Fair Work Commission

16 January 2025

Bob Black
President
The Master Builders' Association of New South Wales

Sent via email: executive@mbansw.asn.au

CC: vmodi@nexiasydney.com.au

Dear Bob Black

The Master Builders' Association of New South Wales
Financial Report for the year ended 30 June 2024 – FR2024/114

I acknowledge receipt of the financial report for the year ended 30 June 2024 for the Master Builders' Association of New South Wales (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 12 December 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. Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 30 July 2024, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Vishal Modi was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Vishal Modi is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via this link.

2. General Purpose Financial Report (GPFR)

Incorrect legislative references

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 Committee of Management Statement and Note 33 to the GPFR both refer to Commissioner instead of General Manager.

Reporting Requirements

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

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

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

Yours sincerely

Fair Work Commission

12 December 2024

Master Builders Association
New South Wales

Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

By email: ***regorgs@fwc.gov.au***

Dear Sir/Madam,

RE: Master Builders Association of New South Wales, Financial Report for Year Ended 30 June 2024

Please find attached the relevant information relating to the Association's financial report for the year ending June 2024.

The relevant information includes:

1. Certificate by Prescribed Designated Officer (***Attachment 1***).

2. A copy of the Association's Full Report (***Attachment 2***).

Should you have any enquiries regarding this matter please do not hesitate to contact the undersigned on (02) 8586-3503.

Yours faithfully,

Brian Seidler
EXECUTIVE DIRECTOR

Attachs.

Master Builders Association of New South Wales
s.268 Fair Work (Registered Organisations) Act 2009

Certificate by Prescribed Designated Officer

Certificate for the year ended 30 June 2024

I, Bob Black, being the President of the Master Builders Association of NSW certify:

- That the document lodged herewith is a copy of the full financial report for the Master Builders Association of New South Wales for the period ended referred to in s268 of the Fair Work (Registered Organisations Act) 2009; and
- That the full financial report was provided to members of the organisation on 22 October 2024; and
- That the full report was presented to the Association's Annual General Meeting of members (the reporting unit) on 10 December, 2024 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

RWR

Signature

Bob Black
President
Master Builders Association of NSW

Date: 12 December 2024

Attachment 2
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Master Builders Association of New South Wales and Its Controlled Entities

ABN 96 550 042 906

Annual Financial Report - 30 June 2024

Master Builders Association of New South Wales and Its Controlled Entities
Contents
For the year ended 30 June 2024

Master Builders Association of New South Wales and Its Controlled Entities
Corporate directory
For the year ended 30 June 2024

The Council of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2024.

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Categories of expenditure				
Remuneration and other employment related expenses - employees	26,288,773	24,673,612	10,584,461	10,080,367
Advertising	204,843	114,954	204,843	114,954
Operating costs	11,105,836	9,954,018	10,707,380	9,153,264
Donations to political parties	-	-	-	-
Legal costs	660,104	689,427	660,104	689,427
	38,259,556	35,432,011	22,156,788	20,038,012

Robert Black
Council Member

Michael O'Donnell
Council Member

15 October 2024
Sydney

Master Builders Association of New South Wales and Its Controlled Entities
Officers' report
For the year ended 30 June 2024

Your council presents their report on the Association and its controlled entities for the financial year ended 30 June 2024.

Committee members
The following persons were committee members of Master Builders Association of New South Wales and Its Controlled Entities during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert Black – President
Michael O'Donnell – Deputy President
Mick Banks – Vice President
Frank Mamasioulas – Vice President
Colin Jewell – Vice President
Paul Edwards – Vice President
Simon Pilcher
Ian Anderson
Brad Maggs
Douglas Miller
Stanley Giaouris
John Biazzo
Louis Stanton
Bill Taylor
Mark Newman
David Campbell
Dave Dillon
Stuart Crowfoot
Gordon Leggett
Ross Mitchell
Dan Murphy
Peter Finnane
Daniel Bayly
Mel Kroenert
Michael Dakhoul
Aron Tass
Beau Hampton
Monica Thomas
Patrick Donnelly
John Cunniffe
Lou Stojanovski
Tanya McErlean
Adina Toumi-Cussinet
Larry Roberts
John Laby
Matthew Haines
John Henderson (resigned 12 March 2024)

Rights of members to resign
Members' rights to resign are set out in Item 10 of the constitution. In summary, a member may resign from membership by written notice addressed and delivered to the offices of the Master Builders Association of New South Wales.

Principal activities
The principal activities of the Consolidated Entity during the financial year were to serve the interests of employers and members of the building and construction industry within New South Wales.

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

Operating results
The deficit of the Consolidated Entity for the financial year amounted to $113,173 (2023: surplus $39,026).

Significant changes in financial affairs
No significant changes in the Consolidated Entity's financial affairs occurred during the financial year.

Events after the reporting period
No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Officers & members who are superannuation fund trustees
No officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of New South Wales, is:
- a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation as defined under the Fair Work (Registered Organisations) Act 2009.

Master Builders Association of New South Wales and Its Controlled Entities
Officers' report
For the year ended 30 June 2024

Officers & employees who are directors of a company or a member of a board
No officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of New South Wales, is a director of a company or a member of a board.

Number of members
At the end of the financial year, there were 8,211 (2023: 8,072) members of the Master Builders Association of New South Wales.

Number of employees
The Master Builders Association of New South Wales employs administration staff. Apprentices are employed by a Controlled Entity, the Master Builders Association of New South Wales Pty Limited. The number of employees of the Master Builders Association of New South Wales and its Controlled Entities at the end of the financial year was 101 staff and 257 apprentices (2023: 94 staff and 275 apprentices).

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

Robert Black
Council Member

Michael O'Donnell
Council Member

15 October 2024
Sydney

Master Builders Association of New South Wales and Its Controlled Entities
Statements of comprehensive income
For the year ended 30 June 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Revenue					
Revenue	3	39,822,840	36,986,908	19,854,216	17,898,312
Other income	4	158,901	160,088	4,562,158	4,367,753
Total revenue		39,981,741	37,146,996	24,416,374	22,266,065
Expenses					
Employee benefits expense	5	(26,288,773)	(24,673,612)	(10,584,461)	(10,080,367)
Training and education expense		(1,976,395)	(1,880,701)	(1,976,395)	(1,880,701)
Cost of services rendered		(2,132,428)	(1,761,121)	(2,132,428)	(1,761,121)
Cost of documents sold		(227,765)	(160,512)	(227,765)	(160,512)
Administrative expenses		(2,128,660)	(1,830,211)	(1,861,508)	(1,608,444)
Motor vehicle expenses		(188,368)	(184,767)	(188,368)	(184,767)
Property expenses		(581,307)	(614,676)	(1,203,632)	(614,676)
Affiliation fees		(702,477)	(651,648)	(702,477)	(651,648)
Travelling expenses		(308,011)	(260,581)	(308,011)	(260,581)
Legal expenses		(660,104)	(689,427)	(660,104)	(689,427)
Insurances including workers' compensation premium		(896,965)	(811,277)	(462,544)	(440,827)
Payroll tax		(543,461)	(513,630)	(543,461)	(513,630)
Repair and maintenance		(207,151)	(210,238)	(207,151)	(210,238)
Finance costs - lease liabilities		(32,416)	(15,074)	(32,416)	(15,074)
Other expenses		(728,422)	(504,819)	(408,698)	(321,425)
Depreciation and amortisation expense	5	(1,835,350)	(1,675,953)	(1,577,319)	(1,414,532)
Finance costs		(657,372)	(644,579)	(657,372)	(644,579)
Total expenses		(40,095,425)	(37,082,826)	(23,734,110)	(21,452,549)
Deficit/(surplus) before income tax benefit/(expense)		(113,684)	64,170	682,264	813,516
Income tax benefit/(expense)	6	511	(25,144)	-	-
Deficit/(surplus) after income tax benefit/(expense) for the year		(113,173)	39,026	682,264	813,516
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Gain on revaluation of land and buildings		-	9,316,975	-	4,961,550
Other comprehensive income for the year, net of tax		-	9,316,975	-	4,961,550
Total comprehensive (loss)/income for the year		(113,173)	9,356,001	682,264	5,775,066

The above statements of comprehensive income should be read in conjunction with the accompanying notes

Master Builders Association of New South Wales and Its Controlled Entities
Statements of financial position
As at 30 June 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Assets					
Current assets					
Cash and cash equivalents	7	3,019,551	4,633,422	919,078	771,151
Trade and other receivables	8	2,592,511	1,878,554	1,991,110	1,448,612
Financial assets	9	2,198,533	5,618,862	150,000	5,618,862
Inventories	10	147,921	148,443	147,921	148,443
Other assets	11	1,506,434	1,882,435	964,778	1,197,908
Total current assets		9,464,950	14,161,716	4,172,887	9,184,976
Non-current assets					
Trade and other receivables	8	-	-	6,651,424	6,224,600
Financial assets	9	140,000	140,000	90,000	90,000
Property, plant and equipment	13	36,784,258	36,715,280	18,947,740	18,759,520
Investment properties	14	20,681,571	21,075,448	20,681,571	21,075,448
Right-of-use assets	12	660,435	566,274	660,435	566,274
Intangibles	15	915,145	1,072,983	915,145	1,072,983
Total non-current assets		59,181,409	59,569,985	47,946,315	47,788,825
Total assets		68,646,359	73,731,701	52,119,202	56,973,801
Liabilities					
Current liabilities					
Trade and other payables	16	2,425,896	2,175,138	1,921,431	1,627,391
Contract liabilities	17	8,144,235	7,609,874	3,197,360	3,178,878
Borrowings	18	7,650,000	-	7,650,000	-
Leases Liabilities	19	168,535	149,251	168,535	149,251
Employee benefits	20	2,279,436	2,067,394	1,389,616	1,269,671
Total current liabilities		20,668,102	12,001,657	14,326,942	6,225,191
Non-current liabilities					
Borrowings	18	-	13,750,000	-	13,750,000
Leases Liabilities	19	510,728	422,547	510,728	422,547
Employee benefits	20	201,197	177,992	201,197	177,992
Total non-current liabilities		711,925	14,350,539	711,925	14,350,539
Total liabilities		21,380,027	26,352,196	15,038,867	20,575,730
Net assets		47,266,332	47,379,505	37,080,335	36,398,071
Equity					
Reserves		19,977,920	19,977,920	5,997,782	5,997,782
Retained earnings		27,288,412	27,401,585	31,082,553	30,400,289
Total equity		47,266,332	47,379,505	37,080,335	36,398,071

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

Master Builders Association of New South Wales and Its Controlled Entities
Statements of changes in equity
For the year ended 30 June 2024

Consolidated Group	**Asset revaluation reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2022	10,660,945	27,362,559	38,023,504
Surplus after income tax expense for the year	-	39,026	39,026
Other comprehensive income for the year, net of tax	9,316,975	-	9,316,975
Total comprehensive income for the year	9,316,975	39,026	9,356,001
Balance at 30 June 2023	19,977,920	27,401,585	47,379,505

Consolidated Group	**Asset revaluation reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2023	19,977,920	27,401,585	47,379,505
Deficit after income tax benefit for the year	-	(113,173)	(113,173)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(113,173)	(113,173)
Balance at 30 June 2024	19,977,920	27,288,412	47,266,332

Parent Entity	**Asset revaluation reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2022	1,036,232	29,586,773	30,623,005
Surplus after income tax expense for the year	-	813,516	813,516
Other comprehensive income for the year, net of tax	4,961,550	-	4,961,550
Total comprehensive income for the year	4,961,550	813,516	5,775,066
Balance at 30 June 2023	5,997,782	30,400,289	36,398,071

Parent Entity	**Asset revaluation reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2023	5,997,782	30,400,289	36,398,071
Surplus after income tax benefit for the year	-	682,264	682,264
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	682,264	682,264
Balance at 30 June 2024	5,997,782	31,082,553	37,080,335

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

Master Builders Association of New South Wales and Its Controlled Entities
Statements of cash flows
For the year ended 30 June 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Cash flows from operating activities					
Receipts from customers		39,610,227	38,627,228	19,239,580	18,504,261
Payments to suppliers and employees		(36,671,353)	(35,107,471)	(20,796,162)	(19,845,491)
Receipts from controlled entity - Master Builders (NSW) Ltd		-	-	570,000	614,531
Receipts from controlled entity - Master Builders Association New South Wales Pty Ltd		-	-	3,497,053	3,352,970
Interest paid on lease liabilities		(32,416)	(15,074)	(32,416)	(15,074)
Interest received		110,891	136,024	110,891	136,024
Income tax refunded/(paid)		511	(25,144)	-	-
Interest paid on loans		(657,372)	(644,579)	(657,372)	(644,579)
Net cash from operating activities	32	2,360,488	2,970,984	1,931,574	2,102,642
Cash flows from investing activities					
Payments for property, plant and equipment		(717,875)	(766,121)	(575,696)	(766,121)
Payments for intangibles		(458,500)	(782,366)	(458,500)	(782,366)
Receipts/(payments) from/(for) investments (term deposits)		3,420,329	(4,042,560)	5,468,862	(4,042,560)
Proceeds from disposal of property, plant and equipment		56,921	27,272	56,921	27,272
Net cash from/(used in) investing activities		2,300,875	(5,563,775)	4,491,587	(5,563,775)
Cash flows from financing activities					
Repayment of loans		(6,100,000)	(600,000)	(6,100,000)	(600,000)
Repayment of lease liabilities		(175,234)	(223,402)	(175,234)	(223,402)
Net cash used in financing activities		(6,275,234)	(823,402)	(6,275,234)	(823,402)
Net (decrease)/ increase in cash and cash equivalents		(1,613,871)	(3,416,193)	147,927	(4,284,535)
Cash and cash equivalents at the beginning of the financial year		4,633,422	8,049,615	771,151	5,055,686
Cash and cash equivalents at the end of the financial year	7	3,019,551	4,633,422	919,078	771,151

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

Note 1. General information

The financial report covers Master Builders Association of New South Wales ("the Association") as an individual entity and Master Builders Association of New South Wales and Controlled Entities as a consolidated entity. The Master Builders Association of New South Wales is an industry association domiciled in Australia.

The financial statements were authorised for issue on 15 October 2024 by the council of management.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Adoption of New Australian Accounting Standards and amendments
The new accounting standards, amendments to accounting standards and new interpretations that are effective for annual reporting periods ended 30 June 2024 are listed below:

AASB 2021-2 Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates
This Standard amends:
- AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments have had an impact on the Association's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Association's financial statements.

Future Australian Accounting Standards
New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future impact on the Association include:

AASB 2014–10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2021–7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

This Standard applies to annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Association does not expect the adoption of this amendment to have a material impact on its financial statements.

Note 2. Material accounting policy information (continued)

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
This Standard amends AASB 101 Presentation of Financial Statements (AASB 101) to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

This Standard, as amended by AASB 2022–6 applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Association does not expect the adoption of this amendment to have a material impact on its financial statements.

AASB 2022–6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
This amends AASB 101 Presentation of Financial Statements (AASB 101) to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity's complying with conditions specified in the loan arrangement.

AASB 2022–6 also defers the application date of AASB 2020–1 to annual reporting periods beginning on or after 1 January 2024.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Association does not expect the adoption of this amendment to have a material impact on its financial statements.

AASB 2022–5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
This Standard amends AASB 16 Leases (AASB 16) to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Association does not expect the adoption of this amendment to have a material impact on its financial statements.

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

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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.

Principles of consolidation
The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Association. Control exists where the Association has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Association to achieve the objectives of the Association.

Note 2. Material accounting policy information (continued)

A list of controlled entities is detailed in Note 22 to the financial statements. All controlled entities have a June year end.

All inter-group balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

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.

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

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

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

Revenue from sponsorship and commissions is recognised on an accruals basis and taken up as revenue for the period to which the sponsorship and commission relates to.

Note 2. Material accounting policy information (continued)

Volunteer services
The Association receives volunteer services. In those circumstances where the fair value of the volunteer services can be measured reliably, the Association recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

During the year, the Association did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent
Leases in which the Association, as a lessor, do 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 income in the period in which they are earned.

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Master Builders Association of New South Wales recognises as expenses the related costs for which the grants are intended to compensate.

Income tax
The Master Builders Association of New South Wales is exempt from income tax in terms of Division 50 of the Income Tax Assessment Act 1997.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable in respect of the controlled entities that are subject to income tax.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Inventories
Inventories consist of stationery purchased from third party suppliers. Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include purchase costs only.

Investment properties
Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the cost model.

Note 2. Material accounting policy information (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	10%-33%
Fixtures and fittings	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the council conduct council's valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Paintings
Paintings are measured on the cost basis.

The carrying amount of paintings is reviewed annually by management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the likely net proceeds on an arm's length sale.

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 shorter of the lease term and the estimated useful lives of the assets.

Note 2. Material accounting policy information (continued)

If ownership of the leased asset transfers to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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.

In calculating the present value of lease payments, the Association uses 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 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 $5,000. 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.

Intangible assets
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 lives of Association intangible assets are:

	Amortisation rate
Intangibles	33%

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.

Impairment of assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the assets has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

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.

Note 2. Material accounting policy information (continued)

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 plus related on-costs. 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 reporting unit in respect of services provided by employees up to reporting date.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

Financial instruments
Financial assets and financial liabilities are recognised when Master Builders Association of New South Wales becomes a party to the contractual provisions of the instrument.

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.

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 Master Builders Association of New South Wales business model for managing them, With the exception of trade receivables that do not contain a significant financing component, Master Builders Association of New South Wales 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.

Master Builders Association of New South Wales 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 Master Builders Association of New South Wales 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
Master Builders Association of New South Wales measures financial assets at amortised cost if both of the following conditions are met:

Note 2. Material accounting policy information (continued)

- 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.

Master Builders Association of New South Wales financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition
A financial asset is derecognised when:
- The rights to receive cash flows from the asset have expired or
- Master Builders Association of New South Wales 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. Master Builders Association of New South Wales has transferred substantially all the risks and rewards of the asset, or
  b. Master Builders Association of New South Wales has neither transferred nor retained substantially all the risks and rewards of the asset, but as transferred control of the asset.

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

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Master Builders Association of New South Wales 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

Trade receivables
For trade receivables that do not have a significant financing component, Master Builders Association of New South Wales 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, Master Builders Association of New South Wales does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Master Builders Association of New South Wales 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.

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, Master Builders Association of New South Wales 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 Master Builders Association of New South Wales expects to receive, discounted at an approximation of the original effective interest rate.

Note 2. Material accounting policy information (continued)

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).

Master Builders Association of New South Wales considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Master Builders Association of New South Wales may also consider a financial asset to be in default when internal or external information indicates that Master Builders Association of New South Wales 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.

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

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.

Master Builders Association of New South Wales' 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.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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).

Note 2. Material accounting policy information (continued)

Fair value measurement
Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. The, fair values of financial instruments measured at amortised cost are their carrying values.

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 Master Builders Association of New South Wales. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques
The consolidated entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the consolidated entity are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Note 2. Material accounting policy information (continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

Critical Accounting Estimates and Judgments
The council evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Note 2. Material accounting policy information (continued)

Key estimates

Valuation of land and buildings
The freehold land and buildings at 52 Parramatta Road Forest Lodge NSW 2037, 66 Auburn Street Wollongong NSW 2500, 30 De Havilland Crescent Ballina NSW 2478, 171 Dalton Street Orange NSW 2800, Unit 1/2B Parson Street Ulladulla NSW 2539 and 5 Burbank Place Baulkham Hills NSW 2153 were independently valued in 2023. The valuation was based on market value of the unencumbered freehold interest subject to vacant possession. The critical assumptions adopted in determining the valuation included, capitalisation of income and direct comparison approaches.

Useful lives of property, plant and equipment
The consolidated entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Key judgements

Employee benefits
For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The consolidated entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Note 3. Revenue

Revenue from contracts with customers

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Members subscriptions	6,637,353	6,318,286	6,637,353	6,318,286
Capitation fees	-	-	-	-
Levies	-	-	-	-
Group apprenticeship scheme	19,606,898	18,095,866	-	-
Sponsorship and commission	1,938,660	1,710,140	1,938,660	1,710,140
Training and education	5,860,025	5,433,736	5,860,025	5,334,937
Legal services and contract sales	652,485	487,080	652,485	487,080
Insurance services	2,616,002	2,804,658	2,616,002	2,804,658
Occupational health and safety services	457,141	488,356	457,141	488,356
Industrial relations services	114,930	161,714	114,930	161,714
Rent and other revenue from operating activities	1,939,346	1,487,072	1,577,620	593,141
	39,822,840	36,986,908	19,854,216	17,898,312

Income for furthering objectives				
Donations	-	-	-	-
Income recognised from volunteer services				
Amounts recognised from volunteer services	-	-	-	-

Disaggregation of revenue from contracts with customers
The table below also sets out a disaggregation of income:

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Type of customer				
Members	9,800,969	9,166,172	9,800,969	9,166,176
Host employer	18,822,634	17,530,716	-	-
Government	784,264	663,949	-	-
Other parties	10,414,973	9,626,071	10,053,247	8,732,136
Total revenue from contracts with customers	39,822,840	36,986,908	19,854,216	17,898,312

Note 4. Other income

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Management fees	-	-	4,403,257	4,207,665
Interest received	110,891	136,024	110,891	136,024
Gain on disposal of fixed asset	48,010	24,064	48,010	24,064
	158,901	160,088	4,562,158	4,367,753

Note 4. Other income (continued)

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Revenue from recovery of wages activity				
Amounts recovered from employers in respect of wages	-	-	-	-
Interest received on recovered money	-	-	-	-
	-	-	-	-

Disaggregation of other income

The table below also sets out the disaggregation of other income by source:

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Type of customer				
Government	-	-	-	-
Other parties	158,901	160,088	4,562,158	4,367,753
	158,901	160,088	4,562,158	4,367,753

Note 5. Surplus

Surplus from ordinary activities has been determined after below expenses/(income):

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Affiliation fees				
Master Builders Australia Limited	702,477	651,648	702,477	651,648
Bad and doubtful debts				
Apprenticeship receivables/(reversals)	-	(1,655)	-	-
Membership receivables/(reversals)	-	490	-	490
Total bad and doubtful debts	-	(1,165)	-	490
Total bad and doubtful debts charged to profit and loss	46,000	-	-	-
Depreciation of non-current assets				
Buildings	360,470	370,893	103,802	114,309
Plant and equipment	276,125	289,268	274,762	284,516
Investment property	393,878	393,878	393,878	393,878
Total depreciation	1,030,473	1,054,039	772,442	792,703
Amortisation of intangible assets	616,338	432,198	616,338	432,198
Amortisation of right-of-use assets	188,539	189,631	188,539	189,631
	1,835,350	1,675,868	1,577,319	1,414,532

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Remuneration of auditor				
Audit fee	55,800	53,000	55,800	53,000
Accounting and tax services	11,250	11,043	11,250	11,043
	67,050	64,043	67,050	64,043

The auditor of Master Builders Association of New South Wales is Nexia Sydney Audit Pty Ltd.

Note 5. Surplus (continued)

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Grants				
Total paid that were $1,000 or less	-	-	-	-
Total paid that exceeded $1,000	-	-	-	-
	-	-	-	-
Donations				
Total paid that were $1,000 or less	2,655	-	2,655	-
Total paid that exceeded $1,000	-	-	-	-
	2,655	-	2,655	-
Legal expenses - matters other than litigation by the Master Builders Association of New South Wales	660,104	689,427	660,104	689,427
Legal litigation expenses incurred	-	-	-	-
Rental expense on operating leases	-	-	-	-
- Minimum lease payments	-	-	-	-
Consideration to employers for payroll deductions of membership subscriptions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	-	-	-	-
Penalties - via RO Act or Fair Work Act 2009	-	-	-	-
Capitation fees and other expense to another reporting unit	-	-	-	-
Levies expense	-	-	-	-
Employee expenses other than office holders				
Salary and wages	22,614,097	21,256,844	8,295,877	7,944,972
Superannuation	2,558,869	2,346,920	1,172,777	1,065,547
Leave and other entitlements	994,235	925,581	994,235	925,581
Other employee expenses (note ii)	121,572	144,267	121,572	144,267
Separation and redundancies	-	-	-	-
Total employee expenses other than office holders	26,288,773	24,673,612	10,584,461	10,080,367
President's honorarium (note i)	15,000	15,000	15,000	15,000

(i) No employees are office holders of the Association; certain council members, or entities over which council members have significant influence, provide training services on an arm's length basis - refer note 28 for details. Except for these services and the President's honorarium, no office holder received salary and wages, superannuation, leave and other entitlements, separation or redundancies.

(ii) Other employee expenses comprise of recruitment costs, fringe benefit tax and salary sacrifice expenses.

Note 6. Income tax (benefit)/expense

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current tax	(511)	25,144	-	-
Aggregate income tax (benefit)/expense	(511)	25,144	-	-
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate				
Deficit/(surplus) before income tax benefit/(expense)	(113,684)	64,170	682,264	813,516
Tax at the statutory tax rate of 25%	(28,421)	16,043	170,566	203,379
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-assessable income/ exempt entity	27,910	9,101	(170,566)	(203,379)
Income tax (benefit)/expense	(511)	25,144	-	-

Note 7. Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current assets				
Cash on hand	5,700	9,100	5,700	9,100
Cash at bank	3,013,851	4,624,322	913,378	762,051
	3,019,551	4,633,422	919,078	771,151

Note 8. Trade and other receivables

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
CURRENT				
Trade debtors				
Receivables from other reporting units	-	-	-	-
Less allowance for expected credit loss of receivable from other reporting units	-	-	-	-
Receivables from other reporting units (net)	-	-	-	-

Note 8. Trade and other receivables (continued)

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Receivables from membership and training	605,417	484,652	641,036	484,703
Less allowance for expected credit losses of membership and training	(20,338)	(18,425)	(20,338)	(18,425)
Receivables from membership and training (net)	585,079	466,227	620,698	466,278
Receivables from apprenticeship	684,795	443,912	-	-
Less allowance for expected credit losses of apprenticeship	(47,775)	(13,919)	-	-
Receivables from apprenticeship (net)	637,020	429,993	-	-
Other receivables	1,370,412	982,334	1,370,412	982,334
Total Trade and other receivables (net)	2,592,511	1,878,554	1,991,110	1,448,612

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
NON-CURRENT				
Amounts receivable from related entities (Refer to Note 28)				
Wholly controlled entities				
Master Builder (NSW) Limited	-	-	6,651,424	6,224,600
Total Trade and other receivables	-	-	6,651,424	6,224,600

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Allowance for expected credit losses of Receivables:				
Movement in the provision for impairment of receivables is as follows:				
Expected credit losses - opening balance	32,344	33,509	18,425	17,935
Bad and doubtful debts charged/ (written back)	47,913	490	1,913	490
Bad debts written off	(12,144)	(1,655)	-	-
Expected credit losses - closing balance	68,113	32,344	20,338	18,425

Note 8. Trade and other receivables (continued)

Ageing of financial assets that were past due but not impaired for 2024 - Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total past due	Within Initial trade term	Total
Trade receivable	154,761	206,316	-	-	361,077	929,135	1,290,212
Other receivables	-	-	-	-	-	1,370,412	1,370,412
Total	154,761	206,316	-	-	361,077	2,299,547	2,660,624

Ageing of financial assets that were past due but not impaired for 2023 - Consolidated

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total past due $	Within Initial trade term $	Total $
Trade receivable	67,432	72,392	-	-	139,824	788,740	928,564
Other receivables	-	-	-	-	-	982,334	982,334
Total	67,432	72,392	-	-	139,824	1,771,074	1,910,898

Ageing of financial assets (other than amounts receivable from related entities) that were past due but not impaired for 2024 - Parent

	0 to 30 days $	31 to 60 days $	61 to 90 $	90+ days $	Total past due $	Within initial trade term $	Total $
Trade receivable	97,532	99,035	(258)	(5,313)	190,995	450,041	641,036
Other receivables	-	-	-	-	-	1,370,412	1,370,412
Total	97,532	99,035	(258)	(5,313)	190,995	1,820,453	2,011,448

Ageing of financial assets (other than amounts receivable from related entities) that were past due but not impaired for 2023 - Parent

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total past due $	Within initial trade term $	Total $
Trade receivable	54,356	73,629	-	-	127,985	356,718	484,703
Other receivables	-	-	-	-	-	982,334	982,334
Total	54,356	73,629	-	-	127,985	1,339,052	1,467,037

(i) In determining the recoverability of a trade receivable, the Group considers the age of the receivable, payment history and any other change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

(ii) The credit term is normally one month from date of invoice, except that of apprenticeship, which is 7 days from date of invoice.

Note 8. Trade and other receivables (continued)

The following is an analysis of the trade receivables individually determined to be impaired:

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
0 to 30 days	-	8,106	-	5,072
30 to 60 days	-	7,440	-	4,287
60 to 90 days	-	12,621	-	9,066
90 + days	68,113	4,177	20,338	-
	68,113	32,344	20,338	18,425

Credit Risk

The Master Builders Association of New South Wales and Its Controlled Entities have no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk is considered to relate to the class of assets described as trade and other receivables.

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
The maximum exposure to credit risk, from receivables	2,660,624	1,910,898	2,011,448	1,467,037
	2,660,624	1,910,898	2,011,448	1,467,037

Financial assets classified as loans and receivables (at amortised cost)

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Trade and other receivables				
Total Current	2,592,511	1,878,554	1,991,110	1,448,612
Total Non - Current	-	-	6,651,424	6,224,600
	2,592,511	1,878,554	8,642,534	7,673,212

Note 9. Financial assets

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current assets				
At amortised cost - bank term deposits	2,198,533	5,618,862	150,000	5,618,862
Non-current assets				
Unlisted investments at cost				
MBA Insurance Services Pty Ltd	140,000	140,000	90,000	90,000
	2,338,533	5,758,862	240,000	5,708,862

Note 10. Inventories

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current assets				
Stock (publications & clothing) at cost	147,921	148,443	147,921	148,443

Note 11. Other assets

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current assets				
Prepayments & accrued income	1,506,434	1,882,435	964,778	1,197,908

Note 12. Right-of-use assets

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Non-current assets				
Buildings - right-of-use	960,038	782,386	960,038	782,386
Less: Accumulated depreciation	(442,252)	(279,862)	(442,252)	(279,862)
	517,786	502,524	517,786	502,524
Plant and equipment - right-of-use	279,704	174,656	279,704	174,656
Less: Accumulated depreciation	(188,661)	(174,656)	(188,661)	(174,656)
	91,043	-	91,043	-
Motor vehicles - right-of-use	67,138	67,138	67,138	67,138
Less: Accumulated depreciation	(15,532)	(3,388)	(15,532)	(3,388)
	51,606	63,750	51,606	63,750
	660,435	566,274	660,435	566,274

The motor vehicles leases have a term of one to three years. The plant and equipment leases are in respect of photocopiers leased by the Association with terms up to five years.

Property leases are non-cancellable leases with terms of up to three years. Rent is payable monthly in advance. Minimum rentals increase annually at rates between CPI and 4% per annum. Certain leases have options to renew at the end of the term.

Note 12. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Group	Buildings $	Plant & equipment $	Motor Vehicle $	Total $
Balance at 1 July 2022	130,415	46,301	85,831	262,547
Additions	474,940	-	72,857	547,797
Transfers in/(out)	-	-	(54,439)	(54,439)
Depreciation expense	(102,831)	(46,301)	(40,499)	(189,631)
Balance at 30 June 2023	502,524	-	63,750	566,274
Additions	177,652	105,048	-	282,700
Depreciation expense	(162,390)	(14,005)	(12,144)	(188,539)
Balance at 30 June 2024	517,786	91,043	51,606	660,435

Parent Entity	Buildings $	Plant & equipment $	Motor vehicle $	Total $
Balance at 1 July 2022	130,415	46,301	85,831	262,547
Additions	474,940	-	72,857	547,797
Transfers in/(out)	-	-	(54,439)	(54,439)
Depreciation expense	(102,831)	(46,301)	(40,499)	(189,631)
Balance at 30 June 2023	502,524	-	63,750	566,274
Additions	177,652	105,048	-	282,700
Depreciation expense	(162,390)	(14,005)	(12,144)	(188,539)
Balance at 30 June 2024	517,786	91,043	51,606	660,435

Note 13. Property, plant and equipment

	Consolidated Group		**Parent Entity**	
	2024 $	**2023 $**	**2024 $**	**2023 $**
Non-current assets				
Freehold land at fair value	22,278,500	22,278,500	14,278,500	14,278,500
Buildings at fair value	14,412,928	13,969,172	4,290,233	3,969,172
Less: Accumulated depreciation	(473,067)	(117,205)	(158,507)	(54,705)
	13,939,861	13,851,967	4,131,726	3,914,467
Plant and equipment - at cost	2,749,298	2,592,030	2,360,718	2,219,544
Less: Accumulated depreciation	(2,236,714)	(2,060,530)	(1,876,517)	(1,706,304)
	512,584	531,500	484,201	513,240
Paintings at cost	53,313	53,313	53,313	53,313
	36,784,258	36,715,280	18,947,740	18,759,520

The freehold land and buildings were valued by independent valuers in 2023. The Council considered the highest and best use of the properties to be their current use - that of conducting the business of the entity.

Note 13. Property, plant and equipment (continued)

For the entity's premises located at:

- 52 Parramatta Road Forest Lodge NSW 2037 ($18,000,000);
- 66 Auburn Street Wollongong NSW 2500 ($1,600,000);
- 5 Burbank Place Baulkham Hills NSW 2153 ($11,500,000);
- 171 Dalton Street Orange NSW 2800 ($475,000);
- Unit 1/2B Parson Street Ullladulla NSW 2539 ($850,000); and,
- 30 De Havilland Crescent, Ballina NSW 2478 ($1,515,000):

independent valuations were made in the 2023 financial year.

Property plant and equipment also includes property at 18 Jambali Road, Port Macquarie NSW 2444 at a carrying value of $2,200,000.

The independent valuation was based on sales per square meter of building area sold achieved by observable sales of similar properties in similar areas and applying that rate to the building area of the company's property. A significant increase (decrease) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

Movements in Carrying Amounts
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated Group	Freehold land $	Buildings $	Paintings $	Plant & equipment $	Total $
Balance at 1 July 2022	12,066,155	14,574,153	53,313	547,583	27,241,204
Additions	-	544,167	-	221,954	766,121
Disposals	-	-	-	(3,208)	(3,208)
Revaluation increments (decrements)	10,212,345	(895,370)	-	-	9,316,975
Transfers in/(out)	-	-	-	54,439	54,439
Depreciation expense	-	(370,983)	-	(289,268)	(660,251)
Balance at 30 June 2023	22,278,500	13,851,967	53,313	531,500	36,715,280
Additions	-	448,364	-	269,511	717,875
Disposals	-	-	-	(8,911)	(8,911)
Depreciation expense	-	(360,470)	-	(279,516)	(639,986)
Balance at 30 June 2024	22,278,500	13,939,861	53,313	512,584	36,784,258

Parent Entity	Freehold land $	Buildings $	Paintings $	Plant & equipment $	Total $
Balance at 1 July 2022	8,066,155	4,735,403	53,313	524,570	13,379,441
Additions	-	544,167	-	221,955	766,122
Disposals	-	-	-	(3,207)	(3,207)
Revaluation increments (decrements)	6,212,345	(1,250,795)	-	-	4,961,550
Transfers in/(out)	-	-	-	54,439	54,439
Depreciation expense	-	(114,309)	-	(284,516)	(398,825)
Balance at 30 June 2023	14,278,500	3,914,466	53,313	513,241	18,759,520
Additions	-	321,062	-	254,634	575,696
Disposals	-	-	-	(8,911)	(8,911)
Depreciation expense	-	(103,802)	-	(274,763)	(378,565)
Balance at 30 June 2024	14,278,500	4,131,726	53,313	484,201	18,947,740

Note 14. Investment properties

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Non-current assets				
Investment property - at cost	21,612,087	21,612,087	21,612,087	21,612,087
Less: Accumulated depreciation	(930,516)	(536,639)	(930,516)	(536,639)
	20,681,571	21,075,448	20,681,571	21,075,448

Reconciliation
Reconciliation of the cost at the beginning and end of the current and previous financial year are set out below:

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Opening balance as at 1 July	21,075,448	21,469,326	21,075,448	21,469,326
Depreciation expense	(393,877)	(393,878)	(393,877)	(393,878)
Closing balance as at 30 June	20,681,571	21,075,448	20,681,571	21,075,448

Rental income earned and received from the investment property during the year was $989,260 (2023: $929,691).

During the year and as at the year-end, no restrictions on the realisation of investment property or the remittance of income and proceeds of disposal were present.

Investment property is real estate property located 54 Parramatta Road, Forest Lodge, NSW 2037.

Note 15. Intangibles

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Non-current assets				
Intangibles - at cost	3,765,423	3,306,923	3,765,423	3,306,923
Less: Accumulated amortisation	(2,850,278)	(2,233,940)	(2,850,278)	(2,233,940)
	915,145	1,072,983	915,145	1,072,983

Movements in Carrying Amounts
Movement in the carrying amounts for intangibles between the beginning and the end of the current financial year.

Consolidated Group	Website and Gateway Development $	Total $
Balance at 1 July 2022	722,815	722,815
Additions	782,366	782,366
Amortisation expense	(432,198)	(432,198)
Balance at 30 June 2023	1,072,983	1,072,983
Additions	458,500	458,500
Amortisation expense	(616,338)	(616,338)
Balance at 30 June 2024	915,145	915,145

Note 15. Intangibles (continued)

Parent Entity	Website and Gateway Development $	Total $
Balance at 1 July 2022	722,815	722,815
Additions	782,366	782,366
Amortisation expense	(432,198)	(432,198)
Balance at 30 June 2023	1,072,983	1,072,983
Additions	458,500	458,500
Amortisation expense	(616,338)	(616,338)
Balance at 30 June 2024	915,145	915,145

Note 16. Trade and other payables

	Consolidated Group		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Current liabilities				
Trade creditors and accruals	800,718	592,864	639,350	419,684
Payables to another reporting unit	-	-	-	-
Other payables	1,625,178	1,582,274	1,282,081	1,207,707
	2,425,896	2,175,138	1,921,431	1,627,391

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is paid on overdue amounts.

Other payables

	Consolidated Group		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
Legal costs (litigation or legal costs)	-	-	-	-
GST payable	532,747	504,060	187,413	129,486
Other	1,092,431	1,078,214	1,094,668	1,078,221
	1,625,178	1,582,274	1,282,081	1,207,707

	Consolidated Group		Parent Entity	
	2024 $	2023 $	2024 $	2023 $
Total other payables are expected to be settled in:				
No more than 12 months	1,625,178	1,582,274	1,282,081	1,207,707
More than 12 months	-	-	-	-
	1,625,178	1,582,274	1,282,081	1,207,707

Note 16. Trade and other payables (continued)

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Financial liabilities at amortised cost classified as trade and other payables				
Total trade and other payables	2,425,896	2,175,138	1,921,431	1,627,391
GST (receivable) payable	(532,747)	(504,060)	(187,413)	(129,486)
	1,893,149	1,671,078	1,734,018	1,497,905

Note 17. Contract liabilities

Deferred income

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Current liabilities				
Membership income received in advance	2,436,209	2,261,467	2,387,187	2,218,596
Other deferred income	722,262	578,136	714,422	572,536
Unspent grants	4,985,764	4,770,271	95,751	387,746
	8,144,235	7,609,874	3,197,360	3,178,878

The unspent grants pertain to the following:

- Grants from the NSW Department of Education of $95,751 to fund initiatives that encourage female participation and retention in the construction industry;
- Grants from the Aboriginal Housing Office of $274,642 for targeting Aboriginal apprentice & trainee candidates and to fund current indigenous apprentices; and
- Grants from NSW Land and Housing Corporation of $4,615,371 for an apprenticeships and traineeships project.

Note 18. Borrowings

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Current liabilities				
Bank loans	7,650,000	-	7,650,000	-
Non-current liabilities				
Bank loans	-	13,750,000	-	13,750,000
	7,650,000	13,750,000	7,650,000	13,750,000

Refer to Note 23 for further information on financial instruments.

The Association's bank loan is with Westpac Bank for the acquisition of property at 54 Parramatta Road, Forest Lodge NSW 2037. The term of the loan is 3 years and payment arrangement is interest only. The security includes mortgage over the Property located at 54 Parramatta Road, Forest Lodge NSW 2037 and general security agreement over all existing and future assets and undertakings.

Note 19. Leases Liabilities

Association as a lessee

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Current liabilities				
Lease liabilities	168,535	149,251	168,535	149,251
Non-current liabilities				
Lease liabilities	510,728	422,547	510,728	422,547
	679,263	571,798	679,263	571,798

Reconciliation of lease liabilities

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
As at 1 July	571,798	247,402	571,798	247,402
Additions	282,701	547,796	282,701	547,796
Accretion of Interest	32,416	15,075	32,416	15,075
Payments	(207,652)	(238,475)	(207,652)	(238,475)
As at 30 June	679,263	571,798	679,263	571,798

The maturity analysis of lease liabilities is disclosed in Note 23.

The following are the amounts recognised in profit or loss:

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Depreciation expense of right-of-use assets	188,539	189,631	188,539	189,631
Interest expense on lease liabilities	32,416	15,075	32,416	15,075
Total amount recognised in profit or loss:	220,955	204,706	220,955	204,706

Association as a lessor

Amounts included in the income statement are as follows:

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
Operating Leases				
Lease income	1,263,361	1,149,502	989,260	929,926

Note 20. Employee benefits

Employees other than office holders

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current liabilities				
Annual leave	1,622,106	1,491,182	732,286	693,459
Long service leave	657,330	576,212	657,330	576,212
Separation and redundancies	-	-	-	-
Other	-	-	-	-
	2,279,436	2,067,394	1,389,616	1,269,671
Non-current liabilities				
Long service leave	201,197	177,992	201,197	177,992
Separation and redundancies	-	-	-	-
Other	-	-	-	-
	201,197	177,992	201,197	177,992
	2,480,633	2,245,386	1,590,813	1,447,663

Except for the President honorarium disclosed in Note 5 officeholders are not entitled to benefits from the entity. Accordingly, no provision for employee benefits including annual leave, long, service leave, separations and redundancies for office holders has been made.

Provision for long-term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in note 2.

Note 21. Reserves

The asset revaluation reserve records revaluations of non-current assets.

Note 22. Controlled entities

	Country of Incorporation	Percentage controlled	
		2024	2023
Master Builders (NSW) Limited	Australia	100%	100%
Master Builders Association of New South Wales Pty Limited	Australia	100%	100%
MyBig Australia Pty Limited	Australia	100%	100%

There are no significant restrictions over the Group's ability to access or use assets and settle liabilities of the Association.

Note 23. Financial instruments

Net Income and Expense from Financial Assets

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
At amortised cost				
Interest revenue	110,891	136,024	110,891	136,024
Net gain/(loss)	110,891	136,024	110,891	136,024
Loans and receivables				
Impairment (reversal)	35,769	(1,165)	-	490
Net gain/(loss) from loans and receivables	35,769	(1,165)	-	490
Net income from financial assets at amortised cost	146,660	134,859	110,891	136,514

Net income and expense from financial liabilities

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
At amortised cost				
Interest expense on bank loans	657,372	644,579	657,372	644,579
Interest expense on lease liabilities	32,416	15,074	32,416	15,074
Net gain/(loss) on financial liabilities - at amortised cost	689,788	659,653	689,788	659,653

a) Liquidity Risk

Prudent liquidity risk management is carried out by maintaining sufficient cash including working capital. The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay. The table includes both interest and principal cash flows.

Maturities for financial liabilities 2024 - Consolidated

	Weighted average effective interest rate %	1 year $	1- 2 years $	2- 5 years $	>5 years $	Total $
Non-interest bearing	-	1,900,613	-	-	-	1,900,613
Interest bearing (lease liabilities)	6.26%	168,535	175,793	334,935	-	679,263
Interest bearing (bank loan)	5.81%	7,650,000	-	-	-	7,650,000
		9,719,148	175,793	334,935	-	10,229,876

Note 23. Financial instruments (continued)

Maturities for financial liabilities 2023 - Consolidated

	Weighted average effective interest rate %	1 year $	1- 2 years $	2- 5 years $	>5 years $	Total $
Non-interest bearing	-	1,671,078	-	-	-	1,671,078
Interest bearing (lease liabilities)	4.78%	149,251	110,126	312,421	-	571,798
Interest bearing (bank loan)	4.47%	-	13,750,000	-	-	13,750,000
		1,820,329	13,860,126	312,421	-	15,992,876

Maturities for financial liabilities 2024 - Parent

	Weighted average effective interest rate %	1 year $	1-2 years $	2- 5 years $	>5 years $	Total $
Non-interest bearing	-	1,734,015	-	-	-	1,734,015
Interest bearing (lease liabilities)	6.26%	168,535	175,793	334,935	-	679,263
Interest bearing (bank loan)	5.81%	7,650,000	-	-	-	7,650,000
		9,552,550	175,793	334,935	-	10,063,278

Maturities for financial liabilities 2023 - Parent

	Weighted average effective interest rate rate %	1 year $	1-2 years $	2- 5 years $	>5 years $	Total $
Non-interest bearing	-	1,497,905	-	-	-	1,497,905
Interest bearing (lease liabilities)	4.78%	149,251	110,126	312,421	-	571,798
Interest bearing (bank loan)	4.47%	-	13,750,000	-	-	13,750,000
		1,647,156	13,860,126	312,421	-	15,819,703

b) Market risk

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the entity to interest rate risk are term deposits, cash and cash equivalents and borrowings.

An increase or decrease of 50 interest basis points would increase or decrease consolidated surplus and equity by $27,257 (2023: $40,656) and for the parent entity surplus and equity by $37,500 (2023: $40,656).

Note 23. Financial instruments (continued)

c) Credit Risk

Refer to note 7 for details of the credit risk.

d) Price risk

There has been no change to the Association's exposure to market risks or the manner in which these risks are managed and measured.

e) Foreign Currency Risk Management

The Association does not undertake transactions denominated in foreign currencies, and consequently an exposure to exchange rate fluctuation does not arise.

f) Fair Value

The fair values of assets and liabilities, fair values approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

Financial assets where carrying amounts exceed net fair values have not been written down as the company intends to hold these to maturity.

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

g) Capital Risk Management

The Association manages its capital to ensure that it will be able to continue as a going concern. The Association's overall strategy remains unchanged and is not exposed to any externally imposed capital requirements.

Note 24. Fair value measurement

Fair value hierarchy
The Association measures freehold land and buildings at fair value on a non-recurring basis.

Management of the Association assessed that the fair value of cash and cash equivalents, trade and other receivables, other financial assets and trade and other payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Land and buildings are valued using the fair value hierarchy level 2 (refer note 2 for the definition of level 2) - refer to note 2 for details of the valuation techniques and inputs.

Note 25. Key management personnel compensation

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

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Note 25. Key management personnel compensation (continued)

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Short-term employee benefits				
Salary (including annual leave taken)	800,289	753,559	800,289	753,559
Fringe benefit	34,877	32,276	34,877	32,276
Total short-term employee benefits	835,166	785,835	835,166	785,835
Post -employment benefits - Superannuation	78,250	78,604	78,250	78,604
Other long-term benefits - Long-service leave	55,640	12,248	55,640	12,248
Total	969,056	876,687	969,056	876,687

No loans or transactions other than the above occurred with key management personnel.

Note 26. Financial risk management

The financial instruments consist mainly of deposits with banks, term deposits with bank, accounts receivable and payable, lease liabilities, and loans to wholly controlled entities.

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

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Financial assets - at amortised cost				
Cash and cash equivalents	3,019,551	4,633,422	919,078	771,151
Trade and other receivables	2,592,511	1,878,554	8,642,534	7,673,212
Term deposits	2,198,533	5,618,862	150,000	5,618,862
Other financial assets	140,000	140,000	90,000	90,000
Total financial assets	7,950,595	12,270,838	9,801,612	14,153,225
Financial liabilities - at amortised cost				
Trade and other payables	1,893,149	1,671,078	1,734,018	1,497,905
Lease liabilities	679,263	571,798	679,263	571,798
Bank loans	7,650,000	13,750,000	7,650,000	13,750,000
Total financial liabilities	10,222,412	15,992,876	10,063,281	15,819,703

Note 27. Contingent liabilities

As at 30 June 2024, there were no contingent liabilities of the consolidated entity or the Association (2023: none).

Note 28. Related party transactions

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Transactions with related parties				
With controlled entities				
Master Builders Association of New South Wales performed all administrative functions for the wholly controlled entity Master Builders Association of New South Wales Pty Limited. For this service a management fee is paid to the Master Builders Association of New South Wales	-	-	3,497,053	3,352,970
Master Builders Association of New South Wales performed all administrative functions for the wholly controlled entity Master Builders (NSW) Limited. For this service an administration charge is paid to the Master Builders Association of New South Wales	-	-	906,204	854,695
Master Builders (NSW) limited provides premises to Master Builders Association of New South Wales for which rent is charged	-	-	(622,325)	(622,325)
With key management personnel				
Office holders being members of the council of management				
The Association contracts with the following council members over which a council member has significant interest for the provision of training services and building repairs and renovations on an arm's length basis.				
Amounts paid during the period are as follows:				
- MKO Consulting Pty Ltd (Michael O'Donnell) - training	42,390	36,435	42,390	36,435
- Stanton Building Contract Services (Louis Stanton) - training	-	4,590	-	4,590
- Magbuild Pty Ltd (Brad Maggs) - building repairs & renovations for Port Macquarie refurbishments	82,728	334,357	82,728	334,357
- C E Pilcher & Son Pty Ltd (Simon Pilcher) - building repairs & renovations for Norwest renovations	-	190,531	-	190,531
- Riverwall Construction Pty Ltd (Frank Mamasioulas) - building repairs & renovations for Norwest repairs	8,823	-	8,823	-

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Amounts owed by/(to) related parties				
Wholly controlled entities: refer note 22 for disclosures				
Key management personnel	-	-	-	-

Terms and conditions of transactions with related entities

Master Builders Association of New South Wales has provided a letter of support to Master Builders Association of New South Wales Pty Limited whereby Master Builders Association of New South Wales advises it will provide ongoing financial support if needed to allow the Master Builders of New South Wales Pty Limited to pay its debts as and when they fall due. Except for this letter there have been no guarantees provided or received for any related party receivables or payables.

Note 28. Related party transactions (continued)

Master Builders Association of New South Wales has not recorded any impairment of receivables relating to amounts owed by related parties and declared persons or bodies for the year ended 30 June 2024 (2023: $nil). This assessment is undertaken each financial year.

Note 29. Segment reporting

The Association operates predominantly in one business and geographical segment being an industrial association for builders throughout New South Wales.

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Recovery of wages

No recovery of wages activity has been undertaken by the Master Builders Association of New South Wales in the financial year to 30 June 2024, the previous financial year and the period from 30 June 2024 to the date of this report.

Note 32. Reconciliation of deficit/(surplus) after income tax to net cash from operating activities

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Deficit/(surplus) after income tax benefit/(expense) for the year	(113,173)	39,026	682,264	813,516
Adjustments for:				
Depreciation and amortisation	1,838,748	1,675,958	1,577,319	1,414,532
(Profit) / loss on sale of plant & equipment	(48,010)	(24,064)	(48,010)	(24,064)
Change in operating assets and liabilities:				
Decrease/(increase) in trade & other receivables	(713,957)	487,633	(969,322)	(7,641)
Decrease/(increase) in inventories	522	(9,995)	522	(9,995)
Decrease/(increase) in other assets	376,001	(480,262)	233,130	(557,338)
Increase/(decrease) in trade & other payables	250,750	34,551	294,035	30,725
Increase/(decrease) in deferred revenue	534,361	1,152,684	18,482	373,429
Increase/(decrease) in employee benefits	235,246	95,453	143,154	69,478
Net cash from operating activities	2,360,488	2,970,984	1,931,574	2,102,642

Note 33. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

(a) 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.
(b) 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.
(c) A reporting unit must comply with an application made under subsection (1).

Note 34. Master Builders Association of New South Wales Details

The registered office and principal place of business of the Master Builders Association of New South Wales is:

52 Parramatta Road
Forest Lodge NSW 2037

Master Builders Association of New South Wales and Its Controlled Entities
Council of Management Statement
For the year ended 30 June 2024

On the 15 October 2024 the Council of Management of Master Builders Association of New South Wales passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2024:

The Council of Management declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards.

b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines for Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Master Builders Association of New South Wales for the financial year to which they relate.

d) there are reasonable grounds to believe that the Master Builders Association of New South Wales will be able to pay its debts as and when they become due and payable, and

e) during the financial year to which the GPFR relates and since the end of that year:

i. meetings of the council of management were held in accordance with the rules of the organisation including the rules of a branch concerned;

ii. the financial affairs of the Master Builders Association of New South Wales have been managed in accordance with the rules of the organisation;

iii. the financial records of the Master Builders Association of New South Wales have been kept and maintained in accordance with the RO Act;

iv. the Master Builders Association of New South Wales consists of one reporting unit;

v. where information has been sought in any request by a member of the reporting unit or the 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 Council of Management.

Robert Black
Council Member

Michael O'Donnell
Council Member

15 October 2024

Sydney

Master Builders Association of New South Wales and Its Controlled Entities
Officers' declaration
For the year ended 30 June 2024

I, Robert Black and I, Michael O'Donnell, being council members of Master Builders Association of New South Wales, declare that the following activities did not occur during the reporting period ended 30 June 2024.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- 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
- provide cash flows to another reporting unit
- receive cash flows from another reporting units
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Robert Black
Council Member

Michael O'Donnell
Council Member

15 October 2024
Sydney

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Master Builders Association of New South Wales and its Controlled Entities (the Reporting Unit), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the subsection 255(2A) report, the Council of Management Statement and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit 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).

We 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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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.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We 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 we identify during our audit.

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

Nexia Sydney Audit Pty Ltd

[redacted]

Vishal Modi
Director

Registration number (as registered by the RO Commissioner under the RO Act): AA2019/20

Dated this 5th day of October 2024
Sydney