



7 November 2025

Jock Merrigan
President
Master Builders Association of South Australia Incorporated
Sent via email: buildsa@mbasa.com.au
CC: receptionsa@nexiaem.com.au
swilliams@mbasa.com.au

Dear Jock Merrigan

**Master Builders Association of South Australia Incorporated
Financial Report for the year ended 30 June 2025 – (FR2025/60)**

I acknowledge receipt of the financial report for the year ended 30 June 2025 for the Master Builders Association of South Australia Incorporated (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 23 October 2025.

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 the financial report for the year ending 30 June 2026 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 concerns have been addressed prior to filing next year's report.

Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 17 June 2025, 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 Matthew John O'Connor 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 Matthew John O'Connor 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](#).

Nil activities disclosure – reporting guidelines

Disclosure of employee provisions to office holders and other employees

Note 28(b)(19) in the financial statements includes a statement for the disclosure of 'nil' liabilities for employee provisions as 'liabilities for holders of office and other employees other than those disclosed in Note 17.' This disclosure of these 'nil' items, is not in accordance with the reporting guidelines, that is, it does not separately disclose provisions for separation and redundancies, and other employee provisions provided for office holders and other employees.

The reporting guidelines require either the statement of financial position or the notes to the financial statements disclose any liability for employee benefits in respect of officer holders and other employees (refer to items 15(c) and 15(d)). Item 15(c) and 15(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions

Please ensure in future years that employee provisions are separately disclosed based on the categories above, distinguished between provisions for office holders and other employees, even if 'nil'.

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

Master Builders Association of South Australia Incorporated

Section 268 Fair Work *(Registered Organisations)* Act 2009

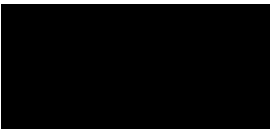
I, Enzo Zito, being the President of the Master Builders Association of South Australia Incorporated certify:

That the documents lodged herewith are copies of the full report for the Master Builders Association of South Australia Incorporated for the period ended 30 June 2025 referred to in S.268 of the Fair Work (Registered Organisations) Act 2009; and

That the full report was provided to members of the reporting unit on 30 September 2025; and

That the full report was presented to an annual general meeting of members of Master Builders Association of South Australia Incorporated on 22 October 2025 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer:.....Enzo Zito.....

Title of prescribed designated officer.....:President.....

Dated:.....22 October 2025.....

2 Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

3 Adjust certificate as appropriate to reflect the facts

Master Builders Association of SA Inc

ABN: 61 183 783 305

General Purpose Financial Report

For the year ended 30 June 2025

Contents

Operating report	1
Report required under subsection 255(2A)	3
Statement by Members of the Council	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Independent auditor's report	41

Operating report

For the year ended 30 June 2025

In accordance with *Fair Work (Registered Organisations) Act 2009*, the Council of Management submit the financial report of Master Builders Association of SA Inc (the "Parent") and its controlled entities (the "Association") for the financial year ended 30 June 2025.

Names of Council of Management members during the financial year

The names of the Association's Council of Management in office during the financial year and until the date of this report are set out below. Members of the Council of Management were in office for this entire period unless otherwise stated.

E Zito	President
T Emmett	Past President
J Kennett	Vice President
J Merrigan	Deputy President
B Harrington	
M Canala	Vice President
T Klemm	
G Minuzzo	
H Sheppard	
J Piotto	Treasurer
M Zubrinich	
A Caretti	
M Evins	
N Abley	(Appointed: 29 January 2025)
V Fuda	(Appointed: 24 October 2024)
B Watts	(Resigned: 20 January 2025)

Principal activities

The principal activities of the Association are to represent the interests of members and to provide a range of services to members. The members are from the building and construction industry within South Australia, and comprise builders, contractors, subcontractors and suppliers within this industry. The result of providing these services was to further enhance the reputation of the members in providing quality services to their customers.

Operating and financial review

The net profit after tax of the Association for year ended 30 June 2025 was \$1,316,630 (2024: \$1,173,203).

Significant changes in the financial affairs

There were no significant changes in the state of affairs of the Association during the year.

Significant events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Association's operations or results of those operations or the Association's state of affairs.

Right of members to resign

All Members of the Association have the right to resign from the Association in accordance with Rule 9 of the Association's Rules, namely, by providing written notice addressed and delivered to the Chief Administrative Officer of the Association, being the Chief Executive Officer.

Officers and employees who are a superannuation fund trustee or a director of a company that is a superannuation fund trustee

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

Operating report

For the year ended 30 June 2025

Number of members of the Association

The Association has 2,759 members at 30 June 2025 (2024: 2,565).

Number of employees of the Association

The Association has 262 full time equivalent employees (staff and apprentices) at 30 June 2025 (2024: 207).

Environmental regulation and performance

The Association is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Declaration by responsible persons of the Association

During the financial year ended 30 June 2025:

1. no officer of the Association,
2. no firm of which an officer is a member, or
3. no body corporate in which any officer has a substantial financial interest,

has received, or become entitled to receive, a benefit as a result of a contract between the officer, firm or body corporate and the Association, or has received, directly or indirectly from the Association, any payment or other benefit of a pecuniary value, other than remuneration under an employment contract and items disclosed in Note 20 Related party transactions.

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



E Zito

President

23 September 2025

Report required under subsection 255(2A)
For the year ended 30 June 2025

The Council of Management presents the expenditure report as required under subsection 255(2A) RO Act on the Reporting Unit for the year ended 30 June 2025:

Categories of expenditures

Remuneration and other employment-related costs
Advertising
Operating costs
Legal expenses
Total

	2025	2024
	\$	\$
Remuneration and other employment-related costs	14,547,963	11,250,906
Advertising	68,606	47,122
Operating costs	4,935,981	4,819,809
Legal expenses	66,726	36,895
Total	19,619,276	16,154,732

E Zito
President

23 September 2025

Statement by Members of the Council

For the year ended 30 June 2025

On 23 September 2025, the Council of Management of Master Builders Association of SA Inc (the "Parent") and its controlled entities (the "Association") passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2025.

In the opinion of the Council of Management:

- (a) the consolidated financial statements and notes comply with *Australian Accounting Standards*;
- (b) the consolidated financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the consolidated financial statements and notes give a true and fair view of the financial performance, financial position, and cash flows of the Association for the year ended 30 June 2025;
- (d) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the Council of Management were held in accordance with the rules of the Association;
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - (iii) the financial records of the Association and controlled entities have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*;
 - (iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the Association;
 - (v) where information has been sought in any request by a member of the Association or General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009*, this has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance; and
- (f) no revenue has been derived from undertaking recovery of wages activity during the year.

This statement is made in accordance with a resolution of the Council of Management passed on 23 September 2025 and is signed for and on behalf of the Council of Management by:



E Zito
President

23 September 2025

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Revenue from contracts with customers	5.a	16,650,915	13,801,692
Other income	5.b	4,284,991	3,526,243
Total income		20,935,906	17,327,935
Employee benefits expense - office holders	28.c.iv	(1,006,233)	(1,001,261)
Employee benefits expense - employees other than office holders	28.c.v	(13,541,730)	(10,249,645)
Depreciation and amortisation expense	6.a	(305,795)	(411,737)
Supplies and services	6.b	(4,765,518)	(4,492,089)
Total expenses		(19,619,276)	(16,154,732)
Profit before tax		1,316,630	1,173,203
Income tax expense		-	-
Profit for the year		1,316,630	1,173,203
Other comprehensive income		-	-
Total comprehensive income for the year		1,316,630	1,173,203
Net current year profit attributable to members of the entity		1,316,630	1,173,203
Total comprehensive income attributable to members of the entity		1,316,630	1,173,203

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

Consolidated statement of financial position

As at 30 June 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	5,634,489	6,791,936
Trade and other receivables	8	1,831,085	1,393,156
Other assets	9	100,875	139,077
Total current assets		7,566,449	8,324,169
Non-current assets			
Financial assets designated fair value through profit or loss	10	1,228,163	1,164,619
Financial assets mandatorily fair value through profit or loss	11	8,270,858	6,951,727
Property, plant and equipment	12	15,475,160	14,558,458
Right-of-use assets	13	22,697	84,950
Intangible assets	14	8,270	1,920
Total non-current assets		25,005,148	22,761,674
Total assets		32,571,597	31,085,843
Liabilities			
Current liabilities			
Trade and other payables	15	1,294,837	1,041,625
Contract liabilities	16	449,632	655,357
Employee benefit liabilities	17	917,678	761,626
Lease liabilities	13	6,148	26,496
Total current liabilities		2,668,295	2,485,104
Non-current liabilities			
Employee benefit liabilities	17	20,045	27,964
Lease liabilities	13	16,671	22,819
Total non-current liabilities		36,716	50,783
Total liabilities		2,705,011	2,535,887
Net assets		29,866,586	28,549,956
Equity			
Retained earnings		21,741,708	20,425,078
Asset revaluation reserve	18	8,124,878	8,124,878
Total equity		29,866,586	28,549,956

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

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Retained earnings \$	Asset revaluation reserve \$	Total equity \$
At 1 July 2024	20,425,078	8,124,878	28,549,956
Profit for the year	1,316,630	-	1,316,630
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,316,630	-	1,316,630
At 30 June 2025	21,741,708	8,124,878	29,866,586
At 1 July 2023	19,251,875	8,124,878	27,376,753
Profit for the year	1,173,203	-	1,173,203
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,173,203	-	1,173,203
At 30 June 2024	20,425,078	8,124,878	28,549,956

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

Consolidated statement of cash flows

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Operating activities			
Receipts from customers		20,839,701	17,489,690
Dividends received		382,033	304,760
Payments to suppliers and employees		(20,318,047)	(16,806,745)
Payments to National Association		(228,528)	(248,350)
Interest received		234,153	175,328
Finance costs		(46,634)	(38,835)
GST refunded		51,666	60,076
Net cash flows from operating activities	7.a	914,344	935,924
Investing activities			
Purchase of property, plant and equipment	12	(1,163,847)	(225,477)
(Purchase of)/proceeds from investment in Managed Funds and Capital Notes		(875,098)	359,765
Purchase of intangible assets	14	(6,350)	-
Net cash flows (used in)/from investing activities		(2,045,295)	134,288
Financing activities			
Payment of principal portion of lease liabilities	7.b	(26,496)	(53,550)
Net cash flows used in financing activities		(26,496)	(53,550)
Net (decrease)/increase in cash and cash equivalents		(1,157,447)	1,016,662
Cash and cash equivalents at 1 July		6,791,936	5,775,274
Cash and cash equivalents at 30 June	7	5,634,489	6,791,936

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

Notes to the consolidated financial statements

For the year ended 30 June 2025

1. Corporate information

The consolidated financial statements of Master Builders Association of SA Inc (the "Parent") and its controlled entities (the "Association") for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Members of the Council on 23 September 2025.

The registered office and principal place of business of the Association is Level 1/47 South Terrace, Adelaide, SA 5000.

Further information on the nature of the operations and principal activities of the Association is provided in the Operating report. Information on the Association's structure is provided in Note 19 and information on related party relationships of the Association is provided in Note 20.

2. Material accounting policies

a. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with *Associations Incorporation Act (SA) 1985*, *Australian Accounting Standards and Interpretations* issued by the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*. The Association is not-for-profit entity for financial reporting purposes under *Australian Accounting Standards*.

The financial report has been prepared on an accrual basis and is based on historical cost, modified, where applicable, by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is presented in Australian Dollars (\$).

b. Changes in accounting policies, new and amended standards and interpretations

Adoption of New Australian Accounting Standards and amendments

The Association 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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2025. The Association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Association, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2028 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations.

The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'.

The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Association will adopt this standard from 1 January 2028 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 30 June 2025.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Association and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Association's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Association are eliminated in full on consolidation.

d. Current versus non-current classification

The Association presents assets and liabilities in the consolidated 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 Association classifies all other liabilities as non-current.

e. Fair value measurement

The Association measures financial instruments and non-financial assets, at fair value at each balance sheet date. Land and buildings are valued from time to time as required by the standards.

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

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

The principal or the most advantageous market must be accessible by the Association.

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

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.

f. Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

g. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. The Association's financial assets include trade and other receivables, financial assets designated at fair value through profit or loss and financial assets mandatorily at fair value through profit or loss.

Subsequent measurement

Financial assets at fair value through profit or loss

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

This category includes listed equity investments and Capital Notes which the Association had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established.

Financial assets at amortised cost

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

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

Trade and other receivables

A receivable represents the Association's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Association holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the EIR method.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

g. Financial instruments (continued)

i. Financial assets (continued)

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

ii. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value.

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

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Association. After initial recognition, 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 the consolidated statement of profit or loss and other comprehensive income.

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

h. Property, plant and equipment

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

Land and buildings

Freehold land and buildings are carried at valuation (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against revaluation reserve directly in equity. All other decreases are recognised in profit or loss.

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.

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. Refer to the accounting policies in Note 2.k Impairment of non-financial assets.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

h. Property, plant and equipment (continued)

The cost of fixed assets constructed by the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

Depreciation is calculated on a straight-line basis and the depreciation rates used for each class of depreciable assets as follows:

Buildings	2.5%
Plant and equipment	5% - 33%
Furniture and equipment	5% - 25%
Motor vehicles	13% - 25%
Computer hardware	20% - 33%
Computer software	20% - 33%
Building improvements	2.5% - 33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued, assets are sold. amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

i. 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.

i. Association as a lessee

(i) 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, as follows:

IT equipment	3 years
Motor vehicles	4 years

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. Refer to the accounting policies in Note 2.k Impairment of non-financial assets.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

i. Leases (continued)

i. Association as a lessee (continued)

(ii) 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.

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease 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.

ii. Association as a lessor

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

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives.

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

k. Impairment of non-financial assets

The Association assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Association estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income as an expense.

l. Employee benefit liabilities

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, annual leave, long service leave and rostered days off. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages and salaries and are recognised as part of current trade and other payables in the consolidated statement of financial position.

Rostered days off

The provision for employee benefits includes amounts accrued for apprentice rostered days off.

The Association expects the full amount of rostered days off to be settled wholly within the next 12 months, therefore the amount must be classified as a current liability.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its consolidated statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

m. Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements are noted below in detail.

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

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

m. Revenue (continued)

Revenue from contracts with customers

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

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

Membership subscription

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

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

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

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

Apprentice hiring fees

The hiring fees on apprentice enrolled in construction qualifications are recognised based on hours worked when invoiced.

Training

Training courses are provided to support the residential and commercial building sectors. This includes building, technical, industrial and workplace relations and other bespoke training. Revenue is earned when the course is delivered.

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

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

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

- donations and voluntary contribution from members; and
- government grants.

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 are recognised as revenue when the Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

n. Government grants

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

Notes to the consolidated financial statements

For the year ended 30 June 2025

2. Material accounting policies (continued)

n. Government grants (continued)

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

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

o. Taxes

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Non-member income of the Association is only assessable for tax, as member income is excluded under the principle of mutuality.

Goods and services tax (GST)

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

p. Holders of office

Holders of office are employees of the Association that fulfil the function of the management of the affairs of the Association, determine policies for the Association, are responsible for the making, alteration or rescission of the rules of the Association, or the performance of functions in relation to the enforcement of such rules.

q. Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in the presentation for the current year.

Notes to the consolidated financial statements

For the year ended 30 June 2025

3. Significant accounting judgements, estimates and assumptions

The preparation of the Association's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Association's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Provision for impairment of receivables

Included in accounts receivable and other debtors at the end of the reporting period are amounts receivable from members in relation to unpaid subscriptions, and other individual debtors. The Council of Management has recorded a provision for expected credit losses at 30 June 2025 of \$67,198 (2024: \$78,943).

Valuation of land and buildings

The Association has a process for determining the fair value of investment properties at each balance date, applying generally accepted valuation criteria, methodology and assumptions detailed in Note 12. Valuations are completed based on current market evidence at the date of each report, reflecting known criteria at that time, and do not include unknown future impacts.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Association based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Association uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Notes to the consolidated financial statements

For the year ended 30 June 2025

4. Additional information

a. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager:

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

Note: This subsection is a civil penalty provision (see section 305).

b. Section 265 copies of full report or concise report to be provided to members

1. by publishing in the journal the full report; or a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them. The Association must provide free of charge to its members either:
 - o a full report consisting of: copy of the report of the auditor in relation to the inspection and audit of the financial records of the Association in relation to a financial year, and a copy of the general purpose financial report to which the report relates, and a copy of the operating report to which the report relates; or
 - o a concise report for the financial year that complies with subsection (3).
2. A concise report may only be provided if, under the rules of the Association, the committee of management of the Association resolves that a concise report is to be provided.
3. A concise report for a financial year consists of:
 - o a concise financial report for the year drawn up in accordance with the regulations; and
 - o the operating report for the year; and
 - o a statement by the auditor:
 - that the concise financial report has been audited; and
 - whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and
 - o a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and
 - o a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.
4. If a member requests a copy of the full report and auditor's report, as mentioned in paragraph (3)(e), the Association must send those reports to the person within 28 days of the request being made.
5. The copies referred to in subsection (1) must be provided within:
 - o if a general meeting of members of the Association to consider the reports is held within 6 months after the end of the financial year-the period starting at the end of the financial year and ending 21 days before that meeting; or
 - o in any other case-the period of 5 months starting at the end of the financial year.

A Registrar may, upon application by the Association, extend the period during which the meeting referred to in paragraph (a) may be held, or the period set out in paragraph (b), by no more than one month.
6. Where the Association publishes a journal that is available to the members of the Association free of charge, the Association may comply with subsection (1)
 - o by publishing in the journal the full report; or
 - o by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.

Notes to the consolidated financial statements

For the year ended 30 June 2025

5. Revenue and other income

a. Revenue from contracts with customers

	2025	2024
	\$	\$
Membership subscriptions	3,393,642	2,932,390
Training	516,300	519,446
Building awards	316,455	274,467
Construction Industry Training Board funding	1,028,124	906,420
Property rental	605,607	440,045
Apprentice hiring fees	10,718,560	8,639,396
TV Programme - Building Ideas	72,227	89,528
Total revenue from contracts with customers	16,650,915	13,801,692

b. Other income

	2025	2024
	\$	\$
Interest revenue	234,153	175,328
Dividend revenue	382,033	304,760
Gain on revaluation of investments at fair value through profit or loss	507,577	373,565
Commissions	318,997	289,847
Government incentives	1,646,199	1,487,439
Other revenue	1,196,032	895,304
Total other income	4,284,991	3,526,243

6. Expenses

a. Depreciation and amortisation expense

	Notes	2025	2024
		\$	\$
Depreciation of property, plant and equipment	12	294,663	252,894
Depreciation of right-of-use assets	13	11,132	28,316
Amortisation of intangible assets	14	-	130,527
Total depreciation and amortisation expense		305,795	411,737

Notes to the consolidated financial statements

For the year ended 30 June 2025

6. Expenses (continued)

b. Supplies and expenses

	Note	2025 \$	2024 \$
Advertising		68,606	47,122
Interest expense on lease liabilities	13	1,180	4,611
Building awards		507,633	438,114
Building ideas television		294,440	334,500
External technical support		316,772	210,269
Donations		682	4,636
Training		558,460	257,078
Remuneration of auditor		45,898	49,873
Electricity		148,486	132,352
Rates and taxes		212,364	197,788
Maintenance		114,093	103,222
Other property expenses		88,349	89,209
Subscriptions		116,067	24,317
Subscriptions - National Association Affiliation		228,528	248,350
Legal expenses		66,726	36,895
Insurance		118,996	118,119
Communication expenses		62,997	56,892
Travel and accommodation		17,679	29,483
Consultants		453,917	645,818
Personal protective equipment		132,638	77,992
Other expenses		1,211,007	910,388
Write-off of intangible		-	475,061
Total supplies and services		4,765,518	4,492,089

7. Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank	1,139,030	2,368,346
Short-term deposits	4,351,100	3,742,618
Cash with funds manager	144,359	680,472
Arbitration trust fund	-	500
	5,634,489	6,791,936

The effective interest rate on short-term bank deposits was 4.84% (2024: 4.9%); these deposits have an average maturity of 170 (2024: 180) days.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the above.

Notes to the consolidated financial statements

For the year ended 30 June 2025

7. Cash and cash equivalents (continued)

a. Cash flow reconciliation

	2025 \$	2024 \$
Cash flow reconciliation		
Reconciliation of net profit after tax to net cash flows from operations:		
Profit after tax	1,316,630	1,173,203
Adjustments for:		
Depreciation of property, plant and equipment	294,663	252,894
Amortisation of intangible assets	-	130,527
Gain on revaluation of investments at fair value through profit or loss	(507,577)	(373,565)
Depreciation of right-of-use assets	11,132	28,316
Provision for expected credit losses	(6,120)	8,971
Write-off of intangible assets	-	475,061
Changes in assets and liabilities:		
Increase in trade and other receivables	(431,809)	(153,321)
Decrease in inventories	-	5,102
Decrease in prepayments and other assets	38,202	150,549
Increase/(decrease) in trade and other payables and contract liabilities	51,090	(824,831)
Increase in employee benefit liabilities	148,133	63,018
Net cash flows from operating activities	914,344	935,924

b. Changes in liabilities arising from financing activities

	1 July 2024 \$	Cash flows \$	30 June 2025 \$
Lease liabilities	49,315	(26,496)	22,819
Total liabilities from financing activities	49,315	(26,496)	22,819

	1 July 2023 \$	Cash flows \$	30 June 2024 \$
Lease liabilities	102,865	(53,550)	49,315
Total liabilities from financing activities	102,865	(53,550)	49,315

Notes to the consolidated financial statements

For the year ended 30 June 2025

8. Trade and other receivables

	2025	2024
	\$	\$
Trade receivables	1,379,837	1,206,484
Provision for expected credit losses	(67,198)	(78,943)
Amounts owed by Construction Industry Training Board	-	19,315
Other receivables	518,446	246,300
	<u>1,831,085</u>	<u>1,393,156</u>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2025	2024
	\$	\$
At 1 July	78,943	69,972
Provision for expected credit losses	-	8,971
Reversal of expected credit losses	(11,745)	-
At 30 June	<u>67,198</u>	<u>78,943</u>

Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Association is considered to relate to the class of assets described as trade receivables.

The balances of receivables that remain within initial terms are considered to be of high credit quality.

Collateral held as security

No collateral is held as security for any of the accounts receivable or other debtor balances.

9. Other assets

	2025	2024
	\$	\$
Prepayments	<u>100,875</u>	<u>139,077</u>

10. Financial assets designated fair value through profit or loss

	2025	2024
	\$	\$
Non-current		
Financial assets designated as at fair value through profit or loss comprise	1,228,163	1,164,619
MBA Insurance Services Pty Ltd		

Notes to the consolidated financial statements

For the year ended 30 June 2025

11. Financial assets mandatorily fair value through profit or loss

	2025	2024
	\$	\$
Non-current		
Financial assets mandatorily designated as at fair value through profit or loss comprise investment in Managed Funds and Capital Notes	8,270,858	6,951,727

12. Property, plant and equipment

	2025	2024
	\$	\$
Land and buildings		
At valuation	14,000,000	14,000,000
Accumulated depreciation	(335,281)	(225,476)
Net carrying amount	13,664,719	13,774,524
Plant and equipment		
At cost	716,913	685,581
Accumulated depreciation	(616,212)	(594,559)
Net carrying amount	100,701	91,022
Furniture and equipment		
At cost	524,963	520,068
Accumulated depreciation	(482,139)	(474,329)
Net carrying amount	42,824	45,739
Motor vehicles		
At cost	156,084	81,138
Accumulated depreciation	(79,162)	(47,730)
Net carrying amount	76,922	33,408
Computer hardware		
At cost	1,095,935	920,292
Accumulated depreciation	(907,678)	(828,606)
Net carrying amount	188,257	91,686
Computer software		
At cost	629,996	478,940
Accumulated depreciation	(481,423)	(476,816)
Net carrying amount	148,573	2,124

Notes to the consolidated financial statements

For the year ended 30 June 2025

12. Property, plant and equipment (continued)

	2025 \$	2024 \$
Building improvements		
At cost	531,578	505,050
Accumulated depreciation	(260,522)	(220,238)
Net carrying amount	<u>271,056</u>	<u>284,812</u>
Construction in progress		
At cost	982,108	235,143
Accumulated depreciation	-	-
Net carrying amount	<u>982,108</u>	<u>235,143</u>
Total property, plant and equipment		
At cost	4,637,577	3,426,212
At valuation	14,000,000	14,000,000
Accumulated depreciation	(3,162,417)	(2,867,754)
Net carrying amount	<u>15,475,160</u>	<u>14,558,458</u>

Valuation of land and buildings by independent valuer

The Association's land and buildings were revalued at 30 June 2022 by an independent valuer. Valuations were made on the basis of market value of the property using the market approach of observable market data for similar properties and the income approach using discounted cash flow. The valuation amount adopted by Council of Management as at 30 June 2025 is \$14,000,000 (2024: \$14,000,000).

Notes to the consolidated financial statements

For the year ended 30 June 2025

12. Property, plant and equipment (continued)

	Land and buildings \$	Plant and equipment \$	Furniture and equipment \$	Motor vehicles \$	Computer hardware \$	Computer software \$	Building improvements \$	Construction in progress \$	Total \$
At 1 July 2023	13,890,195	97,496	52,943	40,787	117,434	4,005	306,135	76,880	14,585,875
Additions	-	14,154	-	-	36,920	-	16,140	158,263	225,477
Depreciation expense	(115,671)	(20,628)	(7,204)	(7,379)	(62,668)	(1,881)	(37,463)	-	(252,894)
At 30 June 2024	13,774,524	91,022	45,739	33,408	91,686	2,124	284,812	235,143	14,558,458
At 1 July 2024	13,774,524	91,022	45,739	33,408	91,686	2,124	284,812	235,143	14,558,458
Additions	-	34,398	4,895	75,483	124,522	151,056	26,528	746,965	1,163,847
Disposals	-	(3,066)	-	(537)	-	-	-	-	(3,603)
Depreciation expense	(109,805)	(21,653)	(7,810)	(31,432)	(79,072)	(4,607)	(40,284)	-	(294,663)
Transfer from right-of-use assets	-	-	-	-	51,121	-	-	-	51,121
At 30 June 2025	13,664,719	100,701	42,824	76,922	188,257	148,573	271,056	982,108	15,475,160

Notes to the consolidated financial statements

For the year ended 30 June 2025

13. Leases

Association as a lessee

The Association has lease contracts for IT equipment and motor vehicles used in its operations. Leases of IT equipment generally have lease terms of 3 years and motor vehicles of 4 years. The Association's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Association is restricted from assigning and subleasing the leased assets.

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

	IT equipment	Motor vehicles	Total
	\$	\$	\$
At 1 July 2023	76,217	37,049	113,266
Depreciation expense	(19,054)	(9,262)	(28,316)
At 30 June 2024	57,163	27,787	84,950
Depreciation expense	(6,042)	(5,090)	(11,132)
Transfer to property, plant and equipment	(51,121)	-	(51,121)
At 30 June 2025	-	22,697	22,697

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025	2024
	\$	\$
At 1 July	49,315	102,865
Accretion of interest	1,180	4,611
Payments	(27,676)	(58,161)
At 30 June	22,819	49,315
Current	6,148	26,496
Non-current	16,671	22,819

The following are the amounts recognised in profit or loss:

	2025	2024
	\$	\$
Depreciation expense of right-of-use assets	11,132	28,316
Interest expense on lease liabilities	1,180	4,611
	12,312	32,927

The Association had total cash outflows for leases of \$27,676 in 2025 (2024: \$54,061). The Association's non-cash additions to right-of-use assets and lease liabilities is \$nil (2024: \$nil).

Notes to the consolidated financial statements

For the year ended 30 June 2025

14. Intangible assets

	2025 \$	2024 \$
Patents and trademarks		
At cost	8,270	1,920
Net carrying amount	<u>8,270</u>	<u>1,920</u>
Website formulation		
At cost	-	148,030
Accumulated amortisation	-	(148,030)
Net carrying amount	<u>-</u>	<u>-</u>
Computer software		
At cost	-	1,538,579
Accumulated amortisation	-	(1,538,579)
Net carrying amount	<u>-</u>	<u>-</u>
Total intangible assets		
At cost	8,270	1,688,529
Accumulated amortisation	-	(1,686,609)
Net carrying amount	<u>8,270</u>	<u>1,920</u>

	Patents and trademarks \$	Website formulation \$	Computer software \$	Total \$
At 1 July 2023	1,920	5,850	599,738	607,508
Amortisation	-	(5,850)	(124,677)	(130,527)
Write-off	-	-	(475,061)	(475,061)
At 30 June 2024	<u>1,920</u>	<u>-</u>	<u>-</u>	<u>1,920</u>
At 1 July 2024	1,920	-	-	1,920
Additions	6,350	-	-	6,350
At 30 June 2025	<u>8,270</u>	<u>-</u>	<u>-</u>	<u>8,270</u>

Notes to the consolidated financial statements

For the year ended 30 June 2025

15. Trade and other payables

	2025	2024
	\$	\$
Trade payables	174,298	141,267
GST payable	383,570	331,904
Superannuation	120,426	86,715
Other	232,250	256,991
Sundry accruals	384,293	162,118
Accrued superannuation matter	-	62,630
Total trade and other payables	1,294,837	1,041,625

16. Contract liabilities

	2025	2024
	\$	\$
Income received in advance	449,632	655,357

17. Employee benefit liabilities

	2025	2024
	\$	\$
Current		
Annual leave - office holders	72,416	57,557
Annual leave - other	547,388	461,949
Rostered days off (apprentice)	199,547	156,323
Long service leave - office holders	63,000	61,362
Long service leave - other	35,327	24,435
	917,678	761,626
Non-current		
Long service leave - office holders	6,146	1,735
Long service leave - other	13,899	26,229
	20,045	27,964

Notes to the consolidated financial statements

For the year ended 30 June 2025

18. Reserves

	Asset revaluation reserve \$
At 1 July 2023, 30 June 2024 and 30 June 2025	8,124,878

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve relates to the valuation of land and buildings. Refer to Note 12 for further information.

19. Interests in subsidiaries

The consolidated financial statements of the Association include:

Name	Country of incorporation	% equity interest	
		2025	2024
MBA SA Legal Practice Pty Ltd	Australia	100%	100%

MBA SA Legal Practice Pty Ltd was established to provide a full suite of legal services for the Association's members.

MBA SA Legal Practice Pty Ltd is an independent legal practice that is fully owned by the Association.

MBA SA Legal Practice Pty Ltd's operations were transferred to the Association in October 2016. The entity is dormant.

20. Related party transactions

Transactions with key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including its committee members, is considered key management personnel.

Key management personnel compensation:

	2025 \$	2024 \$
Short-term benefits	897,108	825,369
Post-employment benefits	96,817	99,739
	993,925	925,108

There are no other transactions with key management personnel or their close family members.

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Financial risk management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, managed investments in listed corporations, receivables, payables and lease liabilities.

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

	2025	2024
	\$	\$
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	5,634,489	6,791,936
Trade and other receivables	1,831,085	1,393,156
Financial assets at fair value through profit or loss		
Investment in MBA Insurance Services Pty Ltd	1,228,163	1,164,619
Investment in Managed Funds and Capital Notes	8,270,858	6,951,727
Total financial assets	16,964,595	16,301,438
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	1,294,837	1,041,625
Lease liabilities	22,819	49,315
Total financial liabilities	1,317,656	1,090,940

The Association's Chief Financial Officer (CFO) is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The CFO monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management. The CFO's overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific financial risk exposures and management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

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

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Council of Management has otherwise assessed as being financially sound.

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Financial risk management (continued)

a. Credit risk (continued)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial position.

There is no collateral held by the Association securing trade and other receivables.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 8.

b. Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The following table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Association does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of undiscounted cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Financial risk management (continued)**b. Liquidity risk (continued)**

Year ended 30 June 2025

	Note	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
Financial liabilities due for payments					
Accounts payable (excluding annual leave and grants receivable in advance)		1,294,837	-	-	1,294,837
Lease liabilities	13	6,652	16,918	-	23,570
Total expected outflows		1,301,489	16,918	-	1,318,407
Financial assets - cash flows realisable					
Cash and cash equivalents		5,634,489	-	-	5,634,489
Trade and other receivables		1,831,085	-	-	1,831,085
Financial assets at fair value		9,499,021	-	-	9,499,021
Net inflow on financial instruments		16,964,595	-	-	16,964,595

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Financial risk management (continued)**b. Liquidity risk (continued)**

Year ended 30 June 2024

Financial liabilities due for payments

Accounts payable (excluding annual leave and grants receivable in advance)

Lease liabilities

Total expected outflows

Note	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
	1,041,625	-	-	1,041,625
13	27,676	23,570	-	51,246
	1,069,301	23,570	-	1,092,871
	6,791,936	-	-	6,791,936
	1,393,156	-	-	1,393,156
	8,116,346	-	-	8,116,346
Net inflow on financial instruments	16,301,438	-	-	16,301,438

Financial assets - cash flows realisable

Cash and cash equivalents

Trade and other receivables

Financial assets at fair value

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

Notes to the consolidated financial statements

For the year ended 30 June 2025

21. Financial risk management (continued)

c. Market risk

i. Interest rate risk

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

The Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

ii. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The Association is exposed to other price risk on financial assets at fair value through profit or loss comprise. Such risk is managed through diversification of investments across industries and geographic locations.

The Association's investments are held in diversified management fund portfolios.

iii. Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Current surplus	Equity \$
2025		
+/-2% in interest rates	87,022	87,022
+/-10% in financial assets at fair value	435,110	435,110
2024		
+/-2% in interest rates	138,869	138,869
+/-10% in financial assets at fair value	694,344	694,344

No sensitivity analysis has been performed on foreign exchange risk as the Association has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

22. Fair value measurements

The Association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss comprise investment in Managed Fund & Capital Notes.
- Financial assets designated as at fair value through profit or loss comprise MBA Insurance Services Pty Ltd.
- Land and buildings at fair value through other comprehensive income.

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Notes to the consolidated financial statements

For the year ended 30 June 2025

22. Fair value measurements (continued)

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

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 value of assets and liabilities that are not traded in an active market is 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 Association selects valuation techniques that are 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 Association are consistent with one or more of the following valuation approaches:

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

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 Association 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.

The following table provides the fair value measurement hierarchy of the Association's assets and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

Fair value measurement hierarchy for assets as at 30 June 2025:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investment in MBA Insurance Services Pty Ltd	-	-	1,228,163	1,228,163
Investment in Managed Funds and Capital Notes	8,270,858	-	-	8,270,858
Revalued property, plant and equipment - land and buildings	-	13,664,719	-	13,664,719
Total assets recognised at fair value	8,270,858	13,664,719	1,228,163	23,163,740

Notes to the consolidated financial statements

For the year ended 30 June 2025

22. Fair value measurements (continued)

Fair value measurement hierarchy for assets as at 30 June 2024:	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investment in MBA Insurance Services Pty Ltd	-	-	1,164,619	1,164,619
Investment in Managed Funds and Capital Notes	6,951,727	-	-	6,951,727
Revalued property, plant and equipment - land and buildings	-	13,774,524	-	13,774,524
Total assets recognised at fair value	6,951,727	13,774,524	1,164,619	21,890,870

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the consolidated financial statements.

23. Commitments

Operating lease commitments - Association as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are, as follows:

	2025	2024
	\$	\$
Within one year	337,567	340,779
After one year but not more than two years	297,625	324,369
After two years but not more than three years	195,029	268,921
After three years but not more than four years	33,544	143,910
After four years but not more than five years	34,382	511,527
	898,147	1,589,506

Rental is received from a number of tenants with individual terms and contracts with terms ranging from one to multiple years.

24. Contingent liabilities and contingent assets

The Association did not have any contingent liabilities or contingent assets as 30 June 2025 (2024: \$nil).

25. Events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Association's operations or results of those operations or the Associations state of affairs.

Notes to the consolidated financial statements

For the year ended 30 June 2025

26. Auditor's remuneration

The auditor of Master Builders Association of SA Inc is Nexia Edwards Marshall.

	2025	2024
	\$	\$
Amounts received or due and receivable by Nexia Edwards Marshall for:		
An audit or review of the financial report of the entity and any other entity in the Association	31,875	31,095

27. Information relating to Master Builders Association of SA Inc (the Parent)

	2025	2024
	\$	\$
Current assets	7,882,156	8,642,383
Non-current assets	25,005,148	22,761,674
Total assets	32,887,304	31,404,057
Current liabilities	2,666,822	2,484,188
Non-current liabilities	36,716	50,783
Total liabilities	2,703,538	2,534,971
Retained earnings		
Opening retained earnings	20,744,208	19,573,111
Profit for the year	1,314,679	1,171,097
Total retained earnings	22,058,887	20,744,208
Asset revaluation reserve	8,124,879	8,124,878
Total equity	30,183,766	28,869,086
Profit for the year	1,314,679	1,171,097
Total comprehensive income of the Parent entity	1,314,679	1,171,097

Notes to the consolidated financial statements

For the year ended 30 June 2025

28. Prescribed information

a. Recovery of wages activity

There was no recovery of wages activity undertaken by the Association for the financial year ended 30 June 2025.

b. Items required to be disclosed by the Section 253 Reporting Guidelines for which there was some activity

The following activities are required to be disclosed by section 253 of the Reporting Guidelines included in the *Fair Work (Registered Organisations) Act 2009* even though no such activities occurred during the financial year. During the financial year ended 30 June 2025, there were no:

1. Going concern financial support received from or provided to another reporting unit;
2. Capitation fees received or paid;
3. Compulsory levies raised or imposed,
4. Donations received;
5. Fees incurred as consideration for employers making payroll deductions of membership subscriptions;
6. Penalties imposed under the RO Act or RO Regulations;
7. Receivables from or payables to another reporting unit;
8. Payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
9. Fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
10. Receivables or other rights to receive cash or payables or other financial liabilities where the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation and therefore provision on receivables with another reporting unit;
11. Acquisition of 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;
12. Agreement to provide financial support to ensure another reporting unit has the ability to continue as a going concern;
13. Revenues received from undertaking recovery of wage activity;
14. Funds of accounts for compulsory levies, voluntary contributions or required by the rules of the organisation of branch;
15. Transfers to or withdrawals from a fund account, asset or controlled entity;
16. Other entities that administered the financial affairs of the Association;
17. Payments made to a former related party of the Association;
18. Revenues/cash flows received from or expenses cash flows paid to another non-national Association reporting unit; and
19. Liabilities for holders of office and other employees other than those disclosed in Note 17.

c. Items required to be disclosed by the Section 253 Reporting Guidelines for which there was some activity

i. Donations and grants

Donations:

Total expensed that were \$1,000 or less

Total expensed that exceeded \$1,000

	2025	2024
	\$	\$
	682	-
	-	4,636
	682	4,636

Notes to the consolidated financial statements

For the year ended 30 June 2025

28. Prescribed information (continued)**c. Items required to be disclosed by the Section 253 Reporting Guidelines for which there was some activity (continued)****i. Donations and grants (continued)****Grants:**

Total expensed that were \$1,000 or less

Total expensed that exceeded \$1,000

	2025	2024
	\$	\$
	-	-
	-	-
	-	-

ii. Administration expenses

Conference and meeting expenses

	2025	2024
	\$	\$
	-	-

iii. Legal cost expenses

Other legal matters

	2025	2024
	\$	\$
	66,726	36,895

iv. Employee benefits expense - office holders

Wages and salaries

Superannuation

Leave and other entitlements

	2025	2024
	\$	\$
	897,108	825,369
	96,817	99,739
	12,308	76,153
	1,006,233	1,001,261

v. Employee benefits expense - employees other than office holders

Wages and salaries

Superannuation

Leave and other entitlements

	2025	2024
	\$	\$
	11,817,303	8,486,338
	1,208,204	977,994
	516,223	785,313
	13,541,730	10,249,645

Independent auditor's report

{The Auditor's report will be provided by your Auditor.}

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF SA INC

Opinion

We have audited the financial report of Master Builders Association of SA Inc and its controlled entities (the 'Association'), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of material accounting policy information, statement by members of the council and the report required Under Subsection 255(2A).

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2025 and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) 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 Association 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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the 'Code') that are relevant to our 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.

Information Other than the Financial Report and the Auditor's Report thereon

The Council of Management of the Association is responsible for the other information. The other information obtained at the date of the 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.

Advisory. Tax. Audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF SA INC (CONT)

Information Other than the Financial Report and the Auditor's Report thereon (cont)

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.

Council of Management's Responsibility for the Financial Report

The Council of Management of the Association 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 so that it 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 Association'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 intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Council of Management is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Advisory. Tax. Audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF SA INC (CONT)

Auditor's Responsibilities for the Audit of the Financial Report (cont)

- 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 Association'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 Association 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 Association or business activities of the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

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 Edwards Marshall
Chartered Accountants

Adelaide
South Australia

Matthew O'Connor
Partner
Registration number (as registered by the Registered Organisations
Commissioner under the RO Act): AA2017/75

23 September 2025

Advisory. Tax. Audit.

Nexia Edwards Marshall (ABN 38 238 591 759) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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