent 30 June 2024	Trade and other receivables					
			Days past due			
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	$	$	$	$	$	$
Expected credit loss rate	-%	-%	-%	-%	17%	1%
Estimate total gross carrying amount at default	134,201	38,152	14,362	3,564	88,750	279,082
Expected credit loss	-	-	-	-	15,000	15,000

Note 14. Financial instruments (continued)

Note 14C: Credit risk (continued)

Consolidated 30 June 2023	Trade and other receivables					
	Days past due					
	Current $	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	-%	-%	-%	-%	67%	7%
Estimate total gross carrying amount at default	410,629	291,254	69,693	76,680	106,766	954,621
Expected credit loss	-	-	-	-	71,642	71,642

Parent 30 June 2023	Trade and other receivables					
	Days past due					
	Current $	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	-%	-%	-%	-%	19%	5%
Estimate total gross carrying amount at default	134,825	25,027	23,078	29,168	80,133	292,240
Expected credit loss	-	-	-	-	15,000	15,000

The association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 and 30 June 2023 is the carrying amounts as illustrated in Note 14C.

Note 14D: Liquidity risk

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

The Association manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching maturity profiles of financial assets and liabilities.

Lease liability maturities for 2024 (Consolidated)

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Lease liabilities	-	52,337	51,125	112,175	-	215,637
Total	**-**	**52,337**	**51,125**	**112,175**	**-**	**215,637**

Lease liability maturities for 2024 (Parent)

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Lease liabilities	-	3,047	3,053	7,191	-	13,291
Total	**-**	**3,047**	**3,053**	**7,191**	**-**	**13,291**

Note 14. Financial instruments (continued)

Note 14E: Market risk

Foreign currency risk
The Association is not exposed to any foreign currency risk. The Association does not have any foreign currency dealings or transactions.

Price risk
The Association is not exposed to any significant price risk. The Association's revenue and expenses are not significantly impacted by market prices.

Interest rate risk
The Association is not exposed to any significant interest rate risk. The Association has very limited exposure to interest rate risk as there is no debt with interest component.

Sensitivity analysis of the risk that the entity is exposed to for 2024

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	$8,563	+3%	260	260
Interest rate risk	$8,563	-3%	(260)	(260)

Sensitivity analysis of the risk that the entity is exposed to for 2023

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	$8,669	+3%	260	260
Interest rate risk	$8,669	-3%	(260)	(260)

Note 15: Fair value measurement

Fair value hierarchy
The following tables detail the Association's asset and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated - 2024				
Assets				
Land and buildings	-	-	11,191,300	**11,191,300**

There have been no transfers between levels during the year.

The Association's assets are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation.

Note 15: Fair value measurement (continued)

Further information is set out below.

Land (Level 3)
The land was last revalued on 30 June 2023. The fair value of the land was determined using the sales comparison approach. The key inputs under this approach are the price per square metre from sales of comparable land in the area. Professional judgment of the value is used to determine the comparability of sales overdue which is unbearable.

Buildings (Level 3)
The buildings were last revalued on 30 June 2030. The fair value of the buildings was determined using the depreciated replacement cost approach. The subject asset is considered to represent a specialised, purpose-built facility, for which there is no active market, or a very limited market. The key input under this approach is the estimated gross current replacement cost which is based on the expected useful lives and any adjustment for deterioration and obsolescence.

Note 15A. Financial assets and liabilities

Management of the Association assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Association's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2024 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2024 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Association's financial assets and liabilities:

	Carrying amount 2024 $	**Fair value 2024 $**	Carrying amount 2023 $	Fair value 2023 $
Financial assets				
Non-listed equity shares	120,000	120,000	120,000	120,000
Total	**120,000**	**120,000**	**120,000**	**120,000**
Financial liabilities				
Financial liabilities	-	-	-	-
Total	-	-	-	-

Note 15B: Financial and non-financial assets and liabilities fair value hierarchy
The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2024

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Land and buildings	-	-	11,191,300
Non-listed equity shares	-	-	120,000
Total	**-**	**-**	**11,311,300**
Liabilities measured at fair value			
Liabilities measured at fair value	-	-	-
Total	**-**	**-**	**-**

Fair value hierarchy – 30 June 2023

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Land and building	-	-	11,353,877
Non-listed equity shares	-	-	120,000
Total	**-**	**-**	**11,473,877**
Liabilities measured at fair value			
Liabilities measured at fair value	-	-	-
Total	**-**	**-**	**-**

	Consolidation 2024 $	Consolidation 2023 $
Note 16: Income Tax		
Current Tax	-	-
Deferred Tax	(59,693)	(27,413)
	(59,693)	(27,413)
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25%	(59,866)	(25,226)
Add tax effect of:		
Deferred tax adjustment on revaluation of assets where probability criteria met	-	-
Non allowable items	294	144
Less tax effect of		
Non taxable items	(121)	(2,331)
Income tax attributable to the consolidated entity	(59,693)	(27,413)
Note: Deferred Tax Assets & Liabilities		
Deferred tax assets and liabilites consist of:		
Property plant & equipment	(20,000)	(26,667)
Intangible assets	-	(25,417)
Carry forward tax losses	65,998	38,434
Other	705	658
Net deferred tax liabilities	46,703	(12,991)

Southern Training Organisation and MBA Legal are required to pay income tax. The above note details the Income Tax Reconciliation and Deferred Tax Assets and Liabilities of these entities as part of the consolidated group.

Note 17: Interest in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

	Country of Incorporation	Ownership Interest 2024	Ownership Interest 2023
MBA Group Training Limited	Australia	100%	100%
MBA Legal Pty Ltd	Australia	100%	100%

Note 18: Section 272 Fair Work (Registered Organisations) ACT 2009

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Master Builders Association of the ACT and its Controlled Entities
OFFICER DECLARATION STATEMENT

I, ...being the...PRESIDENT.. of the **Master Builders Association of the ACT and its Controlled Entities**, declare that the following activities did not occur during the reporting period ending 30 June 2024.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the Commissioner, Fair Work Commission
- incur expenses due to holding a meeting as required under the rules of the organisation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have moneys from a fund or account been invested in assets
- 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

Signed by the officer:

Dated: 21-10.24