



Australian Government
Australian Industrial Registry

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

Ref: FR2004/559-[070N]

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

Dear Mr Seidler

Financial Return - year ending 30 June, 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO' ¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at *Attachment C*)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/559**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at Peter.McKerrow@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

Deputy Industrial Registrar

9 August 2004

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (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 GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation 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 organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

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

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6566
Fax: (02) 9380 6990

Mr Brian Seidler
Executive Director
Master Builders' Association of New South Wales, The
52 Parramatta Rd
FOREST LODGE NSW 2037

Dear Mr Seidler

Financial Return - year ending 30 June 2004 Ref: FR2004/559

This letter is intended to remind you of your obligations to provide members with copies of your reporting unit's financial reports for year ended 30 June 2004 and to lodge the reports in the Industrial Registry by no later than 14 January 2005.

Over the past 18 months you would have received from us information about the major changes made by Schedule 1B of the *Workplace Relations Act 1996* ('RAO'²⁰).

Financial Reports

Your reporting unit must prepare or have prepared the following three reports as soon as practicable after its financial year:

1. A General Purpose Financial Report (GPFR);
2. An Operating Report; and
3. An Auditor's Report.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the abovementioned reports (the "full report"). Under certain circumstances, your reporting unit can provide a more limited concise report. The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the reporting unit for the presentation of its financial reports.

A reporting unit may make application to a Registrar to extend the period within which copies of the full report or concise report are to be provided to members by no more than one month.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members (the *second meeting*). This meeting must be held within 6 months of the end of the financial year. You may make application to a Registrar to extend this time limit by no more than one month so that the time limit for providing to members copies of the full report or concise report may in turn be extended.

²⁰ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If your rules contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the full report (see s266(3)), it is permissible to present the full report directly to a Committee of Management meeting. This meeting must be held within 6 months of the end of the financial year.

There is no provision for extending the time limit for presenting the full report to a committee of management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. Your reporting unit's financial reports should, therefore, be lodged by no later than 14 January 2005.

Contact the Registry

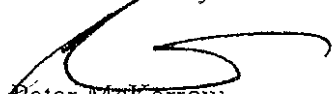
We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au as early as possible if you have any queries. If you have already taken steps to ensure that your reporting unit complies with the time scale requirements of RAO, please ignore this letter.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFs must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
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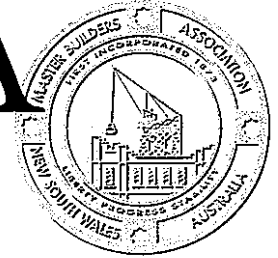
Yours sincerely



Peter Mckerrow
for Deputy Industrial Registrar

23 November 2004

MBA



17 December 2004

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

MASTER BUILDERS ASSOCIATION
OF NEW SOUTH WALES PTY LTD
ABN 11 074 397 532

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: – Mr Peter McKerrow

Your Ref: FR2004/559

Dear Sir

**RE: FINANCIAL RETURN – YEAR ENDING 30 JUNE 2004 – FR2004/559
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2004.

The relevant information includes:

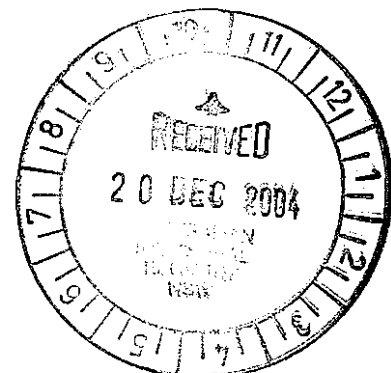
1. Certificate of Secretary or other Authorised Officer (Attachment 1).
2. A copy of the Association's Full Report (Attachment 2).
3. A copy of the Concise Report (Attachment 3).
4. A copy of the Association's Executive Newsbrief in which the Concise Report is found, and which was circulated to all members of the Association (Attachment 4).

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

Yours faithfully

Brian Seidler
EXECUTIVE DIRECTOR

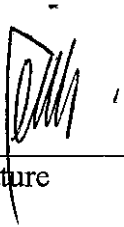
Attachs.



Certificate of Secretary or other Authorised
S268 of Schedule 1B Workplace Relations Act 1996

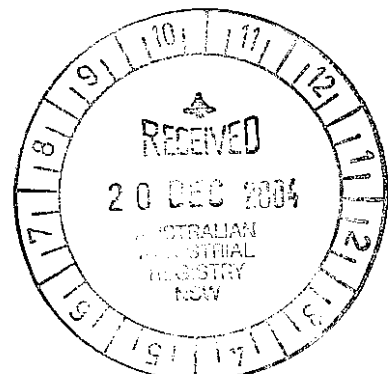
I, Brian Seidler, being the Executive Director of the Master Builders Association of NSW certify:

- That the documents lodged herewith are copies of the full report (see Attachment 2), and the concise report (see Attachment 3), referred to in s268 of the RAO Schedule; and
- That the concise report, was provided to members on or about 30 October 2004; and
- That the full report was presented to the Association's Annual General Meeting of members of the reporting unit on 14 December 2004 in accordance with section 268 of the RAO Schedule.

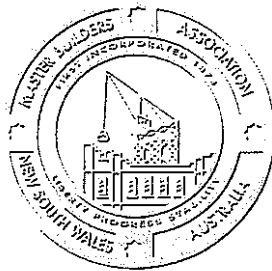


Signature

Date: 17 December 2004



MASTER BUILDERS ASSOCIATION OF NSW

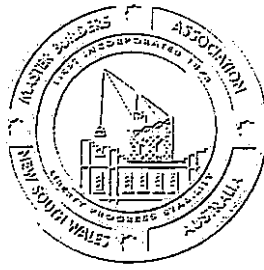


2003-2004 Annual Report

For presentation to the
Annual General Meeting of Members



[Handwritten signature]



NOTICE OF ANNUAL GENERAL MEETING

MASTER BUILDERS ASSOCIATION OF NSW

14 DECEMBER 2004

@ 2.30 PM

**52 PARRAMATTA ROAD, FOREST LODGE, SYDNEY
(GROUND FLOOR AUDITORIUM)**

AGENDA

- 1.0 Attendance and Apologies
- 2.0 Minutes of Previous Meeting (9 December 2003)
- 3.0 President's Report
- 4.0 Presentation of MBA/NSW Audited Accounts
- 5.0 Presentation of Life Membership – Colin Rodgers
- 6.0 Ballot Results for 2005
 - 6.1 Declaration of Ballot for Executive Committee
 - 6.2 Declaration of Ballot for Council of Management
- 7.0 General Business
- 8.0 Close of Annual General Meeting

Brian Seidler
EXECUTIVE DIRECTOR

ANNUAL GENERAL MEETING 2004

PRESIDENT'S REPORT

Over the last year, the MBA/NSW has improved itself financially, and I believe strategically.

During the last 12 months:

- Membership has increased to some 5,200 members.
 - Has seen the expansion of membership services to include a new office in Gosford, Mollymook and most recently Albury/Wodonga.
 - The MBA has been able to secure a number of major grants, including WorkCover, Womens Mentoring Programme and Waterproofing.
 - The elimination of MBA/NSW debt, including the repayment of the Office of Fair Trading debt (\$1.3 M), repayment of Queensland Master Builders Association loan (\$500,000) and repayment of Past Presidents (\$450,000). In addition, through good financial management, the Association has been able to extinguish the loan on the building at 52 Parramatta Road, Forest Lodge which was approximately \$2.7M.
 - Successful and growing importance and acceptance of MBA/NSW roadshow presentations.
 - In principle agreement for the joining together of the Newcastle Master Builders and MBA/NSW has been reached and thus ending the border dispute which has existed for over 50 years.
 - The continued interest and growth of the Master Builder magazine and now attracts record advertising.
 - The establishment of Memorandum of Understanding with the Local Government Association, Royal Australian Institute of Architects and Australian Institute of Building.
-
- Excellence in Housing and Excellence in Construction awards attracting record number of entries and sponsors.

- The successful winning of a NSW Training Award for an industry initiative on Waterproofing best practice in a joint venture between MBA/NSW, CITAB and TAFE.
- While our public aim of establishing a Queensland style home warranty insurance scheme has not been realized at this stage, the entry of more insurers into the home warranty insurance market, better insurance provider service standards and market place guidelines, can certainly be attributed to the tireless work and efforts of the MBA/NSW.

As you can see, the Association has come a long way during the last 12 months. We have been able to secure the MBA/NSW financially and politically in NSW.

Thank you for your support and all the best for the Christmas and holiday period.

A handwritten signature in black ink, appearing to be 'R. Bracken', written in a cursive style. The signature is enclosed in a circular mark.

Ron Bracken
President
Master Builders Association of NSW

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	

The consolidated profit of the economic entity for the financial year amounted to \$1,013,324.

A review of the operations of the economic entity during the financial year and the results of those operations is included in The President Report which is attached.

No significant changes in the economic entity's state of affairs occurred during the financial year.

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.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Members rights to resign is set out in ltrm 10 of the constitution. In summary a member may resign from membership by written notice addressed and delivered to the offices of the Master Builders Association.

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.

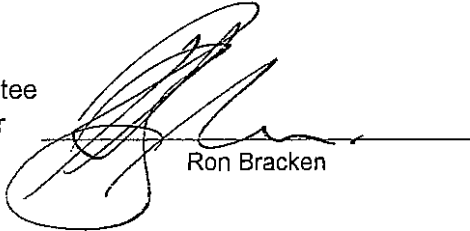
At the end of the financial year there were 5,033 Members of the Master Builders Association of New South Wales.

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.

OPERATING REPORT

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

Committee
Member



Ron Bracken

Committee
Member



Scott Beynon

Dated this 12 th day of October 2004

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.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Note	Economic Entity		Controlling Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
CURRENT ASSETS					
Cash assets	4	704,130	715,658	294,557	-
Receivables	5	2,110,728	2,475,742	4,467,773	3,762,285
Inventories	6	21,834	16,408	21,834	-
Other	7	184,429	110,480	-	-
TOTAL CURRENT ASSETS		3,021,121	3,318,288	4,784,164	3,762,285
NON-CURRENT ASSETS					
Receivables	5	262,544	362,544	262,544	362,544
Other financial assets	8	100	100	100	100
Property, plant and equipment	10	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	11	3,215,833	3,109,138	1,966,310	1,763,199
Interest-bearing liabilities	12	150,412	-	-	-
Provisions	13	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	12	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	14	962,256	962,256	-	-
Retained profits	15	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

	Note	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	21b	<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	21a	<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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996 and Regulations.

The financial report covers Master Builders Association of New South Wales as an individual controlling entity and Master Builders Association of New South Wales and controlled entities as an economic entity. Master Builders Association of New South Wales is an industry association domiciled in New South Wales.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entities in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

A controlled entity is any entity controlled by Master Builders Association of New South Wales. Control exists where Master Builders Association of New South Wales has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Master Builders Association of New South Wales to achieve the objectives of Master Builders Association of New South Wales. Details of the controlled entities are contained in Note 9.

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

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

b. Income Tax

The Master Builders Association of New South Wales and its controlled entities are exempt from income tax in terms of Division 40 of the Income Tax Assessment Act, 1997.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

d. Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the committee.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Paintings

Paintings are measured on the cost basis.

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

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land and paintings, is depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	10-33%
Leased plant and equipment	33%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

e. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

f. **Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by committee to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

f. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

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

g. **Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

h. **Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Membership fees are taken up as revenue in the period to which membership applies

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

i. **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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

j. **Adoption of Australian Equivalents to International Financial Reporting Standards**

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An The committee are of the opinion that the key difference in the economic entity's accounting policies which will arise from the adoption of IFRS is:

Impairment of Assets

The entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136 *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised, more often than under the existing policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 2 Revenue

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Operating activities					
— members subscriptions		3,173,377	2,896,069	3,173,377	2,896,0
— 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	
— other revenue from operating activities		795,649	367,757	62,261	
		<u>9,066,542</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,0</u>
Non-operating activities					
— interest received from other persons		5,551	-	-	
— proceeds on disposal of property plant and equipment		6,000	-	-	
Total revenue		<u>9,078,093</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,0</u>

Note 3 Profit from Ordinary Activities

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Profit from ordinary activities before income tax expense has been determined after:				
a. Expenses				
Affiliation fees				
— Master Builders Association Inc	336,240	207,840	-	
Bad and doubtful debts				
— trade debtors	83,679	239,370	67,693	
— loans	100,000	-	100,000	
Total bad and doubtful debts	<u>183,679</u>	<u>239,370</u>	<u>167,693</u>	
Borrowing costs				
— other persons	-	1,229	-	
Depreciation of non-current assets				
— plant and equipment	36,809	32,000	-	
— leased plant and equipment	11,920	-	-	
Total depreciation	<u>48,729</u>	<u>32,000</u>	<u>-</u>	
Employee Benefits				
— wages and salaries (including non monetary benefits)	3,640,757	3,205,241	-	
— annual leave and sick leave	642,519	723,148	-	
— long service leave	28,722	27,170	-	
— superannuation	790,329	807,499	-	
Total Employee Benefits	<u>5,102,327</u>	<u>4,763,058</u>	<u>-</u>	
In addition to the employee benefits noted above certain employer participants in the apprenticeship scheme elected to pay apprentices themselves rather than having a the Master Builders Association of New South Wales Pty .Ltd.(a controlled entity) pay the apprentices and re-charge the employer participant. In the current financial year the employee benefits so paid totaled \$5,352,595 (2003:\$4,865,240)				
Legal expenses				
Presidents honourarium	35,000	-	-	
Remuneration of auditor				
— audit	12,000	11,000	-	
— other services	4,235	3,656	-	
Audit fees of the Master Builders Association of New South Wales of \$3,000 (2003:-\$3000) are paid by a controlled entity.				
Rental expense on operating leases				
— minimum lease payments	171,448	162,514	-	
a. Revenue and Net Gains				
Net gain on disposal of plant and equipment	5,593	1,434	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 4 Cash Assets

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Cash on hand	2,850	2,350		
Cash at bank	701,280	713,308	294,557	-
	<u>704,130</u>	<u>715,658</u>	<u>294,557</u>	<u>-</u>

Note 5 Receivables

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
CURRENT				
Membership receivable	1,351,992	1,687,854	1,351,992	-
Provision for credits and doubtful debts	(296,393)	(179,739)	(296,393)	-
	<u>1,055,599</u>	<u>1,508,115</u>	<u>1,055,599</u>	<u>-</u>
Apprenticeship receivable	702,589	754,634	-	-
Provision for credits and doubtful debts	(150,663)	(234,476)	-	-
	<u>551,926</u>	<u>520,158</u>	<u>-</u>	<u>-</u>
Other debtors	503,203	447,469	51,547	-
Amounts Receivable from:				
Controlled entity-				
Master Builders Association New South Wales Pty Ltd	-	-	3,360,627	3,762,285
	<u>503,203</u>	<u>447,469</u>	<u>3,412,174</u>	<u>3,762,285</u>
	<u>2,110,728</u>	<u>2,475,742</u>	<u>4,467,773</u>	<u>3,762,285</u>
NON-CURRENT				
Loan to related entity-				
Comet Training Trust	362,544	362,544	362,544	362,544
Provision for doubtful debts	(100,000)	-	(100,000)	-
	<u>262,544</u>	<u>362,544</u>	<u>262,544</u>	<u>362,544</u>

Note 6 Inventories

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
CURRENT				
Stock of publications at cost	21,834	16,408	21,834	-

Note 7 Other Assets

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
CURRENT				
Prepayments	184,429	110,480	-	-

Note 8 Other Financial Assets

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Investment in related entity-				
Comet Training Trust — at cost	100	100	100	100
Percentage owned: 50% (2003:50%)				

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 9 Controlled Entities

Entities controlled by Master Builders Association of New South Wales

Country of incorporation:	Percentage controlled (%)	
	2004	2003
Australia	100%	100%
Australia	100%	100%
Australia	100%	100%

Master Builders Association (NSW) Limited

Master Builders Association of New South Wales Pty Limited

Master Builders Finance Pty Limited

Note 10 Property, Plant & Equipment

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Land and Buildings at Independent valuation [2002]	4,060,000	4,060,000	-	-
Paintings	43,240	43,240	-	-
Plant and equipment at cost	341,813	343,401	-	-
Less accumulated depreciation	(190,397)	(256,964)	-	-
	151,416	86,437	-	-
Capitalised leased plant and equipment	86,690	-	-	-
Less accumulated depreciation	(11,920)	-	-	-
	74,770	-	-	-
Total Plant and Equipment	226,186	86,437	-	-
Total Property, Plant and Equipment	4,329,426	4,189,677	-	-

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial

	Land and Buildings	Paintings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
Economic Entity					
Balance at the beginning of the year	4,060,000	43,240	86,437	-	4,189,677
Additions	-	-	102,195	86,690	188,885
Disposals	-	-	(407)	-	(407)
Depreciation expense	-	-	(36,809)	(11,920)	(48,729)
Carrying amount at the end of the year	4,060,000	43,240	151,416	74,770	4,329,426

Note 11 Payables

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
CURRENT				
Membership income related to future period	1,842,967	1,763,099	1,842,967	1,763,099
Trade creditors and accruals	1,372,866	1,346,039	123,343	10,000
	3,215,833	3,109,138	1,966,310	1,773,100

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 12 Interest Bearing Liabilities

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT					
Bank insurance and workers compensation loan - secured over the applicable policies	12a,b	117,279	-	-	-
Lease liability	16	33,133	-	-	-
		<u>150,412</u>	<u>-</u>	<u>-</u>	<u>-</u>
NON-CURRENT					
Bank loan- secured	12a,b	99,448	1,369,398	-	-
Related entity loan- secured		-	311,665	-	-
Lease liability	16	49,698	-	-	-
		<u>149,146</u>	<u>1,681,063</u>	<u>-</u>	<u>-</u>
a. Total current and non-current secured liabilities:					
Bank insurance and workers compensation loan - secured over the applicable policies		117,279	-	-	-
Bank loan		99,448	1,369,398	-	-
Related entity loan- secured		-	311,665	-	-
		<u>99,448</u>	<u>1,681,063</u>	<u>-</u>	<u>-</u>
b. The bank loan and overdraft facility are secured by a registered first mortgage over the freehold properties of the economic entity and a fixed and floating charge over the assets of a controlled entity.					
c. The carrying amounts of non-current assets pledged as security are:					
First mortgage					
Freehold land and buildings		4,060,000	4,060,000	-	-
Fixed charge					
Property plant and equipment in addition to that covered by the first mortgage		269,426	129,677	-	-
Loans		262,544	362,544	-	-
		<u>4,591,970</u>	<u>4,552,221</u>	<u>-</u>	<u>-</u>
Total assets pledged as security					

Note 13 Provisions

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT					
Employee benefits		595,387	591,319	-	-
		<u>595,387</u>	<u>591,319</u>	<u>-</u>	<u>-</u>
NON-CURRENT					
Employee benefits		-	-	-	-
a. Aggregate employee benefit liability		595,387	591,319	-	-
b. Number of employees at year end					
Staff		45	42	-	-
Apprentices		234	258	-	-
		<u>279</u>	<u>300</u>	<u>-</u>	<u>-</u>

No employee benefit is payable to holders of offices and accordingly the above provisions include no amount payable to those officers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 14 Reserves

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
Asset Revaluation Reserve		\$ 962,256	\$ 962,256	\$ -	\$ -

The asset revaluation reserve records revaluations of non-current assets. There were no movements in the reserve during the year.

Note 15 Retained Profits

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
Retained profits at the beginning of the financial year		1,526,833	853,399	2,361,730	1,503,00
Net profit attributable to members of the Master Builders Association of New South Wales		1,013,324	673,434	718,768	858,72
Retained profits at the end of the financial year		<u>2,540,157</u>	<u>1,526,833</u>	<u>3,080,498</u>	<u>2,361,73</u>

Note 16 Capital & Leasing Commitments

	Note	Economic Entity		Controlling Entity	
		2004	2003	2004	2003
a. Finance Lease Commitments		\$	\$	\$	\$
Payable					
—not later than 1 year		33,132	-	-	-
—later than 1 year but not later than 5 years		49,699	-	-	-
Total Lease Liability	12	<u>82,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
The hire purchase is for computer equipment. It commenced in 2004 and is for a 3 year period.					
b. Operating Lease Commitments					
Non-cancelable operating leases contracted for but not capitalised in the financial statements:					
Payable					
—not later than 1 year		156,739	90,391	-	-
—later than 1 year but not later than 5 years		152,110	73,441	-	-
—later than 5 years		-	-	-	-
		<u>308,850</u>	<u>163,832</u>	<u>-</u>	<u>-</u>

Note 17 Contingent Liabilities

At 30 June 2004 there were no contingent liabilities of the economic entity. The Master Builders Association of New South Wales has issued a guarantee and indemnity in favour of the Westpac Banking Corporation in respect of a loan to a controlled entity. At 30 June 2004 the loan amount was \$99,448 (30 June 2003: \$1,369,398).

Note 18 Events Subsequent to Reporting Date

Since the end of the financial year there have been no events which will have a significant effect on the operations of the controlling or economic entity.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 19 Related Party Transactions

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
A controlled entity, The Master Builders Association of New South Wales Pty Limited, performs all administrative functions for the Controlling entity, Master Builders Association of New South Wales. For this service an administration charge is paid by the Master Builders Association of New South Wales.	-	-	(2,655,783)	(1,831,740)

Note 20 Segment Reporting

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

Note 21 Cash Flow Information

	Economic Entity		Controlling Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
a. Reconciliation of Cash				
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:				
Cash on hand and at bank	704,130	715,658	294,557	-
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax				
Profit (loss) from ordinary activities after income tax	1,013,324	673,434	718,768	858,728
Non-cash flows in profit from ordinary activities				
Depreciation	48,729	32,000	-	-
Net loss/(gain) on disposal of plant and equipment	(5,593)	(1,434)	-	-
Changes in assets and liabilities				
(Increase)/decrease in receivables	465,014	129,893	(605,488)	(996,457)
(Increase)/decrease in other assets	(73,949)	355,567	-	-
(Increase)/decrease in inventories	(5,426)	18,796	(21,834)	-
Increase/(decrease) in payables	106,695	(127,095)	203,111	137,729
Increase/(decrease) in provisions	4,068	73,313	-	-
Cash flows from operations	1,552,862	1,154,474	294,557	-

c. Non-cash Financing and Investing Activities

Property, plant and equipment

During the financial year the economic entity acquired plant and equipment with an aggregate fair value of \$86,690 (2003: nil) by means of hire purchase agreements. These acquisitions are not reflected in the statement of cash flows.

d. Credit Stand-by Arrangement and Loan Facilities

The Master Builders Association of New South Wales Pty Ltd, a controlled entity, has a bank overdraft facility amounting to \$500,000 (2003: \$500,000). The facility is subject to an annual review. The next annual review due is 30 June 2004. At 30 June 2004 none of this facility was used (2003: none).

The Master Builders Association (NSW) Limited, a controlled entity, has a bank loan which includes a redraw facility where payments are in advance of the contracted schedule. At 30 June 2004 the potential loan facility was \$1,326,012 (2003: \$1,595,957). At 30 June 2004 \$99,448 of this facility was utilised (2003: \$1,369,398)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Note 22 Financial Instruments

a. Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average		Floating Interest Rate Assets/Liabilities		Fixed Interest Rate Maturing Assets/Liabilities			
	Effective Interest Rate		2004	2003	Within 1 Year		1 to 5 Years	
	2004	2003			2004	2003	2004	2003
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	1%	1%	701,280	713,308	-	-	-	-
Total Financial Assets			701,280	713,308	-	-	-	-
Financial Liabilities								
Bank loan secured	8.0%	7.5%	99,448	1,369,398	-	-	-	-
Lease Liabilities	13.0%	-	-	-	33,132	-	49,699	-
Total Financial Liabilities			99,448	1,369,398	33,132	-	49,699	-

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Note 23

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:

- a. 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.
- b. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- c. A reporting unit must comply with an application made under subsection (1).

Note 24 Master Builders Association of New South Wales Details

The registered office of the Master Builders Association of New South Wales is:

Master Builders Association of New South Wales
52 Parramatta Road
Forest Lodge
NSW 2038

The principal place of business is:

Master Builders Association of New South Wales
52 Parramatta Road
Forest Lodge
NSW 2038

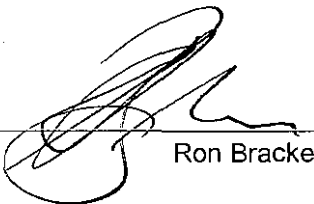
COMMITTEE OF MANAGEMENT STATEMENT

On 12 October 2004 the Committee of Management of Master Builders Association of New South Wales passed the following resolution to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30

- a. The financial statements and notes, as set out on pages 3 to 14, comply with Australian Accounting Standards;
- b. The financial statements and notes, as set out on pages 3 to 14, comply with the reporting guidelines of the Industrial Registrar;
- c. The financial statements and notes, as set out on pages 3 to 14, give a true and fair view of the financial performance, financial position and cash flows of the Master Builders Association of New South Wales and economic entity;
- d. There are reasonable grounds to believe that the Reporting Unit will be able to pay debts as and when they become due;
- e. During the financial year to which the GPFR relates and since the end of that year;
 - i) Meetings of the Committee of Management were held in accordance with the rules of the Master Builders Association of New South Wales;
 - ii) The financial affairs of the Master Builders Association of New South Wales have been managed in accordance with the rules of the organisation;
 - iii) The financial records of the Master Builders Association of New South Wales have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv) No member of the Master Builders Association of New South Wales or a Registrar has made a request for information under Section 272 of the RAO Schedule;
 - v) There has been no order for inspection of financial records made by the Commission under Section 273 of the RAO Schedule


For the Committee of Management

Committee
Member



Ron Bracken

Committee
Member



Scott Beynon

Dated this 12 th day of October 2004

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
Master Builders Association of New South Wales

Scope

We have audited the financial report of Master Builders Association of New South Wales for the financial year ended 30 June 2004 as set out on pages 3 to 15.

The financial report includes the consolidated financial statements of the consolidated entity comprising the association and the entities it controlled at the year's end or from time to time during the financial year. The association's Committee are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the association's and consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

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

Audit Opinion

In our opinion, the financial report of Master Builders Association of New South Wales is in accordance with:

- a. the Workplace Relations Act 1996 and Regulations, including:
 - i. giving a true and fair view of the association's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Workplace Relations Act 1996 and Regulations; and
- b. other mandatory professional reporting requirements.

Name of Firm Ure Lynam & Co

Name of Partner 

Robert Keith Hunter

Date 12/10/2004

Address Level 17, 1 York Street

SYDNEY NSW 2000

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES

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 | |

The consolidated profit for the financial year amounted to \$1,013,324

A review of the operations of the economic entity during the financial year and the results of those operations is included in The President Report which is attached.

No significant changes in the economic entity's state of affairs occurred during the financial year.

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.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Members rights to resign is set out in Item 10 of the constitution. In summary a member may resign from membership by written notice addressed and delivered to the offices of the Master Builders Association.

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 12 th day of October 2004

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

**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.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES

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	<u>1,013,324</u>	<u>673,434</u>	<u>718,768</u>	<u>858,728</u>

The accompanying notes form part of these financial statements.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

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.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

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	<u>715,658</u>	<u>194,075</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u><u>704,130</u></u>	<u><u>715,658</u></u>	<u><u>294,557</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

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	-
	<u>9,066,542</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,068</u>
Non-operating activities				
— interest received from other persons	5,551	-	-	-
— proceeds on disposal of property plant and equipment	6,000	-	-	-
	<u>9,078,093</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,068</u>

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).

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES

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.

Committee
Member

.....
Ron Bracken

Committee
Member

.....
Scott Beynon

Dated this 12th day of October 2004

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES ABN 96 550 024 906
AND CONTROLLED ENTITIES**

**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

NEWSBRIEF

OCTOBER 2004

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

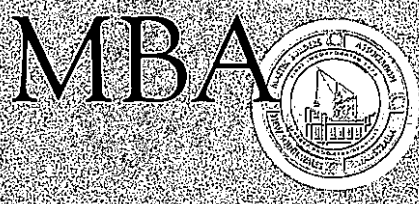
2005 MBA diaries now available

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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

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

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MASTER BUILDERS ASSOCIATION OF NSW AUDITORS REPORT 2004

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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	

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- 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	1,552,862	1,154,474	294,557	-
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	(182,885)	(50,422)	-	-
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	(1,381,505)	(582,469)	-	-
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	704,130	715,658	294,557	-

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	-
	<u>9,066,542</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,068</u>
Non-operating activities				
— interest received from other persons	5,551	-	-	-
— proceeds on disposal of property plant and equipment	6,000	-	-	-
	<u>9,078,093</u>	<u>8,717,256</u>	<u>3,824,246</u>	<u>2,896,068</u>

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
80 William Street, East Sydney, NSW
Telephone: (02) 83
Fax: (02) 95
Email: sydney@a

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

Dear Mr Seidler

Re: Lodgement of Financial Statements and Accounts for the Master Builders Association of New South Wales for the year ending 30 June 2004 (FR2004/559)

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 20 December 2004.

Thank you for your attention to this matter. The documents have been filed and may be viewed on the internet at www.e-airc.gov.au/070n/financial.

If I can be of any assistance please contact me on 02 8374 6618.

Yours sincerely,

A handwritten signature in cursive script that reads 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

14 February 2005