



Fair Work
Commission

20 April 2026

Greg McElroy
President
The Master Plumbers & Mechanical Contractors Association of New South Wales

Sent via email: info@masterplumbers.com.au

CC: email@spryroughley.com.au

Dear Greg McElroy

**The Master Plumbers & Mechanical Contractors Association of New South Wales
Financial Report for the year ended 30 June 2025 – FR2025/35**

I acknowledge receipt of the amended financial report for the year ended 30 June 2025 for the Master Plumbers & Mechanical Contractors Association of New South Wales (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 17 April 2026.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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 PLUMBERS AND MECHANICAL
CONTRACTORS ASSOCIATION OF NSW**

ABN 64 040 939 175

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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NOTICE OF MEMBERS

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

Information to be provided to members or the 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).

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2025

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

- (1) that the documents lodged herewith are copies of the full report for The Master Plumbers and Mechanical Contractors Association of NSW for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- (2) that the full report was provided to members of the reporting unit on 15 April 2026.
- (3) that the full report was provided to the Committee of Management on 15 April 2026 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

President



Dated:

16th April 2026

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

OPERATING REPORT

I, Greg McElroy, the President of the Master Plumbers and Mechanical Contractors Association of New South Wales ('the Association') hereby present the operating report of the Association for the year ended 30 June 2025.

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

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

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

During the year ended 30 June 2025 the following persons held membership of the Committee of Management of the Association for the entire year unless otherwise indicated:

Greg McElroy	President
Nathaniel Broughton	Vice President
David Dighton	Treasurer
Bill Armstrong	Guardian
Ashley Lowther	Guardian
Callum McKay	Guardian (From 05.03.2025)
Andrew Murphy	Guardian (Ceased 04.03.2025)
Ryan Aquilina	Committee Member
Leonie Crowe	Committee Member (From 05.03.2025)
Nathan Wilson	Committee Member (From 05.03.2025)
Matthew Braid	Committee Member (Ceased 04.03.2025)
Kevin Yau	Committee Member (Ceased 04.03.2025)

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

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

OPERATING REPORT

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The deficit of the Association for the year ended 30 June 2025 was \$1,513,332 (2024: deficit of \$608,772).

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

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

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

Significant changes in financial affairs

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

Number of members

As at 30 June 2025:

There were 631 members of the Association (2024: 603 members).

Right of members to resign

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

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

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

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

Number of employees

As at 30 June 2025:

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

Nathaniel Smith - Chief Executive Officer
Albano Zavaglia - Financial Controller
Luke Tabone - Chief Operating Officer

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

OPERATING REPORT

Events Subsequent to the End of the Financial Year

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

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

President

Dated:

25th MARCH 2026



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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	12 months 2025 \$	6 months 2024 \$
Revenue	2	1,750,004	708,442
Employee benefits expense		(1,466,709)	(676,616)
Annual conference expenses		(216,726)	(827)
Consultancy and professional fees		(413,024)	(205,365)
Legal fees	3	(97,191)	(16,853)
Advertising		(108,210)	(4,805)
Insurance		(33,737)	(13,640)
Rent and occupancy expenses		(154,742)	(65,063)
Doubtful debt/ debt forgiveness		-	-
Other expenses	3	(356,573)	(136,045)
Depreciation and amortisation expenses		(323,077)	(147,475)
Interest paid		<u>(93,347)</u>	<u>(50,525)</u>
Surplus (deficit) before income tax		(1,513,332)	(608,772)
Income tax expense		<u>-</u>	<u>-</u>
Surplus (deficit) for the year		<u>(1,513,332)</u>	<u>(608,772)</u>
Surplus (deficit) attributable to members of the Association		<u>(1,513,332)</u>	<u>(608,772)</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Note	12 months 2025 \$	6 months 2024 \$
Surplus (loss) for the year		(1,513,332)	(608,772)
Other comprehensive income:		_____	_____
Other comprehensive income for the year, net of tax		_____ -	_____ -
Total comprehensive income (expense) for the year		<u><u>(1,513,332)</u></u>	<u><u>(608,772)</u></u>
Total comprehensive income (expense) attributable to the members of the Association		<u><u>(1,513,332)</u></u>	<u><u>(608,772)</u></u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	635,699	801,761
Trade and other receivables	7	110,469	74,750
Financial assets	9	1,493,103	3,050,000
Other current assets	8	201,614	239,130
TOTAL CURRENT ASSETS		<u>2,440,885</u>	<u>4,165,641</u>
NON-CURRENT ASSETS			
Trade and other receivables	7	99,425	170,395
Financial assets	9	10	10
Property, plant and equipment	10	1,108,088	1,052,494
Right-of-use assets	11	1,102,072	1,287,528
TOTAL NON-CURRENT ASSETS		<u>2,309,595</u>	<u>2,510,427</u>
TOTAL ASSETS		<u><u>4,750,480</u></u>	<u><u>6,676,068</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	213,204	161,967
Borrowings	13	161,662	143,187
Short-term provisions	14	89,839	78,062
Other	15	490,345	831,004
TOTAL CURRENT LIABILITIES		<u>955,050</u>	<u>1,214,220</u>
NON-CURRENT LIABILITIES			
Borrowings	13	1,027,445	1,189,107
Long-term provisions	14	122,049	113,473
TOTAL NON-CURRENT LIABILITIES		<u>1,149,494</u>	<u>1,302,580</u>
TOTAL LIABILITIES		<u><u>2,104,544</u></u>	<u><u>2,516,800</u></u>
NET ASSETS		<u><u>2,645,936</u></u>	<u><u>4,159,268</u></u>
ACCUMULATED FUNDS			
Accumulated operating surplus		<u>2,645,936</u>	<u>4,159,268</u>
TOTAL ACCUMULATED FUNDS		<u><u>2,645,936</u></u>	<u><u>4,159,268</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Retained Earnings \$	Total \$
Balance at 1 January 2024	4,768,040	4,768,040
Comprehensive income		
Surplus (deficit) for the year (6 month period)	<u>(608,772)</u>	<u>(608,772)</u>
Total comprehensive income for the year attributable to the member of the association	<u>(608,772)</u>	<u>(608,772)</u>
Balance at 30 June 2024	<u>4,159,268</u>	<u>4,159,268</u>
Balance at 1 July 2024	4,159,268	4,159,268
Comprehensive income		
Surplus (deficit) for the year	<u>(1,513,332)</u>	<u>(1,513,332)</u>
Total comprehensive income for the year attributable to the member of the association	<u>(1,513,332)</u>	<u>(1,513,332)</u>
Transactions with the owner, in capacity as owner and other transfers		
Balance at 30 June 2025	<u>2,645,936</u>	<u>2,645,936</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	12 months 2025 \$	6 months 2024 \$
Cash flows from operating activities			
Receipts from members and other receipts		1,457,699	788,485
Payments to suppliers, employees and others		(2,905,883)	(982,297)
Interest received		146,186	101,131
Borrowing costs paid		(93,347)	(50,524)
Net cash provided by (used in) operating activities	21	(1,395,345)	(143,205)
Cash flows from investing activities			
Purchase of property, plant and equipment		(214,154)	(74,769)
Proceeds from sale of property, plant and equipment		12,727	-
Proceeds from liquidation of term deposits		1,556,897	-
Receipts from repayment of related party lending		17,000	-
Net cash provided by (used in) investing activities		1,372,470	(74,769)
Cash flows from financing activities			
Payment of lease liability		(143,187)	(64,424)
Net cash provided by (used in) financing activities		(143,187)	(64,424)
Net increase (decrease) in cash held		(166,062)	(282,398)
Cash and cash equivalents at beginning of financial year		801,761	1,084,159
Cash and cash equivalents at end of financial year	21	635,699	801,761

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

Basis of Preparation

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

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

(a) Income Tax

The Association is registered under the Fair Work (Registered Organisation) Act 2009 and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the Income Tax Assessment Act 1997, however the Association still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(b) Going Concern

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

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

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

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

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

(c) Critical Accounting Estimates and Judgements

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

Key Estimates

(i) Provision for impairment of trade receivables

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

(ii) Provision for impairment

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

(iii) Recognition of grant income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(d) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Comparative Figures

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

Refer to note 1(m) for change in accounting period.

(f) Financial Instruments

The Association has various financial assets and liabilities, refer to note 23 for disclosure of the accounting policies applied.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(g) Government Grants

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

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

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

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

(h) Rounding of Amounts

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

(i) Impairment of Non- Financial Assets

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(j) Costs Recovered from Group Apprenticeship Scheme

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

(k) Operating Segment

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

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

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

(m) Change in Accounting Period

The Association resolved in the prior period to change its financial year end from 31 December to 30 June. This was to align its accounting period with the default financial year of entities in Australia. As a result the current period financial statements are for a 12 month period to 30 June 2025. The comparative period presented is for 6 months ending 30 June 2024. Therefore the amounts presented in the financial statements may not be entirely comparable.

(n) Contract Liabilities

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

(o) New Australian Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year and were not materially impacted by amendments to accounting standards and other changes in accounting policy.

No accounting standard has been adopted earlier than the application date stated in the standard.

(p) Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a material impact on the association.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
2. REVENUE AND OTHER INCOME		
Revenue		
Interest received	112,576	78,838
Magazine revenue	12,473	9,671
Commissions received	53,842	18,570
Membership subscriptions	596,224	328,772
Other revenue	450	5,220
Costs recovered from Master Plumbers Apprentices Ltd	244,606	106,212
Annual events revenue	154,968	-
Training courses	3,567	7,707
Cadetship grant income	328,751	-
Corporate partnership	139,281	62,430
Apprentice training subsidy	103,266	91,022
Capitation fees and other revenue from another reporting unit	-	-
Levies	-	-
Revenue from recovery of wages activity	-	-
Income recognised from volunteer services	-	-
Total revenue	1,750,004	708,442

Disaggregation of Revenue from Contracts with Customers

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

During the reporting period, the Association:

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Membership subscriptions

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

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

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

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

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

Other Sources of Income

- Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.
- Annual events revenue which includes conferences, sponsorships and other events are recognised upon commencement of the said conferences and events.
- Training course revenue is recognised over the period of instruction.
- Commission is recognised when the right to receive the income has been established.
- Magazine revenue is recognised when the particular article is due to be published.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025 **2024**
\$ \$

- Grant revenue is recognised when the conditions attached to the grant are satisfied. Where grant revenue is received prior to the conditions being satisfied, it is held as a liability. It is accounted for as a contract liability until conditions are satisfied. In 2025 the association undertook a review of previously received cadetship grant revenue and was able to confirm that material grant conditions had been met for several grant contracts, and as such a material amount of revenue was recognised. See note 15 for further disclosure of unrecognised cadetship grant revenue.

- Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

3. SURPLUS (DEFICIT) FOR THE YEAR

Surplus (deficit) includes the following significant expenses:

Remuneration of Auditor:

Audit of the financial report	34,500	31,500
Other services	22,874	8,850
	57,374	40,350

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

Loss on disposal of non-current assets:

Property, plant and equipment	8,212	-
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Other expenses

Staff training and welfare	50,366	30,810
Repairs and maintenance	41,421	7,757
Subscriptions	40,336	21,756
Computer expenses	26,943	12,468
Motor vehicle expenses	24,355	14,235
Travelling expenses	20,475	5,052
Event expenses	29,450	1,815
Equipment rentals	13,889	6,350
Other general expenses	109,338	35,802
Penalties - via RO Act or the Fair Work Act 2009	-	-
Total other expenses	356,573	136,045

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Legal Fees:		
Litigation	-	-
Other legal expenses	97,191	16,853
	97,191	16,853
Capitation fees and other expense to another reporting unit	-	-
Affiliation fees	-	-
Grants or Donations:		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
	-	-
Lease related amounts recognised as expenses		
Depreciation related to right-of-use assets	185,456	85,776
Interest expense on lease liabilities	93,347	50,524
Short term lease payments	-	-
Low value lease payments	13,889	6,350
Variable lease payment expense	93,720	46,860
	386,412	189,510

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

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

Conferences and meeting expenses are disclosed on the face of the income statement. Legal costs are also disclosed on the face of the income statement. See note 8 in relation to litigation matters.

The Association does not undertake any recovery of wages activity.

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
4. EMPLOYEE EXPENSES		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee and employment related expenses	-	-
Total employee expenses holders of office	-	-
Employees other than office holders:		
Wages and salaries	1,278,780	598,172
Superannuation	143,276	63,255
Leave and other entitlements	20,353	6,627
Separation and redundancies	-	-
Other employee and employment related expenses	24,300	8,562
Total employee expenses other than office holders	1,466,709	676,616

**5. KEY MANAGEMENT PERSONNEL
COMPENSATION**

Short-term benefits	524,816	255,459
Post employment benefits	57,082	26,798
Other long-term benefits	1,702	810
Total compensation	583,600	283,067

KMP transactions

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

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

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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	2025	2024
	\$	\$
Key management personnel		
Key management personnel of the Association are:		
Nathaniel Smith -Chief Executive Officer		
Albano Zavaglia - Financial Controller		
Luke Tabone - Chief Operating Officer		
6. CASH AND CASH EQUIVALENTS		
Cash on hand	500	500
Cash at bank	635,199	801,261
	635,699	801,761
Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.		
Term deposits with an original term of greater than 3 months are classified as other financial assets (see note 9).		
7. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	74,814	94,293
Less provision for expected credit loss	(26,550)	(26,550)
	48,264	67,743
Other receivables:		
Amounts receivable - Master Plumbers Apprentices Ltd	1,018	3,468
Event Deposits	61,187	-
Goods and services tax	-	3,539
	110,469	74,750
NON-CURRENT		
Lease security Deposits	99,425	153,395
Advances to Master Plumbers Apprentices Ltd	-	17,000
	99,425	170,395

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Provision for impairment of receivables		
Opening balance	26,550	26,550
Charge for the year	-	-
Closing balance	26,550	26,550

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

Credit risk

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

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

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

Trade and term receivables		
Past due and impaired	26,550	26,550
Falling due	34,909	64,751
Past due but not impaired:		
< 30 days overdue	13,355	2,389
31 - 60 days overdue	-	603
61 - 90 days overdue	-	-
> 90 days overdue		
Gross amount	74,814	94,293

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
The Association has no receivables from other reporting units at year end.		
8. OTHER ASSETS		
CURRENT		
Accrued income receivable	121,801	132,259
Other debtors	(1,306)	19,992
Prepayments	81,119	86,879
Advances to other parties	150,000	150,000
Provision for impairment	(150,000)	(150,000)
	<u>201,614</u>	<u>239,130</u>

Advances to other parties for amounts paid to a former supplier of the association for the provision of building and construction services. Prior to the receipt of the services, the supplier entered into administration and is now undergoing a liquidation process. During the year the association incurred \$60,000 of additional legal fees which were advanced to the appointed liquidator to assist in the recovery of assets from the suppliers related parties.

9. FINANCIAL ASSETS

CURRENT

Financial assets	(a)	<u>1,493,103</u>	<u>3,050,000</u>
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(a) Financial assets

Term deposits (amortised cost)	1,493,103	3,050,000
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NON-CURRENT

Other financial assets (fair value through profit and loss)	(b)	<u>10</u>	<u>10</u>
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(b) Other Financial Assets:

Investment in MPA Training Ltd	10	10
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Investments

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

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

MPA Training Ltd is a dormant entity.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
10. PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles	107,707	87,804
Less accumulated depreciation	<u>(32,827)</u>	<u>(25,920)</u>
	<u>74,880</u>	<u>61,884</u>
Office furniture and equipment	779,778	742,342
Less accumulated depreciation	<u>(626,310)</u>	<u>(578,827)</u>
	<u>153,468</u>	<u>163,515</u>
Leasehold improvement	1,053,644	923,800
Less accumulated depreciation	<u>(173,904)</u>	<u>(96,705)</u>
	<u>879,740</u>	<u>827,095</u>
Total property, plant and equipment	<u><u>1,108,088</u></u>	<u><u>1,052,494</u></u>

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

Plant and Equipment

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

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

Depreciation

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
The depreciation rates used for each class of depreciable asset are:		
Class of Fixed Asset:	Depreciation Rate	
Motor Vehicles	12.50%	
Office furniture and equipment	6.67% - 33.33%	
Leasehold improvements	7.41%	

Impairment

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

Gains and losses on disposal

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
Movement in carrying amounts		
Leasehold Improvements		
Opening Balance	827,095	805,875
Additions	129,844	53,455
Depreciation	(77,199)	(32,235)
Net Carrying Amount	879,740	827,095
Plant & Equipment		
Opening Balance	163,516	166,163
Additions	37,435	21,313
Depreciation	(47,484)	(23,960)
Net Carrying Amount	153,467	163,516
Motor Vehicles		
Opening Balance	61,884	67,387
Additions	46,875	-
Disposals	(20,939)	-
Depreciation	(12,939)	(5,503)
Net Carrying Amount	74,881	61,884
Total Movement		
Opening Balance	1,052,495	1,039,425
Additions	214,154	74,768
Disposals	(20,939)	-
Depreciation	(137,622)	(61,698)
Net Carrying Amount	1,108,088	1,052,495
11. RIGHT-OF-USE ASSETS		
Right-of-use assets - Land & Buildings	1,881,440	1,881,440
Less accumulated amortisation	(779,368)	(593,912)
	1,102,072	1,287,528

Right-of-use Assets

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
<p>Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.</p>		
Movement in carrying amounts		
Opening balance	1,287,528	933,805
Additions		439,499
Depreciation expense	(185,456)	(85,776)
Closing balance	<u>1,102,072</u>	<u>1,287,528</u>

12. TRADE AND OTHER PAYABLES

CURRENT

Goods and services tax	4,632	-
Trade creditors	90,025	28,218
Other creditors	118,547	133,749
	<u>213,204</u>	<u>161,967</u>

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

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

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

13. BORROWINGS

CURRENT

Lease liability	<u>161,662</u>	<u>143,187</u>
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NON-CURRENT

Lease liability	<u>1,027,445</u>	<u>1,189,107</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025 **2024**
\$ \$

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

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

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

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

Options to Extend or Terminate

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

Cash impact of leases

Total cash outflows for leases	236,534	114,946
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Future Lease Payments

Future lease payments are due as follows:

Within one year	243,630	236,534
After one year but not more than two years	243,898	243,630
After two year but not more than three years	243,898	243,898
After three year but not more than four years	243,898	243,898
After four year but not more than five years	243,898	243,898
After five years	253,077	496,974
	1,472,299	1,708,832

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	2025	2024
	\$	\$
14. PROVISIONS		
CURRENT		
Provision for employee entitlements	<u>89,839</u>	<u>78,062</u>
NON-CURRENT		
Provision for employee entitlements	22,049	13,473
Provision for make good	<u>100,000</u>	<u>100,000</u>
	<u>122,049</u>	<u>113,473</u>
Employee provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Total employee provisions office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	53,231	49,031
Long service leave	41,844	30,929
Separations and redundancies	-	-
Other	<u>16,813</u>	<u>11,575</u>
Total employee provisions other than office holders	<u>111,888</u>	<u>91,535</u>
Movement in carrying amounts		
Provision for make good:		
Opening balance	100,000	40,000
Provisions raised	-	60,000
Closing balance	<u>100,000</u>	<u>100,000</u>
Provision for employee benefits:		
Opening balance	91,535	84,908
Provisions raised	90,909	42,990
Provisions used	<u>(70,556)</u>	<u>(36,363)</u>
Closing balance	<u>111,888</u>	<u>91,535</u>
Total Provisions		
Opening balance	191,535	124,908
Provisions raised	90,909	102,990
Provisions used	<u>(70,556)</u>	<u>(36,363)</u>
Closing balance	<u>211,888</u>	<u>191,535</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025 **2024**
\$ \$

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

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

15. OTHER LIABILITIES

CURRENT

Contract liabilities

- Member and corporate subscriptions	353,030	305,628
- Event revenue	3,655	62,965
- Cadetship grants	133,660	462,411
	490,345	831,004

16. CAPITAL COMMITMENTS

Capital Expenditure Commitments

Capital expenditure commitments contracted for the next 12 months:

Not later than 12 months	-	76,545
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
17. RELATED PARTY TRANSACTIONS		
Master Plumbers Apprentices Ltd		
The Association shares common key management personnel with Master Plumbers Apprentices Ltd. Master Plumbers Apprentices Ltd is governed by a separate board of Directors who are responsible for the decision making and strategic direction of the entity. The entities negotiated and approved a cost sharing agreement between both parties as outlined below. No guarantee of financial support is provided by either parties and all transactions are on a commercial basis.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party, except as noted below.		
The following transactions occurred with related parties:		
<i>i Revenue received from related parties</i>		
The Association charges Master Plumbers Apprentices Ltd for administration overhead as governed between a heads of agreement between the two entities:		
Administration fees income	244,606	106,212
Key management personnel have the option to purchase additional tickets for their family to attend.		
Annual event revenue	2,527	-
<i>ii Loans receivable from related parties</i>		
Loan receivable from Master Plumbers Apprentices Ltd:		
In financial year 2011 Master Plumbers Apprentices Ltd funded the refurbishment of the building roof of the Association amounting to \$304,683. A payment of \$17,000 was made in financial year 2011 against the receivable. It was agreed between both parties that the loan be interest free. The loan was repaid during the 2017 financial year, however the gross amount was repaid resulting in a \$17,000 receivable from Master Plumbers Apprentices Ltd at balance date. This was repaid in the current financial year.		
Value of related party transaction	-	17,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
<i>iii Trade & other payables with related parties</i>		
Trade & other payable to Master Plumbers Apprentices Limited:		
Trade & other payable	950	2,031
<i>iv Trade & other receivables with related parties</i>		
Trade & other receivable from Master Plumbers Apprentices Ltd	35,595	17,368
Trade & other receivable from key management personnel	2,527	-
<i>v Guarantee provided to related entities</i>		
Guarantee of winding up of MPA Training Ltd: The Association has guaranteed to contribute \$10 in the event of the wind up of MPA Training Ltd.	(10)	(10)
<i>vi Committee of Management</i>		
Transaction with Committee of Management:		
(i) The names of the Committee of Management who held office during the year are disclosed in the Operating Report.		
(ii) No employment benefits were paid or is payable to any Committee of Management member from the Association or any related party.		
(iii) No amounts were paid or is payable to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives.		
(iv) Entities related to Committee of Management members paid membership fees, and purchased statutory awards and updates from the Association during the year on the same commercial terms and conditions offered to all other members.		
(v) A number of Committee of Management members of the Association are Directors of Master Plumbers Apprentices Limited.		

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

		2025 \$	2024 \$
18. FINANCIAL ASSETS, LIABILITIES AND RISK MANAGEMENT			
The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from related entities.			
The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents	6	635,699	801,761
Current investments	8	1,493,103	3,050,000
Trade and other receivables	7	209,894	245,145
Total Financial Assets		<u>2,345,296</u>	<u>4,096,906</u>
Financial Liabilities			
Creditors and accruals	12	172,220	126,966
Total Financial Liabilities		<u>172,220</u>	<u>126,966</u>

Financial Risk Management Policies

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

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

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

Specific Financial Risk Exposures and Management

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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2025	2024
\$	\$

(a) Credit risk

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

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

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

Credit risk exposures

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

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

(b) Liquidity Risk

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

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

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

Financial assets pledged as collateral

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

(c) Market risk

(i) Interest rate risk

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

(ii) Foreign exchange risk

The Association is not exposed to fluctuations in foreign currencies.

Sensitivity Analysis

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$

Fair Values

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

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

19. ASSOCIATION DETAILS

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

20. DISSOLUTION OF THE ASSOCIATION

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

21. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash	500	500
Cash at Bank	<u>635,199</u>	<u>801,261</u>
	<u><u>635,699</u></u>	<u><u>801,761</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
(b) Reconciliation of cash flow from operations with surplus		
Surplus after income tax	(1,513,332)	(608,772)
Non-cash flows in surplus:		
Depreciation and amortisation expense	323,077	147,476
(Gain)/Loss on sale of property, plant and equipment	8,212	-
Changes in Assets & Liabilities:		
Decrease\increase) in receivables	19,479	131,181
Decrease\increase) in other assets	32,749	216,236
Increase\decrease) in provisions	20,353	6,627
Increase\decrease) in payables	(285,883)	(35,953)
Net cash provided by (used in) operating activities	(1,395,345)	(143,205)

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

23. FINANCIAL INSTRUMENTS ACCOUNTING POLICIES

Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

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

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

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

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

Financial Guarantees

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

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

Financial assets

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

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

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

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

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

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

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

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

Equity instruments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Derecognition

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

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

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

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

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

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

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

Impairment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

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

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

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

General Approach

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

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

Simplified Approach

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Purchased or originated credit impaired approach

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

Evidence of credit impairment includes:

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

Low credit risk operational simplification approach

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Recognition of expected credit losses in financial statements

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

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

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

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

SUBSECTION 255(2A) Report

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

Categories of expenditures	2025	2024
	\$	\$
Remuneration and employment- related costs	1,466,709	676,616
Advertising	108,210	4,805
Operating costs	1,591,226	618,940
Donations to political parties	-	-
Legal costs	97,191	16,853
	<u>3,263,336</u>	<u>1,317,214</u>

OFFICER DECLARATION STATEMENT

I, Greg McElroy, being the President of the Association, declare that the following activities did not occur during the reporting period ending 30 June 2025.

The reporting unit did not:

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

President

Dated:

25th MARCH 2026

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

Auditor's Opinion

I have audited the financial report of the Master Plumbers and Mechanical Contractors Association of NSW (the Reporting Unit), which comprises the statement of financial position as at 30 June 2025, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2025, notes to the financial statements, including a summary of material accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Master Plumbers and Mechanical Contractors Association of NSW as at 30 June 2025, and its financial performance and its cash flows for the period ended on that date in accordance with:

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

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

Basis for Opinion

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

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

Other Matter – Reissued Financial Report

The financial report has been reissued to include additional disclosures in Note 3 in relation to Legal and Other expenses as well as to correct references to the General Manager (instead of the Commissioner) in the Committee of Management Statement and in the Notice to Members.

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

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

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

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

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

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

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

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Master Plumbers and Mechanical Contractors Association of New South Wales for the period ended 30 June 2025 included on the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The Committee of Management are responsible for the integrity of the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from the publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Spry Roughley & Co



F T Roughley, Partner
Chartered Accountant

Parramatta

Dated: 25th March 2026
Registration number: AA2025/8



21 January 2026

Greg McElroy
President
The Master Plumbers & Mechanical Contractors Association of New South Wales

Sent via email: info@masterplumbers.com.au

CC: email@spryroughley.com.au

Dear Greg McElroy

**The Master Plumbers & Mechanical Contractors Association of New South Wales
Financial Report for the year ended 30 June 2025 – FR2025/35**

I acknowledge receipt of the financial report for the year ended 30 June 2025 for the Master Plumbers & Mechanical Contractors Association of New South Wales (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 12 December 2025.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The committee of management statement, general purpose financial report (GPFR) and auditor's statement will require amendments. The amended report will need to be approved by the committee of management, provided to members and lodged with the Fair Work Commission with a new designated officer's certificate.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 6th edition of the reporting guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports, organisations should consult the template model financial statements which is available from the Fair Work Commission website.

1. Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely materiality concerns and incorrect legislative references.

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

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

2. General Purpose Financial Report (GPFR)

Material expense

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The Income Statement discloses 'Other expenses' of \$356,573, which is a material amount.

This item is required to be further divided to ensure that any material items within 'Other expenses' are separately disclosed.

Incorrect legislative references

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

I note that item e (iv) of the Committee of Management Statement and the Notice of Members both refer to Commissioner instead of General Manager.

Please amend these reports to include the correct legislative references.

Disclosure of legal expenses

Reporting guideline 13(j) requires legal expenses to be disclosed by litigation and by other legal costs. The Income Statement discloses a total figure (\$97,191) for this expense but does not distinguish as required by reporting guideline 13(j).

Please amend the GPFR accordingly.

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 PLUMBERS AND MECHANICAL
CONTRACTORS ASSOCIATION OF NSW**

ABN 64 040 939 175

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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NOTICE OF MEMBERS

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

Information to be provided to members or the Commissioner:

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

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2025

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

- (1) that the documents lodged herewith are copies of the full report for The Master Plumbers and Mechanical Contractors Association of NSW for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- (2) that the full report was provided to members of the reporting unit on 18 November 2025.
- (3) that the full report was presented to an annual general meeting on 11 December 2025 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

President

Dated:

11th DEC 2025

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

OPERATING REPORT

I, Greg McElroy, the President of the Master Plumbers and Mechanical Contractors Association of New South Wales ('the Association') hereby present the operating report of the Association for the year ended 30 June 2025.

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

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

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

During the year ended 30 June 2025 the following persons held membership of the Committee of Management of the Association for the entire year unless otherwise indicated:

Greg McElroy	President
Nathaniel Broughton	Vice President
David Dighton	Treasurer
Bill Armstrong	Guardian
Ashley Lowther	Guardian
Callum McKay	Guardian (From 05.03.2025)
Andrew Murphy	Guardian (Ceased 04.03.2025)
Ryan Aquilina	Committee Member
Leonie Crowe	Committee Member (From 05.03.2025)
Nathan Wilson	Committee Member (From 05.03.2025)
Matthew Braid	Committee Member (Ceased 04.03.2025)
Kevin Yau	Committee Member (Ceased 04.03.2025)

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

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

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

OPERATING REPORT

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The deficit of the Association for the year ended 30 June 2025 was \$1,513,332 (2024: deficit of \$608,772).

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

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

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

Significant changes in financial affairs

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

Number of members

As at 30 June 2025:

There were 631 members of the Association (2024: 603 members).

Right of members to resign

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

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

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

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

Number of employees

As at 30 June 2025:

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

Nathaniel Smith - Chief Executive Officer
Albano Zavaglia - Financial Controller
Luke Tabone - Chief Operating Officer

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

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

OPERATING REPORT

Events Subsequent to the End of the Financial Year

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

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

President



Dated:

18th Nov 2025

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	12 months 2025 \$	6 months 2024 \$
Revenue	2	1,750,004	708,442
Employee benefits expense		(1,466,709)	(676,616)
Annual conference expenses		(216,726)	(827)
Consultancy and professional fees		(413,024)	(205,365)
Legal fees		(97,191)	(16,853)
Advertising		(108,210)	(4,805)
Insurance		(33,737)	(13,640)
Rent and occupancy expenses		(154,742)	(65,063)
Doubtful debt/ debt forgiveness		-	-
Other expenses		(356,573)	(136,045)
Depreciation and amortisation expenses		(323,077)	(147,475)
Interest paid		<u>(93,347)</u>	<u>(50,525)</u>
Surplus (deficit) before income tax		(1,513,332)	(608,772)
Income tax expense		<u>-</u>	<u>-</u>
Surplus (deficit) for the year		<u>(1,513,332)</u>	<u>(608,772)</u>
Surplus (deficit) attributable to members of the Association		<u><u>(1,513,332)</u></u>	<u><u>(608,772)</u></u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	12 months 2025 \$	6 months 2024 \$
Surplus (loss) for the year		(1,513,332)	(608,772)
Other comprehensive income:		_____	_____
Other comprehensive income for the year, net of tax		_____ -	_____ -
Total comprehensive income (expense) for the year		<u>(1,513,332)</u>	<u>(608,772)</u>
Total comprehensive income (expense) attributable to the members of the Association		<u>(1,513,332)</u>	<u>(608,772)</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	635,699	801,761
Trade and other receivables	7	110,469	74,750
Financial assets	9	1,493,103	3,050,000
Other current assets	8	201,614	239,130
TOTAL CURRENT ASSETS		2,440,885	4,165,641
NON-CURRENT ASSETS			
Trade and other receivables	7	99,425	170,395
Financial assets	9	10	10
Property, plant and equipment	10	1,108,088	1,052,494
Right-of-use assets	11	1,102,072	1,287,528
TOTAL NON-CURRENT ASSETS		2,309,595	2,510,427
TOTAL ASSETS		4,750,480	6,676,068
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	213,204	161,967
Borrowings	13	161,662	143,187
Short-term provisions	14	89,839	78,062
Other	15	490,345	831,004
TOTAL CURRENT LIABILITIES		955,050	1,214,220
NON-CURRENT LIABILITIES			
Borrowings	13	1,027,445	1,189,107
Long-term provisions	14	122,049	113,473
TOTAL NON-CURRENT LIABILITIES		1,149,494	1,302,580
TOTAL LIABILITIES		2,104,544	2,516,800
NET ASSETS		2,645,936	4,159,268
ACCUMULATED FUNDS			
Accumulated operating surplus		2,645,936	4,159,268
TOTAL ACCUMULATED FUNDS		2,645,936	4,159,268

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Retained Earnings \$	Total \$
Balance at 1 January 2024	4,768,040	4,768,040
Comprehensive income		
Surplus (deficit) for the year (6 month period)	<u>(608,772)</u>	<u>(608,772)</u>
Total comprehensive income for the year attributable to the member of the association	<u>(608,772)</u>	<u>(608,772)</u>
Balance at 30 June 2024	<u>4,159,268</u>	<u>4,159,268</u>
Balance at 1 July 2024	4,159,268	4,159,268
Comprehensive income		
Surplus (deficit) for the year	<u>(1,513,332)</u>	<u>(1,513,332)</u>
Total comprehensive income for the year attributable to the member of the association	<u>(1,513,332)</u>	<u>(1,513,332)</u>
Transactions with the owner, in capacity as owner and other transfers		
Balance at 30 June 2025	<u>2,645,936</u>	<u>2,645,936</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	12 months 2025 \$	6 months 2024 \$
Cash flows from operating activities			
Receipts from members and other receipts		1,457,699	788,485
Payments to suppliers, employees and others		(2,905,883)	(982,297)
Interest received		146,186	101,131
Borrowing costs paid		(93,347)	(50,524)
Net cash provided by (used in) operating activities	21	<u>(1,395,345)</u>	<u>(143,205)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(214,154)	(74,769)
Proceeds from sale of property, plant and equipment		12,727	-
Proceeds from liquidation of term deposits		1,556,897	-
Receipts from repayment of related party lending		17,000	-
Net cash provided by (used in) investing activities		<u>1,372,470</u>	<u>(74,769)</u>
Cash flows from financing activities			
Payment of lease liability		(143,187)	(64,424)
Net cash provided by (used in) financing activities		<u>(143,187)</u>	<u>(64,424)</u>
Net increase (decrease) in cash held		(166,062)	(282,398)
Cash and cash equivalents at beginning of financial year		801,761	1,084,159
Cash and cash equivalents at end of financial year	21	<u><u>635,699</u></u>	<u><u>801,761</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

Basis of Preparation

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

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

(a) Income Tax

The Association is registered under the Fair Work (Registered Organisation) Act 2009 and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the Income Tax Assessment Act 1997, however the Association still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(b) Going Concern

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

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

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

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

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

(c) Critical Accounting Estimates and Judgements

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

Key Estimates

(i) Provision for impairment of trade receivables

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

(ii) Provision for impairment

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

(iii) Recognition of grant income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(d) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Comparative Figures

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

Refer to note 1(m) for change in accounting period.

(f) Financial Instruments

The Association has various financial assets and liabilities, refer to note 23 for disclosure of the accounting policies applied.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(g) Government Grants

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

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

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

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

(h) Rounding of Amounts

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

(i) Impairment of Non- Financial Assets

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

(j) Costs Recovered from Group Apprenticeship Scheme

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

(k) Operating Segment

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

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

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

(m) Change in Accounting Period

The Association resolved in the prior period to change its financial year end from 31 December to 30 June. This was to align its accounting period with the default financial year of entities in Australia. As a result the current period financial statements are for a 12 month period to 30 June 2025. The comparative period presented is for 6 months ending 30 June 2024. Therefore the amounts presented in the financial statements may not be entirely comparable.

(n) Contract Liabilities

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

(o) New Australian Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year and were not materially impacted by amendments to accounting standards and other changes in accounting policy.

No accounting standard has been adopted earlier than the application date stated in the standard.

(p) Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a material impact on the association.

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
2. REVENUE AND OTHER INCOME		
Revenue		
Interest received	112,576	78,838
Magazine revenue	12,473	9,671
Commissions received	53,842	18,570
Membership subscriptions	596,224	328,772
Other revenue	450	5,220
Costs recovered from Master Plumbers Apprentices Ltd	244,606	106,212
Annual events revenue	154,968	-
Training courses	3,567	7,707
Cadetship grant income	328,751	-
Corporate partnership	139,281	62,430
Apprentice training subsidy	103,266	91,022
Capitation fees and other revenue from another reporting unit	-	-
Levies	-	-
Revenue from recovery of wages activity	-	-
Income recognised from volunteer services	-	-
Total revenue	1,750,004	708,442

Disaggregation of Revenue from Contracts with Customers

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

During the reporting period, the Association:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Membership subscriptions

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Other Sources of Income		
- Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.		
- Annual events revenue which includes conferences, sponsorships and other events are recognised upon commencement of the said conferences and events.		
- Training course revenue is recognised over the period of instruction.		
- Commission is recognised when the right to receive the income has been established.		
- Magazine revenue is recognised when the particular article is due to be published.		
- Grant revenue is recognised when the conditions attached to the grant are satisfied. Where grant revenue is received prior to the conditions being satisfied, it is held as a liability. It is accounted for as a contract liability until conditions are satisfied. In 2025 the association undertook a review of previously received cadetship grant revenue and was able to confirm that material grant conditions had been met for several grant contracts, and as such a material amount of revenue was recognised. See note 15 for further disclosure of unrecognised cadetship grant revenue.		
- Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.		

All revenue is stated net of the amount of goods and services tax.

3. SURPLUS (DEFICIT) FOR THE YEAR

Surplus (deficit) includes the following significant expenses:

Remuneration of Auditor:		
Audit of the financial report	34,500	31,500
Other services	22,874	8,850
	57,374	40,350

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

Loss on disposal of non-current assets:		
Property, plant and equipment	8,212	-

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Legal expenses (including amounts disclosed in note 8)	97,191	16,853
Capitation fees and other expense to another reporting unit	-	-
Affiliation fees	-	-
Grants or Donations:		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Lease related amounts recognised as expenses		
Depreciation related to right-of-use assets	185,456	85,776
Interest expense on lease liabilities	93,347	50,524
Short term lease payments	-	-
Low value lease payments	13,889	6,350
Variable lease payment expense	93,720	46,860
	<u>386,412</u>	<u>189,510</u>

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

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

Conferences and meeting expenses are disclosed on the face of the income statement. Legal costs are also disclosed on the face of the income statement. See note 8 in relation to litigation matters.

The Association does not undertake any recovery of wages activity.

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
4. EMPLOYEE EXPENSES		
 Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee and employment related expenses	-	-
Total employee expenses holders of office	-	-
 Employees other than office holders:		
Wages and salaries	1,278,780	598,172
Superannuation	143,276	63,255
Leave and other entitlements	20,353	6,627
Separation and redundancies	-	-
Other employee and employment related expenses	24,300	8,562
Total employee expenses other than office holders	1,466,709	676,616

**5. KEY MANAGEMENT PERSONNEL
COMPENSATION**

Short-term benefits	524,816	255,459
Post employment benefits	57,082	26,798
Other long-term benefits	1,702	810
Total compensation	583,600	283,067

KMP transactions

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

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

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Key management personnel		
Key management personnel of the Association are:		
Nathaniel Smith -Chief Executive Officer		
Albano Zavaglia - Financial Controller		
Luke Tabone - Chief Operating Officer		
6. CASH AND CASH EQUIVALENTS		
Cash on hand	500	500
Cash at bank	635,199	801,261
	635,699	801,761
	635,699	801,761
Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.		
Term deposits with an original term of greater than 3 months are classified as other financial assets (see note 9).		
7. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	74,814	94,293
Less provision for expected credit loss	(26,550)	(26,550)
	48,264	67,743
Other receivables:		
Amounts receivable - Master Plumbers Apprentices Ltd	1,018	3,468
Event Deposits	61,187	-
Goods and services tax	-	3,539
	110,469	74,750
	110,469	74,750
NON-CURRENT		
Lease security Deposits	99,425	153,395
Advances to Master Plumbers Apprentices Ltd	-	17,000
	99,425	170,395
	99,425	170,395

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Provision for impairment of receivables		
Opening balance	26,550	26,550
Charge for the year	-	-
Closing balance	<u>26,550</u>	<u>26,550</u>

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

Credit risk

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

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

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

Trade and term receivables		
Past due and impaired	26,550	26,550
Falling due	34,909	64,751
Past due but not impaired:		
< 30 days overdue	13,355	2,389
31 - 60 days overdue	-	603
61 - 90 days overdue	-	-
> 90 days overdue		
Gross amount	<u>74,814</u>	<u>94,293</u>

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
The Association has no receivables from other reporting units at year end.		
8. OTHER ASSETS		
CURRENT		
Accrued income receivable	121,801	132,259
Other debtors	(1,306)	19,992
Prepayments	81,119	86,879
Advances to other parties	150,000	150,000
Provision for impairment	(150,000)	(150,000)
	<u>201,614</u>	<u>239,130</u>

Advances to other parties for amounts paid to a former supplier of the association for the provision of building and construction services. Prior to the receipt of the services, the supplier entered into administration and is now undergoing a liquidation process. During the year the association incurred \$60,000 of additional legal fees which were advanced to the appointed liquidator to assist in the recovery of assets from the suppliers related parties.

9. FINANCIAL ASSETS

CURRENT		
Financial assets	(a) <u>1,493,103</u>	<u>3,050,000</u>
(a) Financial assets		
Term deposits (amortised cost)	1,493,103	3,050,000
NON-CURRENT		
Other financial assets (fair value through profit and loss)	(b) <u>10</u>	<u>10</u>
(b) Other Financial Assets:		
Investment in MPA Training Ltd	10	10

Investments

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

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

MPA Training Ltd is a dormant entity.

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

**MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
10. PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles	107,707	87,804
Less accumulated depreciation	<u>(32,827)</u>	<u>(25,920)</u>
	<u>74,880</u>	<u>61,884</u>
Office furniture and equipment	779,778	742,342
Less accumulated depreciation	<u>(626,310)</u>	<u>(578,827)</u>
	<u>153,468</u>	<u>163,515</u>
Leasehold improvement	1,053,644	923,800
Less accumulated depreciation	<u>(173,904)</u>	<u>(96,705)</u>
	<u>879,740</u>	<u>827,095</u>
Total property, plant and equipment	<u><u>1,108,088</u></u>	<u><u>1,052,494</u></u>

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

Plant and Equipment

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

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

Depreciation

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
The depreciation rates used for each class of depreciable asset are:		
Class of Fixed Asset:	Depreciation Rate	
Motor Vehicles	12.50%	
Office furniture and equipment	6.67% - 33.33%	
Leasehold improvements	7.41%	

Impairment

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

Gains and losses on disposal

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

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	2025 \$	2024 \$
Movement in carrying amounts		
Leasehold Improvements		
Opening Balance	827,095	805,875
Additions	129,844	53,455
Depreciation	(77,199)	(32,235)
Net Carrying Amount	879,740	827,095
Plant & Equipment		
Opening Balance	163,516	166,163
Additions	37,435	21,313
Depreciation	(47,484)	(23,960)
Net Carrying Amount	153,467	163,516
Motor Vehicles		
Opening Balance	61,884	67,387
Additions	46,875	-
Disposals	(20,939)	-
Depreciation	(12,939)	(5,503)
Net Carrying Amount	74,881	61,884
Total Movement		
Opening Balance	1,052,495	1,039,425
Additions	214,154	74,768
Disposals	(20,939)	-
Depreciation	(137,622)	(61,698)
Net Carrying Amount	1,108,088	1,052,495
11. RIGHT-OF-USE ASSETS		
Right-of-use assets - Land & Buildings	1,881,440	1,881,440
Less accumulated amortisation	(779,368)	(593,912)
	1,102,072	1,287,528

Right-of-use Assets

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

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	2025	2024
	\$	\$
<p>Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.</p>		
Movement in carrying amounts		
Opening balance	1,287,528	933,805
Additions		439,499
Depreciation expense	(185,456)	(85,776)
Closing balance	<u>1,102,072</u>	<u>1,287,528</u>

12. TRADE AND OTHER PAYABLES

CURRENT

Goods and services tax	4,632	-
Trade creditors	90,025	28,218
Other creditors	118,547	133,749
	<u>213,204</u>	<u>161,967</u>

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

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

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

13. BORROWINGS

CURRENT

Lease liability	<u>161,662</u>	<u>143,187</u>
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NON-CURRENT

Lease liability	<u>1,027,445</u>	<u>1,189,107</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025 2024
\$ \$

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

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

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

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

Options to Extend or Terminate

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

Cash impact of leases

Total cash outflows for leases	236,534	114,946
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Future Lease Payments

Future lease payments are due as follows:

Within one year	243,630	236,534
After one year but not more than two years	243,898	243,630
After two year but not more than three years	243,898	243,898
After three year but not more than four years	243,898	243,898
After four year but not more than five years	243,898	243,898
After five years	253,077	496,974
	1,472,299	1,708,832

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	2025 \$	2024 \$
14. PROVISIONS		
CURRENT		
Provision for employee entitlements	89,839	78,062
NON-CURRENT		
Provision for employee entitlements	22,049	13,473
Provision for make good	100,000	100,000
	<u>122,049</u>	<u>113,473</u>
Employee provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Total employee provisions office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	53,231	49,031
Long service leave	41,844	30,929
Separations and redundancies	-	-
Other	16,813	11,575
Total employee provisions other than office holders	<u>111,888</u>	<u>91,535</u>
Movement in carrying amounts		
Provision for make good:		
Opening balance	100,000	40,000
Provisions raised	-	60,000
Closing balance	<u>100,000</u>	<u>100,000</u>
Provision for employee benefits:		
Opening balance	91,535	84,908
Provisions raised	90,909	42,990
Provisions used	<u>(70,556)</u>	<u>(36,363)</u>
Closing balance	<u>111,888</u>	<u>91,535</u>
Total Provisions		
Opening balance	191,535	124,908
Provisions raised	90,909	102,990
Provisions used	<u>(70,556)</u>	<u>(36,363)</u>
Closing balance	<u>211,888</u>	<u>191,535</u>

**NOTES TO THE FINANCIAL STATEMENTS
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2025 2024
\$ \$

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

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

15. OTHER LIABILITIES

CURRENT

Contract liabilities

- Member and corporate subscriptions	353,030	305,628
- Event revenue	3,655	62,965
- Cadetship grants	133,660	462,411
	490,345	831,004
	490,345	831,004

16. CAPITAL COMMITMENTS

Capital Expenditure Commitments

Capital expenditure commitments contracted for the next 12 months:

Not later than 12 months	-	76,545
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
17. RELATED PARTY TRANSACTIONS		
Master Plumbers Apprentices Ltd		
The Association shares common key management personnel with Master Plumbers Apprentices Ltd. Master Plumbers Apprentices Ltd is governed by a separate board of Directors who are responsible for the decision making and strategic direction of the entity. The entities negotiated and approved a cost sharing agreement between both parties as outlined below. No guarantee of financial support is provided by either parties and all transactions are on a commercial basis.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party, except as noted below.		
The following transactions occurred with related parties:		
<i>i Revenue received from related parties</i>		
The Association charges Master Plumbers Apprentices Ltd for administration overhead as governed between a heads of agreement between the two entities:		
Administration fees income	244,606	106,212
Key management personnel have the option to purchase additional tickets for their family to attend.		
Annual event revenue	2,527	-
<i>ii Loans receivable from related parties</i>		
Loan receivable from Master Plumbers Apprentices Ltd:		
In financial year 2011 Master Plumbers Apprentices Ltd funded the refurbishment of the building roof of the Association amounting to \$304,683. A payment of \$17,000 was made in financial year 2011 against the receivable. It was agreed between both parties that the loan be interest free. The loan was repaid during the 2017 financial year, however the gross amount was repaid resulting in a \$17,000 receivable from Master Plumbers Apprentices Ltd at balance date. This was repaid in the current financial year.		
Value of related party transaction	-	17,000

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	2025	2024
	\$	\$
<i>iii Trade & other payables with related parties</i>		
Trade & other payable to Master Plumbers Apprentices Limited:		
Trade & other payable	950	2,031
<i>iv Trade & other receivables with related parties</i>		
Trade & other receivable from Master Plumbers Apprentices Ltd	35,595	17,368
Trade & other receivable from key management personnel	2,527	-
<i>v Guarantee provided to related entities</i>		
Guarantee of winding up of MPA Training Ltd: The Association has guaranteed to contribute \$10 in the event of the wind up of MPA Training Ltd.	(10)	(10)
<i>vi Committee of Management</i>		
Transaction with Committee of Management:		
(i) The names of the Committee of Management who held office during the year are disclosed in the Operating Report.		
(ii) No employment benefits were paid or is payable to any Committee of Management member from the Association or any related party.		
(iii) No amounts were paid or is payable to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives.		
(iv) Entities related to Committee of Management members paid membership fees, and purchased statutory awards and updates from the Association during the year on the same commercial terms and conditions offered to all other members.		
(v) A number of Committee of Management members of the Association are Directors of Master Plumbers Apprentices Limited.		

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

		2025	2024
		\$	\$
18. FINANCIAL ASSETS, LIABILITIES AND RISK MANAGEMENT			
The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from related entities.			
The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents	6	635,699	801,761
Current investments	8	1,493,103	3,050,000
Trade and other receivables	7	209,894	245,145
Total Financial Assets		2,345,296	4,096,906
Financial Liabilities			
Creditors and accruals	12	172,220	126,966
Total Financial Liabilities		172,220	126,966

Financial Risk Management Policies

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

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

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

Specific Financial Risk Exposures and Management

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

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

NOTES TO THE FINANCIAL STATEMENTS
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2025	2024
\$	\$

(a) Credit risk

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

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

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

Credit risk exposures

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

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties.

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

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2025	2024
\$	\$

(b) Liquidity Risk

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

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

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

Financial assets pledged as collateral

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

(c) Market risk

(i) Interest rate risk

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

(ii) Foreign exchange risk

The Association is not exposed to fluctuations in foreign currencies.

Sensitivity Analysis

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

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	2025	2024
	\$	\$

Fair Values

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

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

19. ASSOCIATION DETAILS

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

20. DISSOLUTION OF THE ASSOCIATION

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

21. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash	500	500
Cash at Bank	635,199	801,261
	635,699	801,761
	635,699	801,761

**NOTES TO THE FINANCIAL STATEMENTS
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	2025 \$	2024 \$
(b) Reconciliation of cash flow from operations with surplus		
Surplus after income tax	(1,513,332)	(608,772)
Non-cash flows in surplus:		
Depreciation and amortisation expense	323,077	147,476
(Gain)/Loss on sale of property, plant and equipment	8,212	-
Changes in Assets & Liabilities:		
Decrease\increase) in receivables	19,479	131,181
Decrease\increase) in other assets	32,749	216,236
Increase\decrease) in provisions	20,353	6,627
Increase\decrease) in payables	(285,883)	(35,953)
Net cash provided by (used in) operating activities	(1,395,345)	(143,205)

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

23. FINANCIAL INSTRUMENTS ACCOUNTING POLICIES

Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

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2025	2024
\$	\$

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

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

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

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

Financial Guarantees

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

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

Financial assets

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

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

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2025	2024
\$	\$

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

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

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

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

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

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

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

Equity instruments

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

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2025	2024
\$	\$

Derecognition

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

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

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

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

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

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

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

Impairment

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

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2025	2024
\$	\$

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

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

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

General Approach

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

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

Simplified Approach

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Purchased or originated credit impaired approach

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

Evidence of credit impairment includes:

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

Low credit risk operational simplification approach

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Recognition of expected credit losses in financial statements

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

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

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

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

SUBSECTION 255(2A) Report

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

Categories of expenditures	2025	2024
	\$	\$
Remuneration and employment- related costs	1,466,709	676,616
Advertising	108,210	4,805
Operating costs	1,591,226	618,940
Donations to political parties	-	-
Legal costs	97,191	16,853
	<u>3,263,336</u>	<u>1,317,214</u>

COMMITTEE OF MANAGEMENT STATEMENT

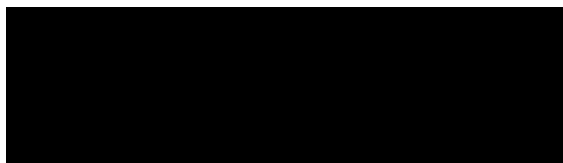
On 18 November 2025 the Committee of Management of the Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2025:

The Committee declares that in its opinion:

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

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

President



Dated:

18th Nov 2025.

MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NSW

ABN 64 040 939 175

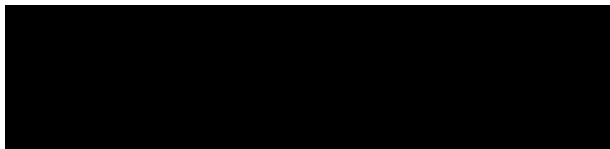
OFFICER DECLARATION STATEMENT

I, Greg McElroy, being the President of the Association, declare that the following activities did not occur during the reporting period ending 30 June 2025.

The reporting unit did not:

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

President



Dated:

18th Nov 2025.

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

Auditor's Opinion

I have audited the financial report of the Master Plumbers and Mechanical Contractors Association of NSW (the Reporting Unit), which comprises the statement of financial position as at 30 June 2025, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2025, notes to the financial statements, including a summary of material accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Master Plumbers and Mechanical Contractors Association of NSW as at 30 June 2025, and its financial performance and its cash flows for the period ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

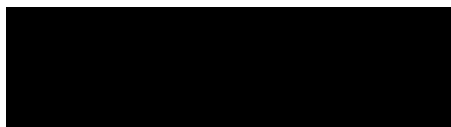
I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Master Plumbers and Mechanical Contractors Association of New South Wales for the period ended 30 June 2025 included on the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The Committee of Management are responsible for the integrity of the Master Plumbers and Mechanical Contractors Association of New South Wales' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from the publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Spry Roughley & Co.
Spry Roughley & Co



F T Roughley, Partner
Chartered Accountant

Parramatta

Dated: 18/11/2025
Registration number: AA2025/8