



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 2006
(FR2006/505)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 21 December 2006.

As the legislative requirements have been met, the documents have been filed.

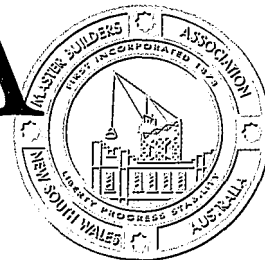
Yours sincerely,

A handwritten signature in cursive script that reads 'David Vale'.

Statutory Services Branch

5 August 2008

MBA



19 December 2006

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

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

Dear Deputy Industrial Registrar

**RE: FINANCIAL RETURN – YEAR ENDING 30 JUNE 2006
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2006.

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:

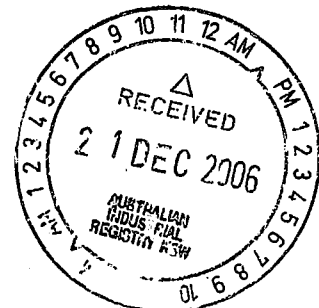
- That the documents lodged herewith are copies of the full report (see Attachment 2), and the concise report (see Attachment 3), referred to in s268 of the RAO Schedule; and

- That the concise report, was provided to members on or about 30 October 2006; and

- That the full report was presented to the Association's Annual General Meeting of members of the reporting unit on 12 December 2006 in accordance with section 268 of the RAO Schedule.

Signature _____

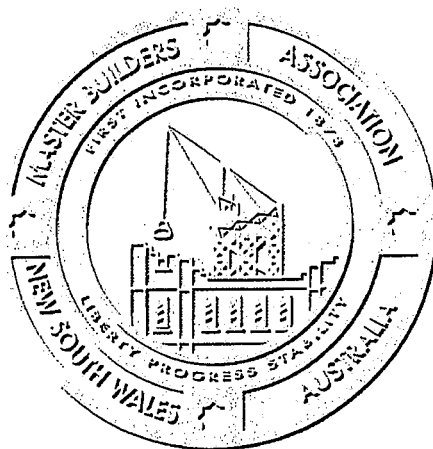
Date: 19 December 2006

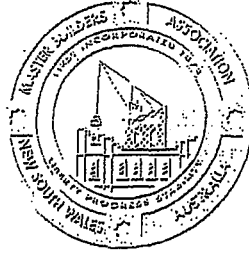


Master Builders Association of NSW
ABN 96 550 042 906

2005/2006 Annual Report
For presentation to the
Annual General Meeting
Of Members

Tuesday, 12 December 2006





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

**12 DECEMBER 2006
@ 3.00 PM**

AGENDA

- 1.0 Attendance and Apologies
- 2.0 Minutes of Previous Meeting (13 December 2005)
- 3.0 President's Report
- 4.0 Presentation of MBA/NSW Audited Accounts
- 5.0 Ballot Results for 2007
 - 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 2006.

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	John Harrison
Ken Austin	Gordon Henderson
Scott Beynon	Gordon Leggett
Robert Black	Hank Leeuw
Grant Blumer	Paul Maginnity
Ron Bracken	Michael Mayhew
Lionel Buckett	Ross Mitchell
Christopher Calderbank-Park	Ermond Morelli
Colleen Camarda	John Morris
Raymond Carden	Dan Murphy
Anthony Clark	Scott Nash
Barry Clark	Michael O'Donnell
John Condon	Martin Patience
Peter Court	Simon Pilcher
Kevin Dalton	Howard Punshon
Andrew Daniels	Nathan Pratt
David Donaldson	John Rostirolla
Bruce Edwards	James Stuart
Byron Fitzgerald	Brendan Sturgeon
Danny Fleetwood	Michael Sutton
Martin Gleeson	Bill Taylor
Chris Gordon	Ross Trovato
	Giovanni Vittali

The consolidated profit of the economic entity for the financial year amounted to \$720,532.

A review of the operations of the economic entity during the financial year and the results of those operations is included in The President's 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

OPERATING REPORT

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 6,192 (2005: 5,754) Members of the Master Builders Association of New South Wales.

The Master Builders Association of New South Wales employs administration staff. Apprentices are employed by a controlled entity, The Master Builders Association of New South Wales Pty Limited. The number of employees of the Master Builders Association of New South Wales and controlled entities at the end of the financial year were 60 staff and 264 apprentices (2005: 48 staff and 251 apprentices).

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

Committee
Member



David Donaldson

Committee
Member



Scott Beynon

Dated this 10 th day of October 2006

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	Economic Entity		Controlling Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue	2	12,001,030	9,900,485	8,562,461	5,859,398
Employee benefits expense	3	(6,542,722)	(5,450,625)	(4,041,136)	-
Cost of services rendered		(518,017)	(691,065)	(518,017)	(691,065)
Cost of documents sold		(203,541)	(147,936)	(203,541)	(147,936)
Bad and doubtful debts expense	3	(78,034)	(11,198)	(47,297)	7,956
Management fees to Controlled Entity		-	-	-	(4,113,493)
Other expenses		(3,810,704)	(2,812,685)	(3,402,646)	21,182
Depreciation and amortisation expenses	3	(127,480)	(99,413)	(127,480)	-
Borrowing costs expense	3	-	(9,196)	-	-
Profit attributable to members of the parent entity	3	720,532	678,367	222,343	936,042

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2006

	Note	Economic Entity		Controlling Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CURRENT ASSETS					
Cash and cash equivalents	4	1,416,478	889,165	1,260,590	843,395
Trade and other receivables	5	3,062,119	2,634,558	5,681,058	5,031,815
Inventories	6	65,004	41,200	65,004	41,200
Other current assets	7	203,219	140,383	203,219	-
TOTAL CURRENT ASSETS		4,746,820	3,705,306	7,209,871	5,916,410
NON-CURRENT ASSETS					
Trade and other receivables	5	142,544	162,544	142,544	162,544
Financial assets	8	50,100	50,100	100	100
Property, plant and equipment	10	6,801,848	4,326,298	301,848	-
TOTAL NON-CURRENT ASSETS		6,994,492	4,538,942	444,492	162,644
TOTAL ASSETS		11,741,312	8,244,248	7,654,363	6,079,054
CURRENT LIABILITIES					
Trade and other payables	11	4,117,306	3,770,531	3,171,800	2,062,514
Short term borrowings	12	73,377	50,639	56,811	-
Short term provisions	13	186,869	188,539	186,869	-
TOTAL CURRENT LIABILITIES		4,377,552	4,009,709	3,415,480	2,062,514
NON-CURRENT LIABILITIES					
Long term borrowings	12	22,448	53,759	-	-
TOTAL NON-CURRENT LIABILITIES		22,448	53,759	-	-
TOTAL LIABILITIES		4,400,000	4,063,468	3,415,480	2,062,514
NET ASSETS		7,341,312	4,180,780	4,238,883	4,016,540
EQUITY					
Reserves	14	3,402,256	962,256	-	-
Retained earnings	15	3,939,056	3,218,524	4,238,883	4,016,540
TOTAL EQUITY		7,341,312	4,180,780	4,238,883	4,016,540

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Controlling Entity	
	Note			
	2006 \$	2005 \$	2006 \$	2005 \$
Total equity at the beginning of the year	4,180,780	3,502,413	4,016,540	3,080,498
Profit for the year	720,532	678,367	222,343	936,042
Revaluation increment	2,440,000	-	-	-
Total equity at the end of the year	<u>7,341,312</u>	<u>4,180,780</u>	<u>4,238,883</u>	<u>4,016,540</u>

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity		Controlling Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from operations		11,964,389	9,263,485	8,463,707	5,836,886
Payments to suppliers and employees		(11,275,614)	(8,730,853)	(7,682,108)	(5,290,537)
Interest received		10,141	3,044	8,113	2,489
Borrowing costs paid		-	(9,196)	-	-
Net cash provided by (used in) operating activities	21b	698,916	526,480	789,712	548,838
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		6,000	-	6,000	-
Payment for property, plant and equipment		(169,030)	(96,285)	(435,328)	-
Payment for investments		-	(50,000)	-	-
Net cash provided by (used in) investing activities		(163,030)	(146,285)	(429,328)	-
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		22,738	-	-	-
Repayment of borrowings		(31,311)	(195,160)	56,811	-
Net cash provided by (used in) financing activities		(8,573)	(195,160)	56,811	-
Net increase in cash held		527,313	185,035	417,195	548,838
Cash at beginning of year		889,165	704,130	843,395	294,557
Cash at end of year	21a	1,416,478	889,165	1,260,590	843,395

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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. The Master Builders Association of New South Wales is an industry association domiciled in Australia.

The financial report of Master Builders Association of New South Wales and controlled entities and the Master Builders Association of New South Wales as an individual parent entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

Master Builders Association of New South Wales and the controlled entities, and Master Builders Association of New South Wales as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

There were no significant changes to the accounts consequent to the introduction of these standards.

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.

There are no capital gains tax implications on the revaluation increment of freehold land and buildings in view of the operations of Division 40 of the Income Tax Assessment Act (ss b above).

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 less depreciation and impairment losses. There are no impairment losses.

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 been discounted to present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	10-33%
Leased plant and equipment	33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Note 2 Revenue

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Operating activities				
— members subscriptions	4,210,197	3,417,342	4,210,197	3,417,342
— group apprenticeship scheme	4,442,943	3,804,480	-	-
— sponsorship & commission	1,129,786	854,820	1,129,786	812,694
— training and education	916,748	989,954	916,748	989,954
— legal services and contract sales	446,734	345,335	446,734	345,335
— insurance services	211,771	177,199	211,771	-
— industrial relations services	190,723	141,900	190,723	141,900
— management fees from controlled entities	-	-	1,142,453	-
— other revenue from operating activities	441,988	166,411	305,936	149,684
— interest received from other persons	10,141	3,044	8,113	2,489
Total revenue	12,001,030	9,900,485	8,562,461	5,859,398

Note 3 Profit

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Profit from ordinary activities before income tax expense has been determined after:				
a. Expenses				
Affiliation fees				
— Master Builders Association Inc	364,234	344,316	364,234	-
Bad and doubtful debts				
— trade debtors	58,034	(88,802)	27,297	(107,956)
— loans	20,000	100,000	20,000	100,000
Total bad and doubtful debts	78,034	11,198	47,297	(7,956)
Borrowing costs				
— other persons	-	9,196	-	-
Depreciation of non-current assets				
— plant and equipment	98,873	70,805	98,873	-
— leased plant and equipment	28,607	28,608	28,607	-
Total depreciation	127,480	99,413	127,480	-
Employee Benefits				
— wages and salaries (including non monetary benefits)	4,879,353	3,920,783	3,062,882	-
— annual leave and sick leave	618,932	674,493	473,394	-
— long service leave	51,593	10,079	51,593	-
— superannuation	992,844	845,270	453,267	-
Total Employee Benefits	6,542,722	5,450,625	4,041,136	-
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 wholly owned subsidiary) pay the apprentices and re-charge the employer participant. In the current financial year the employee benefits so paid totalled \$5,289,211 (2005:\$5,228,130)				
Legal expenses	357,118	291,126	357,118	-
Presidents honorarium	10,000	10,000	10,000	-
Remuneration of auditor				
— audit	23,800	22,034	13,800	3,000
— accounting and tax services	8,000	8,000	8,000	2,180
Rental expense on operating leases				
— minimum lease payments	396,024	253,458	396,024	-

b. Significant Matter

From 1 July 2006 the Master Builders Association of New South Wales assumed the responsibility for providing the services of an industrial association to the Newcastle Master Builders Association. The profit of the Master Builders Association of New South Wales was favourably increased by \$185,963 as a result thereof.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Note 4 Cash and Cash Equivalents

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Cash on hand	2,600	3,100	2,600	-
Cash at bank	1,413,878	886,065	1,257,990	843,395
	<u>1,416,478</u>	<u>889,165</u>	<u>1,260,590</u>	<u>843,395</u>

Note 5 Trade and Other Receivables

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Membership receivable	1,792,132	1,381,612	1,792,132	1,381,612
Provision for credits and doubtful debts	(250,768)	(196,227)	(250,768)	(196,227)
	<u>1,541,364</u>	<u>1,185,385</u>	<u>1,541,364</u>	<u>1,185,385</u>
Apprenticeship receivable	1,248,719	1,019,526	-	-
Provision for credits and doubtful debts	(158,658)	(183,756)	-	-
	<u>1,090,061</u>	<u>835,770</u>	<u>-</u>	<u>-</u>
Other debtors	430,694	613,403	152,575	41,950
Amounts Receivable from:				
Wholly controlled subsidiaries	-	-	3,987,119	3,804,480
	<u>430,694</u>	<u>613,403</u>	<u>4,139,694</u>	<u>3,846,430</u>
	<u>3,062,119</u>	<u>2,634,558</u>	<u>5,681,058</u>	<u>5,031,815</u>
NON-CURRENT				
Loan to related entity-				
Comet Training Trust	362,544	362,544	362,544	362,544
Provision for uncollectability	(220,000)	(200,000)	(220,000)	(200,000)
	<u>142,544</u>	<u>162,544</u>	<u>142,544</u>	<u>162,544</u>

Note 6 Inventories

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Stock of publications at cost	65,004	41,200	65,004	41,200

Note 7 Other Assets

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Prepayments	203,219	140,383	203,219	-

Note 8 Financial Assets

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Unlisted Investments at cost				
Shares in other corporations	50,000	50,000	-	-
Investment in related entity-				
Comet Training Trust — at cost				
Percentage owned: 50% (2005:50%)	100	100	100	100
	<u>50,100</u>	<u>50,100</u>	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Note 9 Controlled Entities

Entities controlled by Master Builders Association of New South Wales

	Country of incorporation:	Percentage controlled (%)	
		2006	2005
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	
	2006	2005	2006	2005
	\$	\$	\$	\$
Land and Buildings at Independent valuation 2006	6,500,000	4,060,000	-	-
Paintings	43,240	43,240	43,240	-
Plant and equipment at cost	600,728	438,098	600,728	-
Less accumulated depreciation	(359,675)	(261,202)	(359,675)	-
	241,053	176,896	241,053	-
Capitalised leased plant and equipment	86,690	86,690	86,690	-
Less accumulated depreciation	(69,135)	(40,528)	(69,135)	-
	17,555	46,162	17,555	-
Total Plant and Equipment	258,608	223,058	258,608	-
Total Property, Plant and Equipment	6,801,848	4,326,298	301,848	-

The group's land and buildings were revalued at 30 June 2006 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity.

(a) 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 year.

	Buildings	Paintings	Equipment	and Equipment	Total
	\$	\$	\$	\$	\$
Economic Entity					
Balance at the beginning of the year	4,060,000	43,240	176,896	46,162	4,326,298
Additions	-	-	169,030	-	169,030
Disposals	-	-	(6,000)	-	(6,000)
Revaluation increment	2,440,000	-	-	-	2,440,000
Depreciation expense	-	-	(98,873)	(28,607)	(127,480)
Carrying amount at the end of the year	6,500,000	43,240	241,053	17,555	6,801,848
Parent Entity					
Balance at the beginning of the year	-	-	-	-	-
Additions	-	-	169,030	-	169,030
Transfers from other group companies	-	43,240	176,896	46,162	266,298
Disposals	-	-	(6,000)	-	(6,000)
Revaluation increment	-	-	-	-	-
Depreciation expense	-	-	(98,873)	(28,607)	(127,480)
Carrying amount at the end of the year	-	43,240	241,053	17,555	301,848

Note 11 Trade and Other Payables

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Membership income related to future period	2,388,372	1,957,868	2,388,372	1,957,868
Trade creditors and accruals	1,122,358	1,314,587	544,145	104,646
Employee benefits	606,576	498,076	239,283	-
	4,117,306	3,770,531	3,171,800	2,062,514

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Note 12 Short Term Borrowings

	Note	Economic Entity		Controlling Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT					
Bank insurance and workers compensation loan - secured over the applicable policies	12a,b	56,811	17,506	56,811	-
Lease liability	16	16,566	33,133	-	-
		<u>73,377</u>	<u>50,639</u>	<u>56,811</u>	<u>-</u>
NON-CURRENT					
Bank loan- secured	12a,b	22,448	37,193	-	-
Lease liability	16	-	16,566	-	-
		<u>22,448</u>	<u>53,759</u>	<u>-</u>	<u>-</u>
a. Total current and non-current secured liabilities:					
Bank insurance and workers compensation loan - secured over the applicable policies		56,811	17,506	-	-
Bank loan	12b	22,448	37,193	-	-
		<u>79,259</u>	<u>54,699</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					
First mortgage					
Freehold land and buildings		6,500,000	4,060,000	-	-
Fixed charge					
Property plant and equipment in addition to that covered by the first mortgage		301,848	266,298	-	-
Loan Receivable		142,544	162,544	-	-
		<u>6,944,392</u>	<u>4,488,842</u>	<u>-</u>	<u>-</u>
Total assets pledged as security					

Note 13 Provisions

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Employee benefits	186,869	188,539	186,869	-
Employee benefits				
a. Aggregate employee benefit liability	186,869	188,539	186,869	-
b. Number of employees at year end				
Staff	60	48	-	-
Apprentices	264	251	-	-
	<u>324</u>	<u>299</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 2006

Note 14 Asset Revaluation Reserve

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Opening balance	962,256	962,256	-	-
Revaluation increment	2,440,000	-	-	-
Asset Revaluation Reserve	3,402,256	962,256	-	-

During the year \$2,440,000 (2005:Nil) was credited to the reserve on the revaluation of land and buildings.

Note 15 Retained Profits

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Retained profits at the beginning of the financial year	3,218,524	2,540,157	4,016,540	3,080,498
Net profit attributable to members of the Master Builders Association of New South Wales	720,532	678,367	222,343	936,042
Retained profits at the end of the financial year	3,939,056	3,218,524	4,238,883	4,016,540

Note 16 Capital & Leasing Commitments

	Note	Economic Entity		Controlling Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
a. Finance Lease Commitments					
Payable					
—not later than 1 year		16,566	33,133	-	-
—later than 1 year but not later than 5 years		-	16,566	-	-
Total Lease Liability	12	16,566	49,699	-	-

The hire purchase is for computer equipment. It commenced in 2004 and is for a 3 year period. There are no contingent purchase payments

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
Payable				
—not later than 1 year	232,161	165,980	-	-
—later than 1 year but not later than 5 years	387,802	60,362	-	-
	619,963	226,342	-	-

The leases are for various motor vehicles with a terms of 3 to 3.25 years. An additional rental is payable for each vehicle on a per kilometre basis, ranging from 6 cents to 8 cents, should the kilometers travelled exceed a distance contracted for each vehicle. The distances contracted range between 75,000 and 150,000 kilometres

Note 17 Contingent Liabilities

At 30 June 2006 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 2006 the loan amount was \$22,448 (30 June 2005: \$37,193).

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 2006

Note 19 Related Party Transactions

	Economic Entity		Controlling Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
The Master Builders Association of New South Wales performed all administrative functions for the wholly controlled subsidiary Master Builders Association of New South Wales Pty Limited. For this service an administration charge is paid to Master Builders Association of New South Wales.	-	-	686,224	-
The Master Builders Association of New South Wales performed all administrative functions for the wholly controlled subsidiary Master Builders Association of New South Wales Limited. For this service an administration charge is paid to Master Builders Association of New South Wales.	-	-	456,229	-
The Master Builders Association of New South Wales Limited provides premises to Master Builders Association of New South Wales for which rent is charged.	-	-	(318,000)	-
In 2005 a controlled entity, Master Builders Association of New South Wales Pty Limited, performed 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.	-	-	-	(4,113,493)

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	
	2006	2005	2006	2005
	\$	\$	\$	\$
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	1,416,478	889,165	1,260,590	843,395
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax				
Profit (loss) from ordinary activities after income tax	720,532	678,367	222,343	936,042
Non-cash flows in profit from ordinary activities				
Depreciation	127,480	99,413	127,480	-
Changes in assets and liabilities				
(Increase)/decrease in receivables	(407,561)	(423,830)	(629,243)	(464,042)
(Increase)/decrease in other assets	(62,836)	44,046	(203,219)	-
(Increase)/decrease in inventories	(23,804)	(19,366)	(23,804)	(19,366)
Increase/(decrease) in payables	346,775	56,622	1,109,286	96,204
Increase/(decrease) in provisions	(1,670)	91,228	186,869	-
Cash flows from operations	698,916	526,480	789,712	548,838

c. 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 (2005: \$500,000). The facility is subject to an annual review. The next annual review due is 30 June 2007. At 30 June 2005 none of this facility was used (2005: \$77,176). 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 2006 the potential loan facility was \$699,026 (2005: \$1,056,067). At 30 June 2006 \$22,448 of this facility was utilised (2005: \$37,193)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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		2006 \$	2005 \$	Within 1 Year		1 to 5 Years	
	2006 %	2005 %			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets								
Cash at bank	1%	1%	1,413,878	886,065	-	-	-	-
Total Financial Assets			1,413,878	886,065	-	-	-	-
Financial Liabilities								
Bank loan secured	8.0%	8.0%	22,448	37,193	-	-	-	-
Lease Liabilities	13.0%	13.0%	-	-	16,566	33,133	-	16,566
Total Financial Liabilities			22,448	37,193	16,566	33,133	-	16,566

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 10 October 2006 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 2006:

- a. The financial statements and notes, as set out on pages 3 to 15, comply with Australian Accounting Standards;
- b. The financial statements and notes, as set out on pages 3 to 15, comply with the reporting guidelines of the Industrial Registrar;
- c. The financial statements and notes, as set out on pages 3 to 15, 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 
David Donaldson

Committee Member 
Scott Beynon

Dated this 10 th day of October 2006

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 2006 as set out on pages 3 to 16.

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.

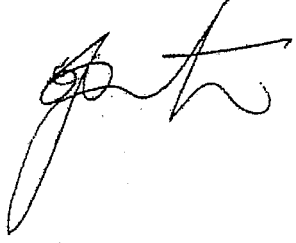
The audit opinion expressed in this report has been formed on the above basis.

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 2006 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 10/10/2006

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 2006.

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	John Harrison
Ken Austin	Gordon Henderson
Scott Beynon	Gordon Leggett
Robert Black	Hank Leeuw
Grant Blumer	Paul Maginnity
Ron Bracken	Michael Mayhew
Lionel Buckett	Ross Mitchell
Christopher Calderbank-Park	Ermond Morelli
Colleen Camarda	John Morris
Raymond Carden	Dan Murphy
Anthony Clark	Scott Nash
Barry Clark	Michael O'Donnell
John Condon	Martin Patience
Peter Court	Simon Pilcher
Kevin Dalton	Howard Punshon
Andrew Daniels	Nathan Pratt
David Donaldson	John Rostirolla
Bruce Edwards	James Stuart
Byron Fitzgerald	Brendan Sturgeon
Danny Fleetwood	Michael Sutton
Martin Gleeson	Bill Taylor
Chris Gordon	Ross Trovato
	Giovanni Vittali

The consolidated profit for the financial year amounted to \$720,532.

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

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 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 6,192 (2005:5,754) Members of the Master Builders Association of New South Wales.

The Master Builders Association of New South Wales employs administration staff. Apprentices are employed by a controlled entity, The Master Builders Association of New South Wales Pty Limited. The number of employees of the Master Builders Association of New South Wales and controlled entities at the end of the financial year were 60 staff and 264 apprentices (2005: 48 staff and 251 apprentices).

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

Committee Member



David Donaldson

Committee Member



Scott Beynon

Dated this 10th day of October 2006

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Master Builders Association Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2006. The financial statements and disclosures in the concise financial report have been derived from the 2006 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 discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Master Builders Association of New South Wales and Controlled Entities consolidated financial statements and the information contained in the concise financial report has been derived from the full 2006 Financial Report of the Master Builders Association of New South Wales and Controlled Entities.

Income Statement

The consolidated profit attributable to members is \$720,532 (2005:\$678,367). The increase of \$42,165, 6%, was consequent to:

- From 1 July 2005 the Master Builders Association of New South Wales assumed the responsibility for providing the services of an industrial association to the Newcastle Master Builders Association. The profit of the Master Builders Association of New South Wales was favourably increased by \$185,963 as a result thereof.
- Membership subscription increased by \$792,855 or 23% to \$4,210,197 (2005:\$3,417,342) favourably affecting the result. This was largely a result of the collection of fees from members of Newcastle Master Builders Association for the first time \$638,389. Membership of the Maser Builders Association of New South Wales also increased during the year to 6,192 from 5,754 at the commencement of the year.

Balance Sheet

Total assets increased by \$3,497,064, 42%, to \$11,741,312. The increase was largely attributable to:

- Land and buildings increased by \$2,440,000 to accord with an independent valuation.
- Cash increased \$527,313 consequent to the profit earned during the year.
- Receivables increased by \$427,561 due largely to the increase in revenues.

Total liabilities increased \$336,532 or 8%. This was largely caused by an increase in membership income billed but relating to future periods.

Equity increased by \$3,160,532 to \$7,341,312 due to the revaluation of land and buildings noted above and the profit for the year. .

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Cash Flow Statement

Cash flow from operations was \$698,816 which is in line with the year's profit. The majority of the cash flow was retained increasing cash holdings \$527,313. \$169,030 was used for the purchase of plant and equipment, mostly equipment related to the computer systems.

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity	
		2006	2005
		\$	\$
Revenue	2	12,001,030	9,900,485
Employee benefits expense		(6,542,722)	(5,450,625)
Cost of services rendered		(518,017)	(691,065)
Cost of documents sold		(203,541)	(147,936)
Bad and doubtful debts expense		(78,034)	(11,198)
Other expenses		(3,810,704)	(2,812,685)
Depreciation and amortisation expenses		(127,480)	(99,413)
Borrowing costs expense		-	(9,196)
Profit attributable to members of the parent entity		<u>720,532</u>	<u>678,367</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
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	Economic Entity	
	2006	2005
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,416,478	889,165
Trade and other receivables	3,062,119	2,634,558
Inventories	65,004	41,200
Other current assets	203,219	140,383
TOTAL CURRENT ASSETS	4,746,820	3,705,306
NON-CURRENT ASSETS		
Trade and other receivables	142,544	162,544
Financial assets	50,100	50,100
Property, plant and equipment	6,801,848	4,326,298
TOTAL NON-CURRENT ASSETS	6,994,492	4,538,942
TOTAL ASSETS	11,741,312	8,244,248
CURRENT LIABILITIES		
Trade and other payables	4,117,306	3,770,531
Short term borrowings	73,377	50,639
Short term provisions	186,869	188,539
TOTAL CURRENT LIABILITIES	4,377,552	4,009,709
NON-CURRENT LIABILITIES		
Long term borrowings	22,448	53,759
TOTAL NON-CURRENT LIABILITIES	22,448	53,759
TOTAL LIABILITIES	4,400,000	4,063,468
NET ASSETS	7,341,312	4,180,780
EQUITY		
Reserves	3,402,256	962,256
Retained earnings	3,939,056	3,218,524
TOTAL EQUITY	7,341,312	4,180,780

The accompanying notes form part of these financial statements.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
ABN 96 550 024 906
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity	
	2006	2005
	\$	\$
Total equity at the beginning of the year	4,180,780	3,502,413
Profit for the year	720,532	678,367
Revaluation increment	2,440,000	-
Total equity at the end of the year	7,341,312	4,180,780

The accompanying notes form part of these financial statements.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES

ABN 96 550 024 906

AND CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity	
	2006	2005
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	11,964,389	9,263,485
Payments to suppliers and employees	(11,275,614)	(8,730,853)
Interest received	10,141	3,044
Borrowing costs paid	-	(9,196)
Net cash provided by (used in) operating activities	<u>698,916</u>	<u>526,480</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	6,000	-
Payment for property, plant and equipment	(169,030)	(96,285)
Payment for investments	0	(50,000)
Net cash provided by (used in) investing activities	<u>(163,030)</u>	<u>(146,285)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	22,738	-
Repayment of borrowings	(31,311)	(195,160)
Net cash provided by (used in) financing activities	<u>(8,573)</u>	<u>(195,160)</u>
Net increase in cash held	527,313	185,035
Cash at beginning of year	<u>889,165</u>	<u>704,130</u>
Cash at end of year	<u><u>1,416,478</u></u>	<u><u>889,165</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
2006

Note 1 Basis of Preparation of the Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2006. 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 are derived from and are 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 financial report of Master Builders Association of New South Wales and controlled entities and the Master Builders Association of New South Wales as an individual parent entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

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

Note 2

Revenue

	Economic Entity	
	2006	2005
	\$	\$
Operating Activities		
- Members Subscriptions	4,210,197	3,417,342
- Group Apprenticeship Scheme	4,442,943	3,804,480
- Sponsorship & Commission	1,129,786	854,820
- Training & Education	916,748	989,954
- Legal Services & Contract Sales	446,734	345,335
- Insurance Services	211,771	177,199
- Industrial Relations Services	190,723	141,900
- Other Revenue from Operating Activities	441,988	166,411
- Interest received from Other Persons	10,141	3,044
Total Revenue	12,001,030	9,900,485

**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
2006**

Note 3 Segment Reporting

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

Note 4 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**


DIRECTORS' DECLARATION

The directors of Master Builders Association of New South Wales and Controlled Entities declare that the concise financial report of Master Builders Association of New South Wales and Controlled Entities for the financial year ended 30 June 2006, as set out on pages 3 to 10;

- a. Complies with Accounting Standards AASB 1039: Concise Financial Reports; and
- b. Is an extract from the full financial report for the year ended 30 June 2006 and has been derived from and is consistent with the full financial report of Master Builders Association of New South Wales and Controlled Entities.

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

Committee Member


.....
David Donaldson

Committee Member


.....
Scott Beynon

Dated this 10th day of October 2006.

**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 Master Builders Association of New South Wales and Controlled Entities for the financial year ended 30 June 2006 as set out on the pages 3 to 11 in order to express an opinion on it to the members of the disclosing entity. The disclosing entity's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to full financial report of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2006. Our audit report on the full financial report was signed on 10th October 2006, and was not subject to any qualification.

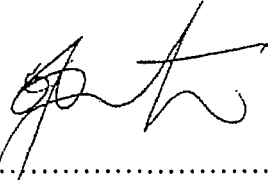
Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures 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 Standards AASB 1039; Concise Financial Reports.

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

In conducting an audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Workplace Relations Act 1996 and Regulations.

Audit Opinion

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


.....
Robert Hunter
C/- Ure Lynam & Co
Level 17, 1 York Street, Sydney NSW 2000

Dated this 10th day of October 2006.



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: FR2006/505-[070N]

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

Dear Mr Seidler

Financial Return - year ending 30 June, 2006

Our records show the 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*.

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.

Information on AIRC Website

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

- [RAO Schedule](#)
- [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 requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, 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 use the term "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:
 - (a) 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
 - (b) 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 including disclosures related to any recovery of wages activity ; and
 - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
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 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).

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".

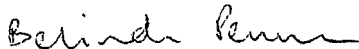
Extensions of Time

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.

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. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar...
1 August, 2006