



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Brian Seidler
Executive Director
Master Builders Association of New South Wales
Private Bag 9
BROADWAY NSW 2007

Dear Mr Seidler

**Financial Statements and Accounts for the MBANSW
for the year ending 30 June 2003 (FR2003/329)**

I refer to the above financial statements and accounts which were lodged in the Industrial Registry on 4 July 2006. I also refer to my letters dated 22 July 2004 and 23 December 2005. I apologise for the delay in finalising consideration of the documents.

Having regard to the history of this matter set out in the correspondence and to the lodgement of an appropriate Secretary's Certificate with the documents, as well as the lodgement of financial returns for the subsequent years, I have decided to close this file. The Registry will be writing to you shortly in relation to the subsequent financial returns.

The financial return for the year ending 30 June 2003 has now been filed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Jenkins'.

Barry Jenkins
Deputy Industrial Registrar

4 August 2008

MBA



28 June 2006

Deputy Industrial Registrar
Australian Industrial Registry
Level 8
80 William Street
EAST SYDNEY NSW 2010

MASTER BUILDERS ASSOCIATION
OF NEW SOUTH WALES
ABN 96 550 042 906
52 PARRAMATTA ROAD,
FOREST LODGE NSW 2037,
PRIVATE BAG 9, BROADWAY,
NSW 2007, AUSTRALIA
TELEPHONE: (02) 8586 3555;
FACSIMILE: (02) 9660 3700;
Email:enquiries@mbansw.asn.au

Attention: Belinda Penna

Dear Deputy Industrial Registrar

**RE: FINANCIAL RETURN – YEAR ENDING 30 JUNE 2003 – FR 2003/329
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2003.

The relevant information includes:

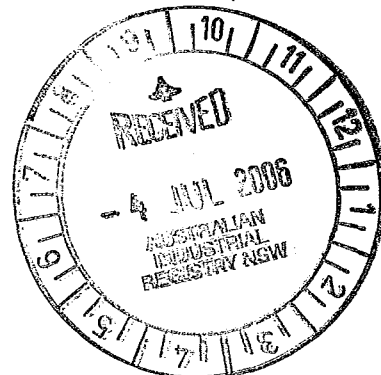
1. Certificate of Secretary (Attachment 1).
2. A copy of the Association's Financial Documents (Attachment 2).
3. A copy of the Association's Executive Newsbrief in which the Financial Report is found, and which was circulated to all members of the Association (Attachment 3).

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

Yours faithfully

Brian Seidler
EXECUTIVE DIRECTOR

Attachs.

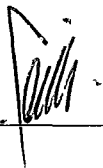


Attachment 1

SECRETARY'S CERTIFICATE

I, Brian Seidler certify that:

- The attached copies of the Directors Report, Auditor's Report, Directors Declaration and statement and notes of the financial position of the Master Builders Association of NSW Consolidated Group for the year ended June 2003 are copies of the documents that were presented to members at the Association's Annual General Meeting on 9 December 2003 (see Attachment 2).
- A consolidated version of the Association's financial position was circulated to all members by way of the Association's Executive Newsbrief on or around early November 2003.
- A full set of the Association's financial documents, including Directors Report, Auditor's Report, Directors Declaration, statement and notes of the financial position of the Association, Committee of Management Certificate, Accounting Officer's Certificate for the year ended June 2003 were again circulated to all Master Builders Association of NSW members by way of the Association's Executive Newsbrief (see Attachment 3), on or around 30 October 2004.



Brian Seidler
Executive Director
Master Builders Association of NSW

Date: 28 June 2006



MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

DIRECTORS' REPORT

Your directors submit the financial accounts of the company for the year ended 30 June 2003.

The names of the directors in office at the date of this report are:

Mr. Scott D. Beynon

Mr. Ronald A. Bracken

The principal activities of the economic entity during the financial year were to serve the interests of employers and members of the building and construction industry within New South Wales

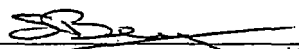
No significant change in the nature of these activities occurred during the year.


The profit of the group for the financial year amounted to \$673,434 (2002 profit \$346,820).

The directors have not received or become entitled to receive, during or since the financial year a benefit because of a contract made by the company or a related body corporate with the directors, a firm of which the directors are members or an entity which the directors have a substantial interest.

This statement excludes benefits included in the aggregate amount of emoluments received, or due and receivable, by the directors as shown in the company's financial accounts for the financial year or the fixed salary of a full-time employee of the company or a related body corporate.

Signed by:

X 
SCOTT BEYNON

X 
RONALD BRACKEN

Dated this 29 day of October, 2003

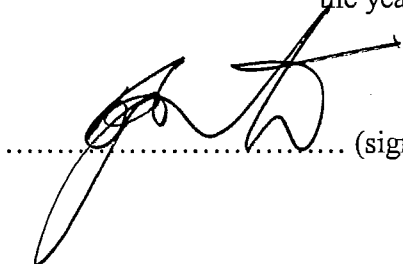
**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

AUDITOR'S REPORT

I have inspected and audited the consolidated accounting records kept by the Master Builders' Association of NSW in respect of the year ended 30 June 2003 and have received all the information and explanations required for the purposes of my audit.

In my opinion:-

- (i) there were kept by the organization in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure, and
- (ii) the attached accounts and statements in accordance with the section 273 of the *Workplace Relations Act 1996* are properly drawn up so as to give a true and a fair view of:
 - (a) the financial affairs of the organization as at 30 June 2003,
 - (b) the income and expenditure, and surplus of the organization for the year ended on that date.


..... (signed)

Name: Robert Keith Hunter
Registered Company Auditor

Dated: 29/10/03

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

30 JUNE 2003

DIRECTORS' DECLARATION

In the opinion of the Directors of Master Builders Association of New South Wales Consolidated Group:

- (a) The financial statements and notes, set out on page 4 to 13 are in accordance with section 273 of the *Workplace Relations Act 1996*, including:
- (i) Giving a true and fair view of the financial position of the company as at 30 June 2003 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date, in accordance with the basis of accounting described in Note 1, and
 - (ii) Complying with Accounting Standards to the extent described in Note 1; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 29 day of October, 2003

Signed in accordance with a resolution of the directors.

X 

SCOTT BEYNON

X 

RONALD BRACKEN

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	NOTE	2003 \$	2002 \$
CURRENT ASSETS			
Cash	5	715,658	194,075
Receivables	6	2,948,766	3,433,513
Inventories	8	16,408	35,204
		<u>3,680,832</u>	<u>3,662,792</u>
NON-CURRENT ASSETS			
Investments	7	100	100
Property Plant and Equipment	9	4,189,677	4,170,534
		<u>4,189,777</u>	<u>4,170,634</u>
		<u>7,870,609</u>	<u>7,833,426</u>
CURRENT LIABILITIES			
Accounts Payables	11	3,109,138	3,236,233
Provisions	12	439,683	411,745
		<u>3,548,821</u>	<u>3,647,978</u>
NON-CURRENT LIABILITIES			
Payables	10	1,681,063	2,263,532
Provisions	13	151,636	106,261
		<u>1,832,699</u>	<u>2,369,793</u>
TOTAL LIABILITIES		<u>5,381,520</u>	<u>6,017,771</u>
NET ASSETS		<u>2,489,089</u>	<u>1,815,655</u>
EQUITY			
Reserves	14	962,256	962,256
Accumulated Profit		1,526,833	853,399
		<u>2,489,089</u>	<u>1,815,655</u>
TOTAL CAPITAL & RESERVES		<u>2,489,089</u>	<u>1,815,655</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements on pages 7 to 13.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES PTY LIMITED
CONSOLIDATED GROUP**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2003**

	NOTE	2003 \$	2002 \$
Operating profit before income tax	2	878,434	559,486
Income tax attributable to operating profit		<u> -</u>	<u> -</u>
 Abnormal Items	 4	 <u>205,000</u>	 <u>212,666</u>
 Operating profit and extraordinary items after income tax		 673,434	 346,820
Accumulated profits at the beginning of the financial year		<u>853,399</u>	<u>506,579</u>
 Accumulated profits at the end of the financial year		 <u><u>1,526,833</u></u>	 <u><u>853,399</u></u>

The profit and Loss Account is to be read in conjunction with the notes to and forming part of the financial statements on pages 7 to 13.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	NOTE	2003 \$	2002 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,697,615	5,394,758
Cash payments in the course of operations		<u>(4,543,141)</u>	<u>(4,688,613)</u>
Net cash provided by/(used in) operating activities	18ii	<u>1,154,474</u>	<u>706,145</u>
Cash flows from investing activities			
Purchases of property, plant & equipment		(50,422)	(3,067)
Loan to Associated Company		(180,000)	-
Loan to Associated Entity		-	(362,544)
Investment in Unit Trust		-	<u>(100)</u>
Net cash (used in) investing activities		<u>(230,422)</u>	<u>(365,711)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(402,469)</u>	<u>(288,061)</u>
Net cash provided by/(used in) financing activities		<u>(402,469)</u>	<u>(288,061)</u>
Net increase/(decrease) in cash held		521,583	52,373
Cash at the beginning of the financial year		<u>194,075</u>	<u>141,702</u>
Cash at the end of the financial year	18i	<u>715,658</u>	<u>194,075</u>

The statement of cash flows is to be read in conjunction
with the notes to and forming part of the financial
statements on pages 7 to 13.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

In the opinion of the directors, the consolidated group is not a reporting entity. The financial report of the group has been drawn up as a special purpose financial report for distribution to the members.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 5: Materiality

AAS 8: Events Occurring After Reporting Date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on the accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

Income Tax

The group adopts the tax payable method of accounting for income tax.

Property, Plant & Equipment

Property, plant and equipment are included at cost, independent or directors' valuation. All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

Inventories

Inventories are measured at the lower of cost and net realisable value.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 2 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses		
Borrowing Costs		
Other Persons	1,229	17,882
Depreciation Non Current Assets	32,000	33,202
Bad Debts		
Bad Debts	239,370	212,735
Remuneration of Auditor		
Audit or Review	14,656	17,246
NOTE 3 - REVENUE		
Operating Activities		
Mortgage Services	41,825	147,514
Trust Distributions	-	362,544
Members Subscriptions	2,896,069	2,520,132
Other	2,759,721	2,364,568
TOTAL REVENUE	<u>5,697,615</u>	<u>5,394,758</u>

NOTE 4 - ABNORMAL ITEMS

Operating profit (or loss) after income tax has been
affected by the following abnormal items.

Abnormal expense items before income tax	<u>205,000</u>	<u>212,666</u>
Comprising		
Department of Fair Trading	170,000	112,666
Income tax applicable	-	-
Past Presidents	35,000	-
Income tax applicable	-	-
Exercise of Options - Colson	-	100,000
	-	-

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003 \$	2002 \$
NOTE 5 - CASH		
Cash in Hand	2,350	2,600
Cash at Bank	713,308	191,475
	<u>715,658</u>	<u>194,075</u>
 NOTE 6 - RECEIVABLES		
Trade Debtors	2,442,488	2,411,859
Less Prov'n for Doubtful Debts	(414,215)	(253,693)
Other Debtors	92,959 ✓	45,568
Special Purpose Bank Accounts	233,365 ✓	204,511
Accrued Income	121,145 ✓	386,855
Prepayments	110,480 ✓	275,869
Loans at Call - Unsecured	362,544 ✓	362,544
	<u>2,948,766</u>	<u>3,433,513</u>
 NOTE 7 - INVESTMENTS		
Investment in Comet Training Trust	<u>100</u>	<u>100</u>
 NOTE 8 - INVENTORIES		
Stock on Hand - at Cost	<u>16,408</u>	<u>35,204</u>

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 9 - PROPERTY PLANT AND EQUIPMENT		
Land & Buildings at independent valuation -14/1/02	4,060,000	4,060,000
Plant & Equipment - at Cost	301,070	250,237
Less Prov'n for Depreciation	<u>236,429</u>	<u>208,748</u>
	64,641	41,489
Furniture & Fittings - at Cost	42,331	42,742
Less Prov'n for Depreciation	<u>20,535</u>	<u>16,937</u>
	21,796	25,805
Paintings	<u>43,240</u>	<u>43,240</u>
	<u>129,677</u>	<u>110,534</u>
	<u>4,189,677</u>	<u>4,170,534</u>

NOTE 10 - CREDITORS & BORROWINGS

Bank Loans - Secured	1,369,398	1,771,867
Loans Related Entities - Unsecured	<u>311,665</u>	<u>491,665</u>
	<u>1,681,063</u>	<u>2,263,532</u>

NOTE 11 - OTHER CURRENT LIABILITIES

Subscriptions in Advance	1,763,099	1,625,370
Trade Creditors	1,329,668	1,553,109
Other Creditors	<u>16,371</u>	<u>57,754</u>
	<u>3,109,138</u>	<u>3,236,233</u>

NOTE 12 - PROVISIONS - CURRENT

Provision for Holiday Pay	<u>439,683</u>	<u>411,745</u>
---------------------------	----------------	----------------

NOTE 13 - PROVISIONS - NON-CURRENT

Prov'n for Long Service Leave	<u>151,636</u>	<u>106,261</u>
-------------------------------	----------------	----------------

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 14 - RESERVES		
Asset Revaluation Reserve	<u>962,256</u>	<u>962,256</u>

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2003	2002
	\$	\$
NOTE 15 - LEASE COMMITMENTS		
The estimated maximum amount of lease commitments not provided for in the financial statements as at 30 June 2003 are:		
(a) Motor Vehicle Lease		
Payable		
Not later than one year	41,142	130,648
Later than one year and not later than five years	39,381	58,251
(b) Equipment Lease		
Payable		
Not later than one year	49,249	19,990
Later than one year and not later than five years	73,441	48,227
Total lease liability not later than one year	90,391	150,638
Total lease liability later than one year and not later than five years	112,822	106,478

NOTE 16 – CONTINGENT LIABILITY

A guarantee and indemnity has been executed prior to 30 June 2003 in favour of Westpac Banking Corporation in respect of the obligations of Master Builders (NSW) Limited.

NOTE 17 – RELATED PARTIES

The CONSOLIDATED GROUP accounts consist of Master Builders Association of New South Wales Pty Limited, Master Builders Association of New South Wales which holds the industrial registration, Master Builders (NSW) Limited and Master Builders Finance Pty Ltd.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 18 – NOTES TO STATEMENT OF CASHFLOWS

(i) Reconciliation of Cash	2003	2002
	\$	\$
<p>For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and investments in money market instruments but excludes advances held in special accounts to be expanded in accordance with agreements with the parties making the advances. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:</p>		
Petty cash	2,350	2,600
Cash at Bank	<u>713,308</u>	<u>191,475</u>
	<u>715,658</u>	<u>194,075</u>
<p>(ii) Reconciliation of net cash used in operating activities in operating result</p>		
Operating result	673,434	346,820
Depreciation	32,000	33,202
Profit on Sale of Fixed Assets	(1,434)	-
Provision for doubtful debts	160,522	(20,578)
(Increase) Decrease in trade debtors	(30,629)	229,835
(Increase) Decrease in inventories	18,796	17,682
(Increase) Decrease in other debtors	355,567	(139,148)
Increase (Decrease) in creditors	(127,095)	248,025
Increase (Decrease) in employee benefits	<u>73,313</u>	<u>(9,693)</u>
Net cash provided by operating activities	<u>1,154,474</u>	<u>706,145</u>

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

ACCOUNTANTS DISCLAIMER

The financial data presented in the following pages is in accordance with the books and records of MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES CONSOLIDATED GROUP ('our Client') which have not been audited. This information has been prepared at the request of and exclusively for the use and benefit of the company and its directors only.

It is not a general purpose financial report and has not been prepared in accordance with Statements of Accounting Concepts and Accounting Standards. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our Client) in respect of such data, including any errors or omissions therein however caused.

URE LYNAM & CO
Chartered Accountants

SYDNEY:

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP**

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
INCOME			
Surplus of Stock Sales		158,504	196,454
Group Apprenticeship Scheme		955,091	858,712
Members Subscriptions		2,896,069	2,520,132
Contract & Development Fees		-	5,692
Mortgage Services		41,825	147,514
Sponsorship & Commission		518,757	303,590
Craft Rebate		120,530	159,720
Industrial Relations Services		117,858	97,369
Training & Education - General		257,805	272,679
Training & Education - O H & S		425,175	300,100
Distribution form Trusts		-	362,544
Sundry income		206,001	170,252
		<hr/>	<hr/>
TOTAL INCOME		5,697,615	5,394,758
EXPENSES			
Affiliation Fees - M.B.A. Inc.		207,840	201,600
Auditors Remuneration - Fees		14,656	17,246
Bad Debts		239,370	212,735
Depreciation		32,000	33,202
Fringe Benefits Tax		30,812	29,968
General Expenses		350,465	372,560
Insurance		93,511	74,139
Interest		1,229	17,882
Legal Costs		78,402	86,272
Motor Vehicle Expenses		165,454	163,799
Payroll Tax		119,267	115,278
Postage		126,716	126,459
Printing & Stationery		145,898	145,049
Property Expenses		208,884	275,351
Repairs & Maintenance		16,405	18,360
Reference Materials		990	1,583
Salaries		2,470,338	2,447,668
Staff Training		5,406	3,811
Subscriptions		16,872	13,705
Superannuation		249,335	226,620
Telephone		155,738	182,305
Travelling & Meeting Expenses		89,593	69,680
		<hr/>	<hr/>
TOTAL EXPENSES		4,819,181	4,835,272
		<hr/>	<hr/>
OPERATING PROFIT		878,434	559,486

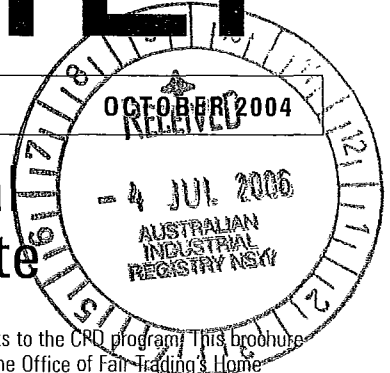
MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
CONSOLIDATED GROUP

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
NON-OPERATING INCOME AND EXPENSES			
Non Operating Expenses			
Abnormal Expense Items	4	<u>205,000</u>	<u>212,666</u>
OPERATING PROFIT BEFORE INCOME TAX		<u>673,434</u>	<u>346,820</u>

Executive

NEWSBRIEF



NEWS FLASH

CFMEU drops multi-storey allowance claim

Top 50 Builders Luncheon - 19 November 2004

Federal Minister for Employment and Workplace Relations, the Hon Kevin Andrews

2005 MBA diaries now available

IN THIS ISSUE

General News	1-4
Home Warranty Insurance	5-7
Industrial Relations	8-22
Apprentices	23
Financial Reports Consolidated Group 2002/2003	24-40
Financial Reports 2003/2004	41-51
Auditors Report 2004	52-60

COMPILED BY

Master Builders Association of New South Wales
 ABN 11 074 397 532 ACN 074 397 532

52 Parramatta Road,
 Forest Lodge NSW 2037
 T: (02) 8586 3555 F: (02) 9660 3700
 E: enquiries@mbansw.asn.au



Continued Professional Development — Update

The latest announcement of operational changes to mandatory Continuing Professional Development (CPD) emphasises the "muddle" licence holders are being asked to comply with.

An announcement by NSW Commissioner for

improvements to the CPD program. This brochure states that the Office of Fair Trading's Home Building Service has continued the consultation process with industry participants in finetuning the CPD program. Consultations have indeed

Staged introduction of CPD

Licence Category	Commencement Date
Licensed Builders and Swimming Pool Builders	March 2004
Air Conditioning/ Refrigeration Plumbing, Draining and Gasfitting Electrical (Licensed contractors only)	July 2005
All other licence and certificate holders	July 2006

Fair Trading, David O'Connor on the 6th August 2004 revealed that CPD remains operational for builders and swimming pool builders but it has been deferred for all other licensed contractors. The other core element in the announcement is that courses are being developed between the Office of Fair Trading (OFT) and TAFE which will be heavily weighted with 25 CPD points - the minimum required to be accrued by licensees each year.

In summary, the operational changes to CPD as announced are:

Credit for excellence

A credit weighting of 10 points to be provided to any licence holder who has a good licence history with no prosecution, disciplinary actions (including fines and penalty actions), no accepted insurance claims and/or non compliance with orders of the Consumer Tenancy and Trader Tribunal (CTTT).

Rolling points system

Any points earned over and above the minimum requirements over three years can carry over. This includes a provision to ensure no points accrued are wasted, including points accrued since the 1st March 2004, irrespective of whether the licensee is now subject to a deferred commencement date as summarised above.

CPD will only apply to individuals

CPD will only apply to individuals or natural persons and not to a company or partnership.

The OFT recently circulated to all licence holders a brochure (*Continuing Professional Development – Training for the Future*) detailing

taken place; however MBA and other industry representatives have raised numerous queries and concerns during these consultations which are a long way from being answered or addressed. Indeed, a number of changes contained in the recent announcement by Commissioner O'Connor were not identified during consultations with industry.

There has been no indication during meetings with the OFT that TAFE was to be exclusively granted a primary joint venture role with the OFT for developing and providing CPD courses. To the contrary, our interpretation of the advice provided during numerous meetings is that CPD would not amount to a return to the classroom with a focus on structured training. The emphasis would be on professional development through non-structured CPD activities.

The MBA, the Master Plumbers Association and the Mechanical Contractors Association on several occasions raised concerns about CPD being hijacked by the education system or having a primary focus on structured training. This concern was raised at the last joint meeting of industry associations and the Home Building Service (HBS) on the 20th May 2004 where it was advised that the Vocational Education Training Advisory Board (VETAB) had been brought in to assist with the development of the CPD structure.

At a further meeting with the HBS on the 18th June 2004, there was some suggestion by the HBS that indeed the 100 point benchmark could also change in an effort to harmonise CPD structures with Victoria and Queensland. The position now appears to be that the 100 point benchmark is now fixed and therefore there is unlikely to be a consistent CPD structure with other eastern states

Continued on page 2

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2003

CONTENTS

Directors Report	25
Independent Audit Report	26
Directors Declaration	27
Statement of Financial Position	28
Statement of Financial Performance	29
Statement of Cash Flows	30
Notes to the Accounts	31
Accountant's Disclaimer	38
Profit & Loss Account	39

Directors' Report

Your directors submit the financial accounts of the company for the year ended 30 June 2003.

The names of the directors in office at the date of this report are:

Mr. Scott D. Beynon

Mr. Ronald A. Bracken

The principal activities of the economic entity during the financial year were to serve the interests of employers and members of the building and construction industry within New South Wales


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

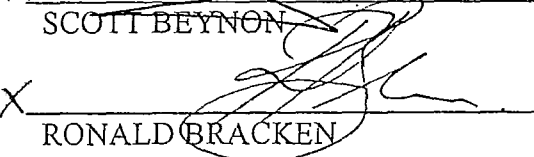
The profit of the group for the financial year amounted to \$673,434 (2002 profit \$346,820).

The directors have not received or become entitled to receive, during or since the financial year a benefit because of a contract made by the company or a related body corporate with the directors, a firm of which the directors are members or an entity which the directors have a substantial interest.

This statement excludes benefits included in the aggregate amount of emoluments received, or due and receivable, by the directors as shown in the company's financial accounts for the financial year or the fixed salary of a full-time employee of the company or a related body corporate.

Signed by:

X 
SCOTT BEYNON

X 
RONALD BRACKEN

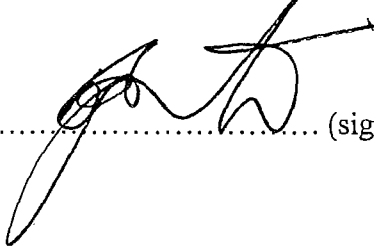
Dated this 29 day of October, 2003

Auditor's Report

I have inspected and audited the consolidated accounting records kept by the Master Builders' Association of NSW in respect of the year ended 30 June 2003 and have received all the information and explanations required for the purposes of my audit.

In my opinion:-

- (i) there were kept by the organization in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure, and
- (ii) the attached accounts and statements in accordance with the section 273 of the *Workplace Relations Act 1996* are properly drawn up so as to give a true and a fair view of:
 - (a) the financial affairs of the organization as at 30 June 2003,
 - (b) the income and expenditure, and surplus of the organization for the year ended on that date.


..... (signed)

Name: Robert Keith Hunter
Registered Company Auditor

Dated: 29/10/03

30 JUNE 2003


Directors' Declaration

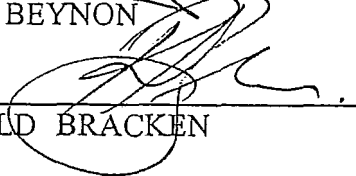
In the opinion of the Directors of Master Builders Association of New South Wales Consolidated Group:

- (a) The financial statements and notes, set out on page 4 to 13 are in accordance with section 273 of the *Workplace Relations Act 1996*, including:
 - (i) Giving a true and fair view of the financial position of the company as at 30 June 2003 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date, in accordance with the basis of accounting described in Note 1, and
 - (ii) Complying with Accounting Standards to the extent described in Note 1; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 29th day of October, 2003

Signed in accordance with a resolution of the directors.

X 
SCOTT BEYNON

X 
RONALD BRACKEN

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	NOTE	2003 \$	2002 \$
CURRENT ASSETS			
Cash	5	715,658	194,075
Receivables	6	2,948,766	3,433,513
Inventories	8	16,408	35,204
		<u>3,680,832</u>	<u>3,662,792</u>
NON-CURRENT ASSETS			
Investments	7	100	100
Property Plant and Equipment	9	4,189,677	4,170,534
		<u>4,189,777</u>	<u>4,170,634</u>
		<u>7,870,609</u>	<u>7,833,426</u>
CURRENT LIABILITIES			
Accounts Payables	11	3,109,138	3,236,233
Provisions	12	439,683	411,745
		<u>3,548,821</u>	<u>3,647,978</u>
NON-CURRENT LIABILITIES			
Payables	10	1,681,063	2,263,532
Provisions	13	151,636	106,261
		<u>1,832,699</u>	<u>2,369,793</u>
TOTAL LIABILITIES		<u>5,381,520</u>	<u>6,017,771</u>
NET ASSETS		<u>2,489,089</u>	<u>1,815,655</u>
EQUITY			
Reserves	14	962,256	962,256
Accumulated Profit		1,526,833	853,399
		<u>2,489,089</u>	<u>1,815,655</u>
TOTAL CAPITAL & RESERVES		<u>2,489,089</u>	<u>1,815,655</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements on pages 31-35

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
Operating profit before income tax	2	878,434	559,486
Income tax attributable to operating profit		—	—
Abnormal Items	4	<u>205,000</u>	<u>212,666</u>
Operating profit and extraordinary items after income tax		673,434	346,820
Accumulated profits at the beginning of the financial year		<u>853,399</u>	<u>506,579</u>
Accumulated profits at the end of the financial year		<u>1,526,833</u>	<u>853,399</u>

The Profit and Loss Account is to be read in conjunction with the notes to and forming part of the financial statements on pages 31-37

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,697,615	5,394,758
Cash payments in the course of operations		<u>(4,543,141)</u>	<u>(4,688,613)</u>
Net cash provided by/(used in) operating activities	18ii	<u>1,154,474</u>	<u>706,145</u>
Cash flows from investing activities			
Purchases of property, plant & equipment		(50,422)	(3,067)
Loan to Associated Company		(180,000)	-
Loan to Associated Entity		-	(362,544)
Investment in Unit Trust		-	<u>(100)</u>
Net cash (used in) investing activities		<u>(230,422)</u>	<u>(365,711)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(402,469)</u>	<u>(288,061)</u>
Net cash provided by/(used in) financing activities		<u>(402,469)</u>	<u>(288,061)</u>
Net increase/(decrease) in cash held		521,583	52,373
Cash at the beginning of the financial year		<u>194,075</u>	<u>141,702</u>
Cash at the end of the financial year	18i	<u>715,658</u>	<u>194,075</u>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements on pages 31-37

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

In the opinion of the directors, the consolidated group is not a reporting entity. The financial report of the group has been drawn up as a special purpose financial report for distribution to the members.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 5: Materiality

AAS 8: Events Occurring After Reporting Date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on the accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

Income Tax

The group adopts the tax payable method of accounting for income tax.

Property, Plant & Equipment

Property, plant and equipment are included at cost, independent or directors' valuation. All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

Inventories

Inventories are measured at the lower of cost and net realisable value.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 2 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses		
Borrowing Costs		
Other Persons	1,229	17,882
Depreciation Non Current Assets	32,000	33,202
Bad Debts		
Bad Debts	239,370	212,735
Remuneration of Auditor		
Audit or Review	14,656	17,246
NOTE 3 - REVENUE		
Operating Activities		
Mortgage Services	41,825	147,514
Trust Distributions	-	362,544
Members Subscriptions	2,896,069	2,520,132
Other	2,759,721	2,364,568
TOTAL REVENUE	<u>5,697,615</u>	<u>5,394,758</u>
NOTE 4 - ABNORMAL ITEMS		
Operating profit (or loss) after income tax has been affected by the following abnormal items.		
Abnormal expense items before income tax	<u>205,000</u>	<u>212,666</u>
Comprising		
Department of Fair Trading	170,000	112,666
Income tax applicable	-	-
Past Presidents	35,000	-
Income tax applicable	-	-
Exercise of Options - Colson	-	100,000

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003 \$	2002 \$
NOTE 5 - CASH		
Cash in Hand	2,350	2,600
Cash at Bank	<u>713,308</u>	<u>191,475</u>
	<u>715,658</u>	<u>194,075</u>
NOTE 6 - RECEIVABLES		
Trade Debtors	2,442,488	2,411,859
Less Prov'n for Doubtful Debts	(414,215)	(253,693)
Other Debtors	92,959	45,568
Special Purpose Bank Accounts	233,365	204,511
Accrued Income	121,145	386,855
Prepayments	110,480	275,869
Loans at Call - Unsecured	<u>362,544</u>	<u>362,544</u>
	<u>2,948,766</u>	<u>3,433,513</u>
NOTE 7 - INVESTMENTS		
Investment in Comet Training Trust	<u>100</u>	<u>100</u>
NOTE 8 - INVENTORIES		
Stock on Hand - at Cost	<u>16,408</u>	<u>35,204</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 9 - PROPERTY PLANT AND EQUIPMENT		
Land & Buildings at independent valuation -14/1/02	4,060,000	4,060,000
Plant & Equipment - at Cost	301,070	250,237
Less Prov'n for Depreciation	<u>236,429</u>	<u>208,748</u>
	64,641	41,489
Furniture & Fittings - at Cost	42,331	42,742
Less Prov'n for Depreciation	<u>20,535</u>	<u>16,937</u>
	21,796	25,805
Paintings	<u>43,240</u>	<u>43,240</u>
	<u>129,677</u>	<u>110,534</u>
	<u>4,189,677</u>	<u>4,170,534</u>
NOTE 10 - CREDITORS & BORROWINGS		
Bank Loans - Secured	1,369,398	1,771,867
Loans Related Entities - Unsecured	<u>311,665</u>	<u>491,665</u>
	<u>1,681,063</u>	<u>2,263,532</u>
NOTE 11 - OTHER CURRENT LIABILITIES		
Subscriptions in Advance	1,763,099	1,625,370
Trade Creditors	1,329,668	1,553,109
Other Creditors	<u>16,371</u>	<u>57,754</u>
	<u>3,109,138</u>	<u>3,236,233</u>
NOTE 12 - PROVISIONS - CURRENT		
Provision for Holiday Pay	<u>439,683</u>	<u>411,745</u>
NOTE 13 - PROVISIONS - NON-CURRENT		
Prov'n for Long Service Leave	<u>151,636</u>	<u>106,261</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 14 - RESERVES		
Asset Revaluation Reserve	<u>962,256</u>	<u>962,256</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2003	2002
	\$	\$
NOTE 15 - LEASE COMMITMENTS		
The estimated maximum amount of lease commitments not provided for in the financial statements as at 30 June 2003 are:		
(a) Motor Vehicle Lease		
Payable		
Not later than one year	41,142	130,648
Later than one year and not later than five years	39,381	58,251
(b) Equipment Lease		
Payable		
Not later than one year	49,249	19,990
Later than one year and not later than five years	73,441	48,227
Total lease liability not later than one year	90,391	150,638
Total lease liability later than one year and not later than five years	112,822	106,478

NOTE 16 – CONTINGENT LIABILITY

A guarantee and indemnity has been executed prior to 30 June 2003 in favour of Westpac Banking Corporation in respect of the obligations of Master Builders (NSW) Limited.

NOTE 17 – RELATED PARTIES

The CONSOLIDATED GROUP accounts consist of Master Builders Association of New South Wales Pty Limited, Master Builders Association of New South Wales which holds the industrial registration, Master Builders (NSW) Limited and Master Builders Finance Pty Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

NOTE 18 – NOTES TO STATEMENT OF CASHFLOWS

(i) Reconciliation of Cash

2003	2002
\$	\$

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and investments in money market instruments but excludes advances held in special accounts to be expanded in accordance with agreements with the parties making the advances. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

Petty cash	2,350	2,600
Cash at Bank	<u>713,308</u>	<u>191,475</u>
	<u>715,658</u>	<u>194,075</u>

(ii) Reconciliation of net cash used in operating activities in operating result

Operating result	673,434	346,820
Depreciation	32,000	33,202
Profit on Sale of Fixed Assets	(1,434)	-
Provision for doubtful debts	160,522	(20,578)
(Increase) Decrease in trade debtors	(30,629)	229,835
(Increase) Decrease in inventories	18,796	17,682
(Increase) Decrease in other debtors	355,567	(139,148)
Increase (Decrease) in creditors	(127,095)	248,025
Increase (Decrease) in employee benefits	<u>73,313</u>	<u>(9,693)</u>
Net cash provided by operating activities	<u>1,154,474</u>	<u>706,145</u>

ACCOUNTANTS DISCLAIMER

The financial data presented in the following pages is in accordance with the books and records of MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES CONSOLIDATED GROUP ('our Client') which have not been audited. This information has been prepared at the request of and exclusively for the use and benefit of the company and its directors only.

It is not a general purpose financial report and has not been prepared in accordance with Statements of Accounting Concepts and Accounting Standards. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our Client) in respect of such data, including any errors or omissions therein however caused.

URE LYNAM & CO
Chartered Accountants

SYDNEY:

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
INCOME			
Surplus of Stock Sales		158,504	196,454
Group Apprenticeship Scheme		955,091	858,712
Members Subscriptions		2,896,069	2,520,132
Contract & Development Fees		-	5,692
Mortgage Services		41,825	147,514
Sponsorship & Commission		518,757	303,590
Craft Rebate		120,530	159,720
Industrial Relations Services		117,858	97,369
Training & Education - General		257,805	272,679
Training & Education - O H & S		425,175	300,100
Distribution form Trusts		-	362,544
Sundry income		206,001	170,252
TOTAL INCOME		5,697,615	5,394,758
EXPENSES			
Affiliation Fees - M.B.A. Inc.		207,840	201,600
Auditors Remuneration - Fees		14,656	17,246
Bad Debts		239,370	212,735
Depreciation		32,000	33,202
Fringe Benefits Tax		30,812	29,968
General Expenses		350,465	372,560
Insurance		93,511	74,139
Interest		1,229	17,882
Legal Costs		78,402	86,272
Motor Vehicle Expenses		165,454	163,799
Payroll Tax		119,267	115,278
Postage		126,716	126,459
Printing & Stationery		145,898	145,049
Property Expenses		208,884	275,351
Repairs & Maintenance		16,405	18,360
Reference Materials		990	1,583
Salaries		2,470,338	2,447,668
Staff Training		5,406	3,811
Subscriptions		16,872	13,705
Superannuation		249,335	226,620
Telephone		155,738	182,305
Travelling & Meeting Expenses		89,593	69,680
TOTAL EXPENSES		4,819,181	4,835,272
OPERATING PROFIT		878,434	559,486

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
NON-OPERATING INCOME AND EXPENSES			
Non Operating Expenses			
Abnormal Expense Items	4	<u>205,000</u>	<u>212,666</u>
OPERATING PROFIT BEFORE INCOME TAX		<u>673,434</u>	<u>346,820</u>

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2003

CONTENTS

Statement of Financial Position	42
Statement of Financial Performance	43
Notes to the Accounts	44
Accountant's Disclaimer	47
Profit & Loss Account	48
Committee of Management Certificate	49
Accounting Officer's Certificate	50
Directors' Declaration	51

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	NOTE	2003 \$	2002 \$
CURRENT ASSETS			
Receivables	4	<u>4,124,829</u>	<u>3,128,372</u>
		<u>4,124,829</u>	<u>3,128,372</u>
NON-CURRENT ASSETS			
Investments	5	<u>100</u>	<u>100</u>
		<u>100</u>	<u>100</u>
		<u>4,124,929</u>	<u>3,128,472</u>
CURRENT LIABILITIES			
Accounts Payables	6	<u>1,763,199</u>	<u>1,625,470</u>
		<u>1,763,199</u>	<u>1,625,470</u>
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		<u>1,763,199</u>	<u>1,625,470</u>
NET ASSETS		<u>2,361,730</u>	<u>1,503,002</u>
EQUITY			
Accumulated Profit		<u>2,361,730</u>	<u>1,503,002</u>
TOTAL CAPITAL & RESERVES		<u>2,361,730</u>	<u>1,503,002</u>

The Balance Sheet is to be read in conjunction with the notes to and forming part of the financial statements on pages 44-46 and the Accountant's Disclaimer set out on page 47

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
Operating Profit(Loss)			
Before Income Tax		858,728	370,166
Income Tax Expense		-	-
OPERATING PROFIT AND EXTRAORDINARY ITEMS		<u>858,728</u>	<u>370,166</u>
Retained Profits at July 1		1,503,002	1,132,836
PROFIT AVAILABLE FOR APPROPRIATION		<u>2,361,730</u>	<u>1,503,002</u>
RETAINED PROFITS		<u>2,361,730</u>	<u>1,503,002</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

In the opinion of the director, the company is a small proprietary company and is not a reporting entity. The financial report of the company has been drawn up as a special purpose financial report for distribution to the members.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 5: Materiality

AAS 8: Events Occurring After Reporting Date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on the accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

Income Tax

The company adopts the tax payable method of accounting for income tax.

Property, Plant & Equipment

Property, plant and equipment are included at cost, independent or director's valuation. All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

Inventories

Inventories are measured at the lower of cost and net realisable value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2003 \$	2002 \$
NOTE 2 - REVENUE		
Operating Activities		
Other	<u>2,896,068</u>	<u>2,882,676</u>
 NOTE 3 - ABNORMAL ITEMS		
Operating profit (or loss) after income tax has been affected by the following abnormal items.		
Comprising		
Abnormal expense items before income tax	<u>205,000</u>	<u>212,666</u>
 Comprising		
Department of Fair Trading	170,000	112,666
Income tax applicable	-	-
Redemption of Redeemable Preference Shares	-	100,000
Income tax applicable	-	-
Past Presidents	35,000	-
	-	-
 NOTE 4 - RECEIVABLES		
Loans at Call - Unsecured		
Master Builders Association of New South Wales Pty Limited	3,762,285	2,765,828
Comet Training Pty Ltd ATF Comet Training Trust	<u>362,544</u>	<u>362,544</u>
	<u>4,124,829</u>	<u>3,128,372</u>
 NOTE 5 - INVESTMENTS		
Investment in Comet Training Trust	<u>100</u>	<u>100</u>

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

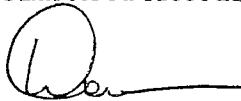
	2003	2002
	\$	\$
NOTE 6 - OTHER CURRENT LIABILITIES		
Subscriptions in Advance	1,763,099	1,625,370
Other Creditors	100	100
	<u>1,763,199</u>	<u>1,625,470</u>

ACCOUNTANT'S DISCLAIMER

The additional financial information presented in the following pages is in accordance with books and records of MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2003. It will be appreciated that our statutory audit did not cover all details of the additional financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

URE LYNAM & CO
Chartered Accountants



R.K. HUNTER - Partner
SYDNEY, 29 October, 2003

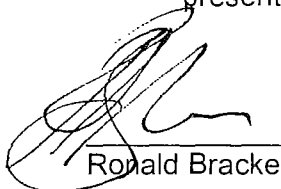
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	2002 \$
INCOME			
Subscriptions		2,896,068	2,520,132
Distributions from Trusts		-	362,544
TOTAL INCOME		<u>2,896,068</u>	<u>2,882,676</u>
EXPENSES			
General Expenses		600	-
Management Fees		1,831,740	2,299,844
TOTAL EXPENSES		<u>1,832,340</u>	<u>2,299,844</u>
OPERATING PROFIT		1,063,728	582,832
NON-OPERATING INCOME AND EXPENSES			
Non Operating Expenses			
Abnormal Items	3	<u>205,000</u>	<u>212,666</u>
OPERATING PROFIT BEFORE INCOME TAX		<u>858,728</u>	<u>370,166</u>

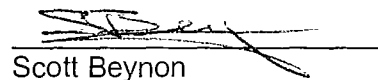
COMMITTEE OF MANAGEMENT CERTIFICATE

We, **Ronald Bracken and Scott Beynon**, being two members of the Committee of Management of the Master Builders' Association of NSW (organisation) do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that :

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at **30 June 2003**;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended **30 June 2003** in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Committee, there have been no instances where records of the organization or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(2) of the *Workplace Relations Act 1996*) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished or made available to members in accordance with the requirements of the *Workplace Relations Act 1996*, the Regulations thereto, or the rules of the organisation; and
- (iv) the organisation has supplied audited financial accounts in respect of the year ending 30 June 2002 to members and these audited financial accounts were presented at the Association's Annual General Meeting, 10 December 2002.



Ronald Bracken



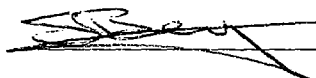
Scott Beynon

ACCOUNTING OFFICER'S CERTIFICATE

I, *Scott Beynon* being the Officer responsible for the accounting records of the *Master Builders' Association of NSW*, certify that as at *30/6/03* the number of members of the organisation was *4,754*.

In my opinion,

- (i) the attached accounts for Master Builders Association of NSW show a true and fair view of the financial affairs of the organisation as at *30/6/03*;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits other than remuneration in respect of their full-time employment with the organisation, were made to persons holding office in the organisation
- (vi) the register of members of the organisation was maintained in accordance with the Act.

 (signed)

Name: *Scott Beynon*

Position: *Vice President, Finance*

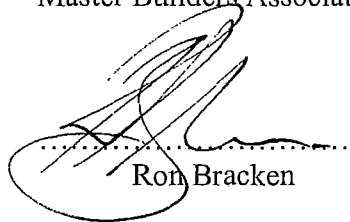
Date *October 2004*

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Master Builders Association of New South Wales we declare that the concise financial report of the Association:-

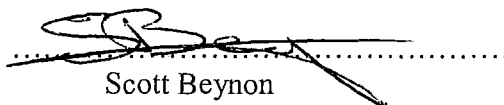
- (a) complies with Accounting Standard AASB 1039 Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Master Builders Association of New South Wales.

Committee
Member



.....
Ron Bracken

Committee
Member



.....
Scott Beynon

Dated this 12th day of October 2004

MASTER BUILDERS ASSOCIATION OF NSW AUDITORS REPORT 2004

CONTENTS

Operating Report	53
Discussion and Analysis of Principal Factors Affecting the Financial Performance, Financial Position and Financial and Investing Activities	54
Statement of Financial Performance	55
Statement of Financial Position	56
Statement of Cash Flows	57
Notes to the Accounts	58
Committee of Management Declaration	59
Independent Auditors Report	60

OPERATING REPORT

Your committee present their report on the association and its controlled entities for the financial year ended 30 June 2004.

The names of the members of the committee of management who held office at any time during or since the end of the year are:

John Allan	Byron Fitzgerald
Ken Austin	Danny Fleetwood
Scott Beynon	Chris Gordon
Robert Black	Raymond Gordon
Grant Blumer	Gordon Henderson
Ron Bracken	Wayne Leeson
Lionel Buckett	Gordon Leggett
Colleen Camarda	Ross Mitchell
Raymond Carden	Ermond Morelli
Anthony Clark	Dan Murphy
Barry Clark	Scott Nash
John Condon	Simon Pilcher
Peter Court	Brendan Sturgeon
Kevin Dalton	Bill Taylor
Andrew Daniels	Ross Trovato
David Donaldson	Giovanni Vittali
Ian Dopper	Stephen Worthington
Bruce Edwards	

No officer or member is:

- a trustee of a superannuation entity, except perhaps in connection or an exempt public sector superannuation scheme
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.
- where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation as defined under the Workplace Relations Act 1996.

At the end of the financial year there were 5,033 Members of the Master Builders Association of New South Wales.

The Master Builders Association of New South Wales does not employ staff. The number of employees of controlled entities at the end of the financial year were 45 staff and 234 apprentices.

Signed in accordance with a resolution of the Committee of Management:
Committee Member

Ron Bracken

Committee Member

Scott Beynon

Dated this 12th day of October 2004

DISCUSSION AND ANALYSIS OF PRINCIPAL FACTORS AFFECTING THE FINANCIAL PERFORMANCE, FINANCIAL POSITION AND FINANCIAL AND INVESTING ACTIVITIES

The financial statements and disclosures in the concise financial report have been derived from the 2004 Financial Report of Master Builders Association of New South Wales and Controlled Entities.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The following discussion and analysis is provided to assist the understanding of members of the Master Builders Association of New South Wales. The discussion and analysis is based on the concise financial report and the general purpose financial report of the Master Builders Association of New South Wales and Controlled Entities.

Statement of Financial Performance

The profit from ordinary activities in the financial year was \$1,013,324. This was an increase of \$339,890 from the previous year. This was achieved largely by an increase in membership of the Association and a reduction in other expenses from ordinary activities. The reduction in other expenses was largely due to a credit received in the financial year relating to workers compensation premiums from the previous year and the current year premium for workers compensation being similarly lower than anticipated.

Statement of Financial Position

The financial position of Master Builders Association of New South Wales and controlled entities was improved by the operating profit noted above and by faster collection of receivables. Equity increased to \$3,502,413. Interest bearing liabilities were reduced by \$1,381,505.

Statement of Cash Flow

Cash flow from operations was \$1,552,862. This was largely the result of the operating performance and improved collection of receivables. As stated above, the cash so provided was principally used to reduce borrowings.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Controlling Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenues from ordinary activities	2	9,078,093	8,717,256	3,824,246	2,896,068
Employee benefits expense	3	(5,102,327)	(4,763,058)	-	-
Bad and doubtful debts expense	3	(183,679)	(239,370)	(167,693)	-
Payments to Department of Fair Trading		(282,002)	(170,000)	(282,002)	(170,000)
Payments to past presidents		-	(35,000)	-	(35,000)
Management fees from Controlled Entity		-	-	(2,655,783)	(1,831,740)
Other expenses from ordinary activities		(2,448,032)	(2,835,165)	-	(600)
Depreciation and amortisation expenses	3	(48,729)	-	-	-
Borrowing costs expense	3	-	(1,229)	-	-
Profit (loss) from ordinary activities	3	1,013,324	673,434	718,768	858,728

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Economic Entity		Controlling Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
CURRENT ASSETS				
Cash assets	704,130	715,658	294,557	-
Receivables	2,110,728	2,475,742	4,467,773	3,762,285
Inventories	21,834	16,408	21,834	-
Other	184,429	110,480	-	-
TOTAL CURRENT ASSETS	3,021,121	3,318,288	4,784,164	3,762,285
NON-CURRENT ASSETS				
Receivables	262,544	362,544	262,544	362,544
Other financial assets	100	100	100	100
Property, plant and equipment	4,329,426	4,189,677	-	-
TOTAL NON-CURRENT ASSETS	4,592,070	4,552,321	262,644	362,644
TOTAL ASSETS	7,613,191	7,870,609	5,046,808	4,124,929
CURRENT LIABILITIES				
Payables	3,215,833	3,109,138	1,966,310	1,763,199
Interest-bearing liabilities	150,412	-	-	-
Provisions	595,387	591,319	-	-
TOTAL CURRENT LIABILITIES	3,961,632	3,700,457	1,966,310	1,763,199
NON-CURRENT LIABILITIES				
Interest-bearing liabilities	149,146	1,681,063	-	-
TOTAL NON-CURRENT LIABILITIES	149,146	1,681,063	-	-
TOTAL LIABILITIES	4,110,778	5,381,520	1,966,310	1,763,199
NET ASSETS	3,502,413	2,489,089	3,080,498	2,361,730
EQUITY				
Reserves	962,256	962,256	-	-
Retained profits	2,540,157	1,526,833	3,080,498	2,361,730
TOTAL EQUITY	3,502,413	2,489,089	3,080,498	2,361,730

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from operations	9,564,095	8,661,802	3,683,785	-
Payments to suppliers and employees	(8,016,784)	(7,506,099)	(3,389,228)	-
Interest received	5,551	-	-	-
Borrowing costs paid	-	(1,229)	-	-
Net cash provided by (used in) operating activities	<u>1,552,862</u>	<u>1,154,474</u>	<u>294,557</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	6,000	-	-	-
Payment for property, plant and equipment	(188,885)	(50,422)	-	-
Net cash provided by (used in) investing activities	<u>(182,885)</u>	<u>(50,422)</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	200,110	-	-	-
Repayment of borrowings- bank loan	(1,269,950)	(402,469)	-	-
Repayment of borrowings- related party	(311,665)	(180,000)	-	-
Net cash provided by (used in) financing activities	<u>(1,381,505)</u>	<u>(582,469)</u>	<u>-</u>	<u>-</u>
Net increase in cash held	(11,528)	521,583	294,557	-
Cash at beginning of year	715,658	194,075	-	-
Cash at end of year	<u>704,130</u>	<u>715,658</u>	<u>294,557</u>	<u>-</u>

The accompanying notes form part of these financial statements.

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

Note 1 Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full financial report of the Master Builders Association of New South Wales and Controlled Entities. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of The Master Builders Association of New South Wales as the full financial report.

The accounting policies have been consistently applied and are consistent with those of the previous financial year except where noted.

Note 2 Revenue

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Operating activities				
— members subscriptions	3,173,377	2,896,069	3,173,377	2,896,068
— group apprenticeship scheme	3,483,090	3,919,278	-	-
— indigenous grant income	114,927	56,053	-	-
— sponsorship & commission	539,706	518,757	335,383	-
— training and education	582,168	682,980	150,948	-
— sale of publications	238,671	158,504	60,205	-
— industrial relations services	138,954	117,858	42,072	-
	795,649	367,757	62,261	-
	9,066,542	8,717,256	3,824,246	2,896,068
Non-operating activities				
— interest received from other persons	5,551	-	-	-
— proceeds on disposal of property plant and equipment	6,000	-	-	-
	9,078,093	8,717,256	3,824,246	2,896,068

Note 3 Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of the sub-sections (1), (2) and (3) of Section 272 of RAO Schedule to the Workplace Relations Act 1996, which reads as follows:

- (1) A member of a reporting unit, or a registrar, 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).



COMMITTEE OF MANAGEMENT DECLARATION

In accordance with a resolution of the Board of Master Builders Association of New South Wales we declare that the concise financial report of the Association:-

- (a) complies with Accounting Standard AASB 1039 Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Master Builders Association of New South Wales.

Ron Bracken

Committee Member

Scott Beynon

Dated this 12th day of October 2004

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES AND CONTROLLED ENTITIES**

Scope

We have audited the concise financial report of the Master Builders Association of New South Wales and controlled entities for the year ended 30 June 2004 as set out on pages 3 to 8 to express an opinion on it to the members of the Association. The Association's committee of management is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2004. Our audit report on the full financial report was signed on 12 October 2004 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report include testing that the information in the concise financial report is consistent with the full financial report and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the concise financial report of the Master Builders Association of New South Wales and Controlled Entities complies with Accounting Standard AASB 1039: Concise Financial Reports.

R K Hunter
Partner
URE LYNAM & CO
Chartered Accountants
Level 17
1 York Street
Sydney NSW 2000

Date: 12 October 2004



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Brian Seidler
Executive Director
Master Builders Association of New South Wales
Private Bag 9
BROADWAY NSW 2007

Dear Mr Seidler

Financial Return – for year ending 30 June 2003 (FR2003/329)

I am writing to clarify what I consider necessary to finalise the financial return for the year ending 30 June 2003 and I refer to my letter dated 22 July 2004 and the discussions and correspondence exchanged with Mr Peter McKerrow later that year. Normally this matter should have been finalised before the Registry filed the return for the year ending 30 June 2004.

I note that documents representing the financial statements for the year ending 30 June 2003 were published as "Financial Accounts for the Year Ended 30 June, 2003" in the October 2004 issue of "*Executive Newsbrief*". An original copy of the journal was lodged as part of the financial return for the year ending 30 June 2004.

The Secretary's certificate accompanying that lodgement referred only to the financial documents for the year ending 30 June 2004.

Consequently, there has been no formal lodgement of the financial documents for the year ending 30 June 2003.

In order to finalise this matter, I request that the organisation lodges at the earliest opportunity the accounts and statements for the year ending 30 June 2003 accompanied by a Secretary's Certificate which refers explicitly to those documents.

If you wish to discuss this matter please do not hesitate to contact Stephen Kellett, on (02) 8374 6666.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Barry Jenkins'.

Barry Jenkins
Deputy Industrial Registrar

23 December 2005



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Brian Seidler
Executive Director
The Master Builders' Association of New South Wales
Private Bag 9
BROADWAY NSW 2007

Facsimile: (02) 9660 3700

Dear Mr Seidler

**Re: Financial Return for The Master Builders' Association of New South Wales
for year ended 30 June 2003 (FR2003/329)**

I refer to our meeting on 20 July 2004 regarding the above. As agreed, I am writing to set out the steps that should be taken by the Master Builders' Association of New South Wales ('the Association') to comply with the reporting requirements of the *Workplace Relations Act 1996* ('the Act') for the financial statements for the year ended 30 June 2003.

Separation of Association's Accounts

Firstly, the June 2003 accounts of the Association, being the industrial organisation registered under the Act (as distinct from the Pty Limited and Limited companies), should be separated from the consolidated information and submitted to a meeting of the Directors comprising the Committee of Management ('the Council') of the Association.

First meeting of Council and Certificates

At that meeting, the Council should pass a resolution in accordance with the statements required for a "Committee of Management" certificate and two members of the Council should sign and date the certificate. We agreed that this certificate would consist of the first three statements using the usual wording in relation to the 2002-2003 accounts, as well as a fourth statement which simply confirmed (a) the supply of the previous year's accounts (year ending 30 June 2002) to the members and (b) the presentation of such accounts to the Annual General Meeting.

Also at that meeting, the officer responsible under the rules of the Association would sign and date an "Accounting Officer's Certificate".

Secondly, the accounts and the two certificates would be presented to the Auditor who would complete, sign and date his/her "Auditor's Report" (either at the meeting or subsequently).

Specific Resolution if publishing a summary

Thirdly, the Council would make a decision whether to publish, in a circular to members, the 2002-2003 statements in summary form or in their entirety. If a decision to publish them in summary form is preferred, the Council will (a) formally resolve to do so, (b) prepare a summary that complies with the requirements of the legislation and (c) arrange for the Auditor to certify that the summary is a fair and accurate one.

Publication/issue to Members of the Association

Fourthly, the Association will then publish the said statements and accounts to members.

Presentation (second meeting)

After a period of at least seven days and in accordance with the rules of the Association, the accounts, statements and Auditor's report will be formally presented to the Annual General Meeting of members.

Secretary's Certificate and Lodgment

Within a period of no more than fourteen days following the AGM, the relevant officer under the Association's rules should sign and date a "Secretary's Certificate" which will: (a) state that the report, accounts and statements being lodged in the Registry are copies of those formally presented at the AGM, (b) state the date of the AGM, and (c) indicate the date of publication or distribution of the circular in which the statements were published to members. A copy of all the foregoing documents will then be lodged in the Registry.

At our meeting we agreed that before proceeding with the first Meeting of Council, you would prepare the separated accounts and proposed Committee of Management and Accounting Officer Certificates in draft form. We would then meet with you, your accountant and legal adviser so that we could all be satisfied that the documentation was in order and to discuss any issues that might arise in relation to those accounts. You suggested that this might be able to occur over the next two to three weeks. Can I also suggest that if you think it is likely that the Council will resolve to publish a summary to members that a draft of the summary also be prepared for that meeting.

I appreciated the opportunity of meeting with you and Peter Glover and feel we have made considerable progress in resolving the various issues. I look forward to our next meeting but if you would like to discuss any aspect of the above before we meet, please contact me on (02) 8374 6504 or, in my absence, Peter McKerrow on (02) 8374 6509.

Yours sincerely



Barry Jenkins
Deputy Industrial Registrar

22 July 2004



Australian Government
Australian Industrial Registry

FILE NOTE

Contact Officer: Peter McKerrow
Telephone No: 02 8374 6666
Facsimile No: 02 9380 6990

Your Reference:
My Reference:

FR 2003/329

In response to my phone inquiry, Ms Pat Webb phoned this morning to advise that the auditor's report would be finalised shortly.



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2003/329 -[070N]

Mr Brian Seidler
Executive Director
Master Builders' Association of New South Wales
Private Bag 9
BROADWAY NSW 2007

Dear Mr Seidler

**Re: The Master Builders' Association of New South Wales
Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgment in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 30 June, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 30 June, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgment of the required documents would, in the normal course, be expected before now.


Therefore, I request your written advice **by 27 April, 2004** as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)

5. lodgment of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified

If you wish to discuss this letter you may contact me on (02) 8374 6618. In reply please quote: **FR2003/329**.

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

6 April, 2004



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2003/329-[070N]

Mr Brian Seidler
Executive Director
The Master Builders' Association of NSW
Private Bag 9
Broadway NSW 2007

Dear Mr Seidler

**Re: The Master Builders' Association of New South Wales
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2003.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna
E-mail: belinda.penna@air.gov.au

15 July, 2003