



Australian Government
Australian Industrial Registry

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

Mr Brian Seidler
Executive Director
Master Builders Association of New South Wales
52 Parramatta Rd
Forest Lodge NSW 2037

Dear Mr Seidler

**Re: Lodgement of Financial Statements and Accounts – Master Builders Association
of New South Wales – for year ending 30 June 2005
(FR2005/492)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 22 December 2005.

The legislative requirements have been substantially met. However the Registry draws your attention to two issues which the Association should address to ensure that it complies with those requirements under the RAO Schedule.

Firstly, when stating the names of all members of a Committee of Management in an Operating Report, the periods they held their positions must be included. Secondly, an Auditor's Report must be dated.

Please ensure all future Financial Returns contain those data. The documents have now been filed.

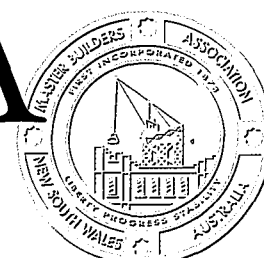
Yours sincerely,

A handwritten signature in black ink that reads 'David Vale'.

Statutory Services Branch

5 August 2008

MBA



21 December 2005

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

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

Dear Deputy Industrial Registrar

**RE: FINANCIAL RETURN – YEAR ENDING 30 JUNE 2005
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2005.

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 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 2005; and

- That the full report was presented to the Association's Annual General Meeting of members of the reporting unit on 13 December 2005 in accordance with section 268 of the RAO Schedule.



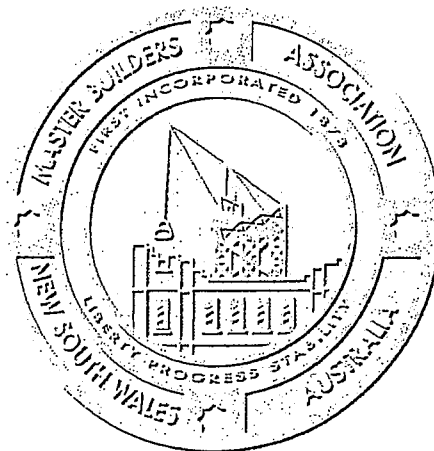
Signature

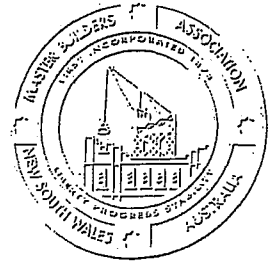
Date: 21 December 2005

**Master Builders Association of NSW
ABN 96 550 042 906**

**2004/2005 Annual Report
For presentation to the
Annual General Meeting
Of Members**

Tuesday, 13 December 2005





**NOTICE OF
ANNUAL GENERAL MEETING
MASTER BUILDERS ASSOCIATION
OF NSW**

**13 DECEMBER 2005
@ 3.00 PM**

AGENDA

- 1.0 Attendance and Apologies
- 2.0 Minutes of Previous Meeting (14 December 2004)
- 3.0 President's Report
- 4.0 Presentation of MBA/NSW Audited Accounts
- 5.0 Ballot Results for 2006
 - 5.1 Declaration of Ballot for Executive Committee
 - 5.2 Declaration of Ballot for Council of Management
- 6.0 Close of Annual General Meeting

OPERATING REPORT

Your committee present their report on the association and its controlled entities for the financial year ended 30 June 2005.

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

The consolidated profit of the economic entity for the financial year amounted to \$678,367.

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

No officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of New South Wales is:

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

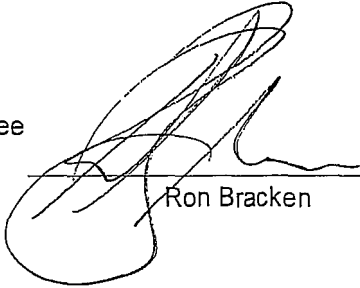
At the end of the financial year there were 5,754 Members of the Master Builders Association of New South Wales.

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 48 staff and 251 apprentices.

OPERATING REPORT

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

Committee
Member



Ron Bracken

Committee
Member



Scott Beynon

Dated this 11 th day of October 2005

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
Revenues from ordinary activities	2	9,723,286	9,456,378	5,859,398	3,824,246
Employee benefits expense	3	(5,450,625)	(5,102,327)	-	-
Cost of services rendered		(691,065)	-	(691,065)	-
Cost of documents sold		(147,936)	(104,977)	(147,936)	-
Bad and doubtful debts expense	3	7,956	(183,679)	7,956	(167,693)
Payments to Department of Fair Trading		-	(282,002)	-	(282,002)
Management fees to Controlled Entity		-	-	(4,113,493)	(2,655,783)
Other expenses from ordinary activities		(2,654,640)	(2,721,340)	21,182	-
Depreciation and amortisation expenses	3	(99,413)	(48,729)	-	-
Borrowing costs expense	3	(9,196)	-	-	-
Profit (loss) from ordinary activities	3	678,367	1,013,324	936,042	718,768

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 2005

	Note	Economic Entity		Controlling Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
CURRENT ASSETS					
Cash assets	4	889,165	704,130	843,395	294,557
Receivables	5	2,634,558	2,110,728	5,031,815	4,467,773
Inventories	6	41,200	21,834	41,200	21,834
Other	7	140,383	184,429	-	-
TOTAL CURRENT ASSETS		3,705,306	3,021,121	5,916,410	4,784,164
NON-CURRENT ASSETS					
Receivables	5	162,544	262,544	162,544	262,544
Other financial assets	8	50,100	100	100	100
Property, plant and equipment	10	4,326,298	4,329,426	-	-
TOTAL NON-CURRENT ASSETS		4,538,942	4,592,070	162,644	262,644
TOTAL ASSETS		8,244,248	7,613,191	6,079,054	5,046,808
CURRENT LIABILITIES					
Payables	11	3,272,455	3,215,833	2,062,514	1,966,310
Interest-bearing liabilities	12	50,639	150,412	-	-
Provisions	13	686,615	595,387	-	-
TOTAL CURRENT LIABILITIES		4,009,709	3,961,632	2,062,514	1,966,310
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	12	53,759	149,146	-	-
TOTAL NON-CURRENT LIABILITIES		53,759	149,146	-	-
TOTAL LIABILITIES		4,063,468	4,110,778	2,062,514	1,966,310
NET ASSETS		4,180,780	3,502,413	4,016,540	3,080,498
EQUITY					
Reserves	14	962,256	962,256	-	-
Retained profits	15	3,218,524	2,540,157	4,016,540	3,080,498
TOTAL EQUITY		4,180,780	3,502,413	4,016,540	3,080,498

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from operations		9,263,485	9,564,095	5,836,886	3,683,785
Payments to suppliers and employees		(8,730,853)	(8,016,784)	(5,290,537)	(3,389,228)
Interest received		3,044	5,551	2,489	-
Borrowing costs paid		(9,196)	-	-	-
Net cash provided by (used in) operating activities	21b	526,480	1,552,862	548,838	294,557
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	6,000	-	-
Payment for property, plant and equipment		(96,285)	(188,885)	-	-
Payment for investments		(50,000)	-	-	-
Net cash provided by (used in) investing activities		(146,285)	(182,885)	-	-
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	200,110	-	-
Repayment of borrowings- bank loan		(195,160)	(1,269,950)	-	-
Repayment of borrowings- related party		-	(311,665)	-	-
Net cash provided by (used in) financing activities		(195,160)	(1,381,505)	-	-
Net increase in cash held		185,035	(11,528)	548,838	294,557
Cash at beginning of year		704,130	715,658	294,557	-
Cash at end of year	21a	889,165	704,130	843,395	294,557

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 on 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 2005

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 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the economic entity's transition to IFRS.

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 2005

Note 2 Revenue

Note	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Operating activities				
— members subscriptions	3,417,342	3,173,377	3,417,342	3,173,377
— group apprenticeship scheme	3,804,480	3,483,090	-	-
— indigenous grant income	16,727	114,927	-	-
— sponsorship & commission	854,820	917,991	812,694	335,383
— training and education	989,954	582,168	989,954	150,948
— legal services and contract sales	345,335	238,671	345,335	60,205
— industrial relations services	141,900	138,954	141,900	42,072
— other revenue from operating activities	149,684	795,649	149,684	62,261
	<u>9,720,242</u>	<u>9,444,827</u>	<u>5,856,909</u>	<u>3,824,246</u>
Non-operating activities				
— interest received from other persons	3,044	5,551	2,489	-
— proceeds on disposal of property plant and equipment	-	6,000	-	-
Total revenue	<u>9,723,286</u>	<u>9,456,378</u>	<u>5,859,398</u>	<u>3,824,246</u>

Note 3 Profit from Ordinary Activities

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Profit from ordinary activities before income tax expense has been determined after:				
a. Expenses				
Affiliation fees				
— Master Builders Association Inc	344,316	336,240	-	-
Bad and doubtful debts				
— trade debtors	(88,802)	83,679	(107,956)	67,693
— loans	100,000	100,000	100,000	100,000
Total bad and doubtful debts	11,198	183,679	(7,956)	167,693
Borrowing costs				
— other persons	9,196	-	-	-
Depreciation of non-current assets				
— plant and equipment	70,805	36,809	-	-
— leased plant and equipment	28,608	11,920	-	-
Total depreciation	99,413	48,729	-	-
Employee Benefits				
— wages and salaries (including non monetary benefits)	3,920,783	3,640,757	-	-
— annual leave and sick leave	674,493	642,519	-	-
— long service leave	10,079	28,722	-	-
— superannuation	845,270	790,329	-	-
Total Employee Benefits	5,450,625	5,102,327	-	-
In addition to the employee benefits noted above certain employer participants in the apprenticeship scheme elected to pay apprentices themselves rather than having 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 \$5,228,130 (2004:\$5,632,633)				
Legal expenses	291,126	73,396	-	-
Presidents honorarium	10,000	35,000	-	-
Remuneration of auditor				
— audit	22,034	12,500	3,000	-
— other services	8,000	4,235	2,180	-
Audit fees of the Master Builders Association of New South Wales in 2004 of \$3,000 were paid by a controlled entity.				
Rental expense on operating leases				
— minimum lease payments	159,637	171,448	-	-
a. Revenue and Net Gains				
Net gain on disposal of plant and equipment	-	5,593	-	-

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 2005

Note 4 Cash Assets

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash on hand	3,100	2,850	-	-
Cash at bank	846,065	701,280	843,395	294,557
Term deposits	40,000	-	-	-
	<u>889,165</u>	<u>704,130</u>	<u>843,395</u>	<u>294,557</u>

Note 5 Receivables

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT				
Membership receivable	1,381,612	1,351,992	1,381,612	1,351,992
Provision for credits and doubtful debts	(196,227)	(296,393)	(196,227)	(296,393)
	<u>1,185,385</u>	<u>1,055,599</u>	<u>1,185,385</u>	<u>1,055,599</u>
Apprenticeship receivable	1,019,526	702,589	-	-
Provision for credits and doubtful debts	(183,756)	(150,663)	-	-
	<u>835,770</u>	<u>551,926</u>	<u>-</u>	<u>-</u>
Other debtors	613,403	503,203	41,950	51,547
Amounts Receivable from:				
Controlled entity-				
Master Builders Association New South Wales Pty Ltd	-	-	3,804,480	3,360,627
	<u>613,403</u>	<u>503,203</u>	<u>3,846,430</u>	<u>3,412,174</u>
	<u>2,634,558</u>	<u>2,110,728</u>	<u>5,031,815</u>	<u>4,467,773</u>
NON-CURRENT				
Loan to related entity-				
Comet Training Trust	362,544	362,544	362,544	362,544
Provision for doubtful debts	(200,000)	(100,000)	(200,000)	(100,000)
	<u>162,544</u>	<u>262,544</u>	<u>162,544</u>	<u>262,544</u>

Note 6 Inventories

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT				
Stock of publications at cost	41,200	21,834	41,200	21,834

Note 7 Other Assets

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT				
Prepayments	140,383	184,429	-	-

Note 8 Other Financial Assets

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Unlisted Investments at cost				
Shares in other corporations	50,000	-	-	-
Investment in related entity-				
Comet Training Trust — at cost				
Percentage owned: 50% (2004:50%)	100	100	100	100
	<u>50,100</u>	<u>100</u>	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 9 Controlled Entities

Entities controlled by Master Builders Association of New South Wales	Country of incorporation:	Percentage controlled (%)	
		2005	2004
Master Builders Association (NSW) Limited	Australia	100%	100%
Master Builders Association of New South Wales Pty Limited	Australia	100%	100%
Master Builders Finance Pty Limited	Australia	100%	100%

Note 10 Property, Plant & Equipment

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Land and Buildings at Independent valuation [2002]	4,060,000	4,060,000	-	-
Paintings	43,240	43,240	-	-
Plant and equipment at cost	438,098	341,813	-	-
Less accumulated depreciation	(261,202)	(190,397)	-	-
	176,896	151,416	-	-
Capitalised leased plant and equipment	86,690	86,690	-	-
Less accumulated depreciation	(40,528)	(11,920)	-	-
	46,162	74,770	-	-
Total Plant and Equipment	223,058	226,186	-	-
Total Property, Plant and Equipment	4,326,298	4,329,426	-	-

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	151,416	74,770	4,329,426
Additions	-	-	96,285	-	96,285
Disposals	-	-	-	-	-
Depreciation expense	-	-	(70,805)	(28,608)	(99,413)
Carrying amount at the end of the year	4,060,000	43,240	176,896	46,162	4,326,298

Note 11 Payables

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT				
Membership income related to future period	1,957,868	1,842,967	1,957,868	1,842,967
Trade creditors and accruals	1,314,587	1,372,866	104,646	123,343
	3,272,455	3,215,833	2,062,514	1,966,310

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 12 Interest Bearing Liabilities

	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CURRENT					
Bank insurance and workers compensation loan - secured over the applicable policies	12a,b	17,506	117,279	-	-
Lease liability	16	33,133	33,133	-	-
		<u>50,639</u>	<u>150,412</u>	-	-
NON-CURRENT					
Bank loan- secured	12a,b	37,193	99,448	-	-
Lease liability	16	16,566	49,698	-	-
		<u>53,759</u>	<u>149,146</u>	-	-
a. Total current and non-current secured liabilities:					
Bank insurance and workers compensation loan - secured over the applicable policies		17,506	117,279	-	-
Bank loan	12b	37,193	99,448	-	-
		<u>54,699</u>	<u>216,727</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		266,298	269,426	-	-
Loans		162,544	262,544	-	-
		<u>4,488,842</u>	<u>4,591,970</u>	-	-

Note 13 Provisions

	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CURRENT					
Employee benefits		686,615	595,387	-	-
Employee benefits					
a. Aggregate employee benefit liability		686,615	595,387	-	-
b. Number of employees at year end					
Staff		48	45	-	-
Apprentices		251	234	-	-
		<u>299</u>	<u>279</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 2005

Note 14 Reserves

	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
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	
		2005	2004	2005	2004
Retained profits at the beginning of the financial year		2,540,157	1,526,833	3,080,498	2,361,730
Net profit attributable to members of the Master Builders Association of New South Wales		678,367	1,013,324	936,042	718,768
Retained profits at the end of the financial year		<u>3,218,524</u>	<u>2,540,157</u>	<u>4,016,540</u>	<u>3,080,498</u>

Note 16 Capital & Leasing Commitments

a. Finance Lease Commitments	Note	Economic Entity		Controlling Entity	
		2005	2004	2005	2004
Payable		\$	\$	\$	\$
—not later than 1 year		33,133	33,133	-	-
—later than 1 year but not later than 5 years		16,566	49,698	-	-
Total Lease Liability	12	<u>49,699</u>	<u>82,831</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	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
—not later than 1 year	165,980	156,739	-	-
—later than 1 year but not later than 5 years	60,362	152,110	-	-
—later than 5 years	-	-	-	-
	<u>226,342</u>	<u>308,850</u>	<u>-</u>	<u>-</u>

Note 17 Contingent Liabilities

At 30 June 2005 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 2005 the loan amount was \$37,193 (30 June 2004: \$99,448).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 19 Related Party Transactions

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.

Economic Entity		Controlling Entity	
2005	2004	2005	2004
\$	\$	\$	\$
-	-	(4,113,493)	(2,655,783)

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

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, at bank and on deposit

Economic Entity		Controlling Entity	
2005	2004	2005	2004
\$	\$	\$	\$
889,165	704,130	843,395	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

Non-cash flows in profit from ordinary activities

Depreciation

Net loss/(gain) on disposal of plant and equipment

Changes in assets and liabilities

(Increase)/decrease in receivables

(Increase)/decrease in other assets

(Increase)/decrease in inventories

Increase/(decrease) in payables

Increase/(decrease) in provisions

Cash flows from operations

678,367	1,013,324	936,042	718,768
99,413	48,729	-	-
-	(5,593)	-	-
(423,830)	465,014	(464,042)	(605,488)
44,046	(73,949)	-	-
(19,366)	(5,426)	(19,366)	(21,834)
56,622	106,695	96,204	203,111
91,228	4,068	-	-
526,480	1,552,862	548,838	294,557

c. Non-cash Financing and Investing Activities

Property, plant and equipment

During the financial year ended 30 June 2004 the economic entity acquired plant and equipment with an aggregate fair value of \$86,690 by means of hire purchase agreements. These acquisitions are not reflected in the statement of cash flows. No such transactions were conducted in the current year.

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 (2004: \$500,000). The facility is subject to an annual review. The next annual review due is 30 June 2006. At 30 June 2005 \$77,166 of this facility was used (2004: none). Interest rates are variable.

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 2005 the potential loan facility was \$1,056,067 (2004: \$1,326,012). At 30 June 2005 \$37,194 of this facility was utilised (2004: \$99,448)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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		2005	2004	Within 1 Year		1 to 5 Years	
	2005	2004			2005	2004	2005	2004
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	1%	1%	846,065	701,280	-	-	-	-
Term deposits	5%	-	40,000	-	-	-	-	-
Total Financial Assets			886,065	701,280	-	-	-	-
Financial Liabilities								
Bank loan secured	8.0%	8.0%	37,193	99,448	-	-	-	-
Lease Liabilities	13.0%	13.0%	-	-	33,133	33,133	16,566	49,698
Total Financial Liabilities			37,193	99,448	33,133	33,133	16,566	49,698

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 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.
- 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.
- 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

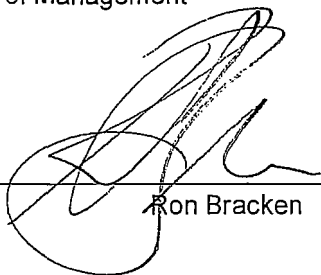
COMMITTEE OF MANAGEMENT STATEMENT

On 12 October 2005 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 June 2005:

- 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

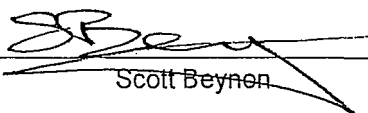
For the Committee of Management

Committee
Member



Ron Bracken

Committee
Member



Scott Beynen

Dated this 11 th day of October 2005

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 2005 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 2005 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 _____

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 presents their report on the association and its controlled entities for the financial year ended 30 June 2005.

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

The consolidated profit for the financial year amounted to \$678,367.

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.

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

OPERATING REPORT

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.

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

No officer or member is:

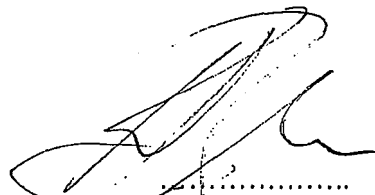
- a trustee of a superannuation entity, except perhaps in connection with an exempt public sector superannuation scheme.
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.
- where a criterion for the officer or member being the trustee 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 5,754 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 48 staff and 251 apprentices.

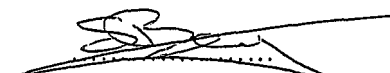
Signed in accordance with a resolution of the Committee of Management:

Committee Member



.....
Ron Bracken

Committee Member



.....
Scott Beynon

Dated this 11th day of October 2005

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 2005 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 \$678,367. This was a reduction of \$334,957 from the previous year. The reduction was consequent to the 2004 result being favourably affected by a one-off credit for relating to Workers Compensation Premiums from the previous year.

In the current year membership subscription increased to \$3,417,342 from \$3,173,377 favourably affecting the result.

Statement of Financial Position

The financial position of Master Builders Association of New South Wales and controlled entities strengthened further in the current financial year. Equity increased to \$4,180,780. The increase was largely reflected in current assets which increased by \$684,185. Current liabilities increased by a much smaller number, \$48,077. Non current liabilities were reduced by \$95,387 to \$53,759.

Statement of Cash Flow

Cash flow from operations was \$526,480. This was largely the result of the operating performance. The cash provided was used for repayments of borrowings of \$195,160, investments of \$146,285 and an increase in cash on hand of \$185,035.

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 2005

	Note	Economic Entity		Controlling Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenues from ordinary activities	2	9,723,286	9,456,378	5,859,398	3,824,246
Employee benefits expense		(5,450,625)	(5,102,327)	-	-
Cost of services rendered		(691,065)	-	(691,065)	-
Cost of documents sold		(147,936)	(104,977)	(147,936)	-
Bad and doubtful debts expense		7,956	(183,679)	7,956	(167,693)
Payments to Department of Fair Trading		-	(282,002)	-	(282,002)
Management fees to Controlled Entity		-	-	(4,113,493)	(2,655,783)
Other expenses from ordinary activities		(2,654,640)	(2,721,340)	21,182	-
Depreciation and amortisation expenses		(99,413)	(48,729)	-	-
Borrowing costs expense		(9,196)	-	-	-
Profit (loss) from ordinary activities		678,367	1,013,324	936,042	718,768

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 2005

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT ASSETS				
Cash assets	889,165	704,130	843,395	294,557
Receivables	2,634,558	2,110,728	5,031,815	4,467,773
Inventories	41,200	21,834	41,200	21,834
Other	140,383	184,429	-	-
TOTAL CURRENT ASSETS	3,705,306	3,021,121	5,916,410	4,784,164
NON-CURRENT ASSETS				
Receivables	162,544	262,544	162,544	262,544
Other financial assets	50,100	100	100	100
Property, plant and equipment	4,326,298	4,329,426	-	-
TOTAL NON-CURRENT ASSETS	4,538,942	4,592,070	162,644	262,644
TOTAL ASSETS	8,244,248	7,613,191	6,079,054	5,046,808
CURRENT LIABILITIES				
Payables	3,272,455	3,215,833	2,062,514	1,966,310
Interest-bearing liabilities	50,639	150,412	-	-
Provisions	686,615	595,387	-	-
TOTAL CURRENT LIABILITIES	4,009,709	3,961,632	2,062,514	1,966,310
NON-CURRENT LIABILITIES				
Interest-bearing liabilities	53,759	149,146	-	-
TOTAL NON-CURRENT LIABILITIES	53,759	149,146	-	-
TOTAL LIABILITIES	4,063,468	4,110,778	2,062,514	1,966,310
NET ASSETS	4,180,780	3,502,413	4,016,540	3,080,498
EQUITY				
Reserves	962,256	962,256	-	-
Retained profits	3,218,524	2,540,157	4,016,540	3,080,498
TOTAL EQUITY	4,180,780	3,502,413	4,016,540	3,080,498

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 2005

	Economic Entity		Controlling Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from operations	9,263,485	9,564,095	5,836,886	3,683,785
Payments to suppliers and employees	(8,730,853)	(8,016,784)	(5,290,537)	(3,389,228)
Interest received	3,044	5,551	2,489	-
Borrowing costs paid	(9,196)	-	-	-
Net cash provided by (used in) operating activities	<u>526,480</u>	<u>1,552,862</u>	<u>548,838</u>	<u>294,557</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	-	6,000	-	-
Payment for property, plant and equipment	(96,285)	(188,885)	-	-
Payment for investments	(50,000)	-	-	-
Net cash provided by (used in) investing activities	<u>(146,285)</u>	<u>(182,885)</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	-	200,110	-	-
Repayment of borrowings- bank loan	(195,160)	(1,269,950)	-	-
Repayment of borrowings- related party	-	(311,665)	-	-
Net cash provided by (used in) financing activities	<u>(195,160)</u>	<u>(1,381,505)</u>	<u>-</u>	<u>-</u>
Net increase in cash held	185,035	(11,528)	548,838	294,557
Cash at beginning of year	704,130	715,658	294,557	-
Cash at end of year	<u><u>889,165</u></u>	<u><u>704,130</u></u>	<u><u>843,395</u></u>	<u><u>294,557</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 2005

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	
	2005	2004	2005	2004
	\$	\$	\$	\$
Operating activities				
— members subscriptions	3,417,342	3,173,377	3,417,342	3,173,377
— group apprenticeship scheme	3,804,480	3,483,090	-	-
— indigenous grant income	16,727	114,927	-	-
— sponsorship & commission	854,820	917,991	812,694	335,383
— training and education	989,954	582,168	989,954	150,948
— legal services and contract sales	345,335	238,671	345,335	60,205
— industrial relations services	141,900	138,954	141,900	42,072
— other revenue from operating activities	149,684	795,649	149,684	62,261
	<u>9,720,242</u>	<u>9,444,827</u>	<u>5,856,909</u>	<u>3,824,246</u>
Non-operating activities				
— interest received from other persons	3,044	5,551	2,489	-
— proceeds on disposal of property plant and equipment	-	6,000	-	-
Total revenue	<u>9,723,286</u>	<u>9,456,378</u>	<u>5,859,398</u>	<u>3,824,246</u>

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 2005

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:

- 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).

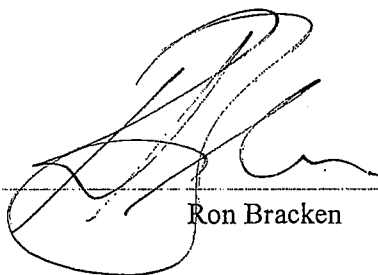
MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
ABN 96 550 024 906
AND CONTROLLED ENTITIES

COMMITTEE OF MANAGEMENT STATEMENT

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 11th day of October 2005

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
ABN 96 550 024 906
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 2005 as set out on pages 3 to 9 to express an opinion on it to the members of the Association. The Associations committee of management is responsible for the concise financial report.

Our audit has been conducted in accordance with the 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 2005. Our audit report on the full financial report was signed on 11 October 2005 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.

URE LYNAM & CO
Chartered Accountants



R K Hunter
Partner

Date: 11 October 2005



Australian Government
Australian Industrial Registry

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

Ref: FR2005/492-[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, 2005

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*.

Attached to this letter are sample forms and checklists to help you prepare and lodge your documents in time. We recommend you give a copy of this letter to the accountant or auditor preparing your accounts and the audit report.

We are happy to comment on any draft documents you or your accountant/auditor prepare before they are finalised.

Review of last year's financial return

We suggest you review any correspondence you received from us about last year's return. If we referred to any deficiencies or omissions, please take them into account in preparing this year's documents.

Legislation

This letter can only summarise the legislation. We strongly recommend your organisation and your accountant/auditor get a copy and refer to it when preparing your return. This is what you will need and where to find it:

- The *Registration and Accountability of Organisations Schedule* (Schedule 1B to the *Workplace Relations Act 1996*). We will call this the "RAO Schedule"¹. It is a part (or "schedule") of the Act but is numbered separately from rest of the Act. *Part 3 – Accounts and audit* of the RAO Schedule contains legislation on financial returns.
- The *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* – "the RAO Regulations".
- the *Reporting Guidelines* issued by the Industrial Registrar – "the Guidelines".

¹ References in this letter are to the RAO Schedule unless otherwise stated

You can find the RAO Schedule and RAO Regulations under “Procedures and Legislation”, and the Guidelines under “Organisations”, on our website at www.airc.gov.au. You can also view and download full versions of the Act including the RAO Schedule and RAO Regulations from Comlaw at www.comlaw.gov.au.

Timeline Planner and Checklist

The RAO Schedule includes strict timelines for various steps in the reporting process. It is in the interest of your organisation and its officers to know these time limits. Failure to comply with statutory time limits may attract a civil penalty.

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 Guidelines.

In the following section we describe some of the documents your reporting unit² 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 GPF^R 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 Guidelines (a sample Statement 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. The contents of the operating report are set out in s254 of the RAO Schedule and regulation 159 of the RAO Regulations.

Your reporting unit must appoint an auditor to audit the GPF^R and to provide:

3. an **Auditor’s Report**.

² “Reporting Unit” is the term RAO uses to describe a body which has to prepare a financial return. If an organisation is divided into branches, each branch is a “reporting unit”.

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

The Full Report

Your reporting unit must provide free of charge to its members a copy of the GPFR, the Operating Report and the Auditor’s Report. RAO calls these the “full report”.

A Concise Report

Under certain circumstances, your reporting unit can provide members a more limited *concise report*. If your committee of management resolves to prepare a concise report, you must ensure the contents and format of the report are consistent with the RAO Schedule and RAO Regulations.

Providing the reports to members

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 on a website on the Internet dependent on:

- the extent of the accessibility of the members of the reporting unit to the Internet; and
- 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.
- both financial and unfinancial members should be able to access the report if published on the website

When does the report have to be provided to members?

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 or any concise report to members, the full report 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 to consider the report (see s266(3)), you may 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 the **Ref: FR number** at top left of the front page of this letter.

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 certificate 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.

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

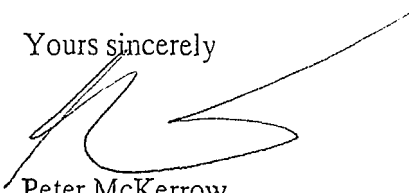
If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. If the annual income of a reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year,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

If you think you might qualify for "reduced reporting", please contact us for more information and how to make an application for a certificate.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at riasydney@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.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter McKerrow', written over a horizontal line.

Peter McKerrow
for Deputy Industrial Registrar

25 August 2005

Attachment B

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*

NOTICE REQUIRED BY s272(5) of the RAO Schedule

Your reporting unit must include the text of the Notice below in the Notes to the General Purpose Financial Report and in any Concise Report it prepares.

Information to be provided to members or Registrar

- (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).