



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 2007
(FR2007/256)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 18 December 2007.

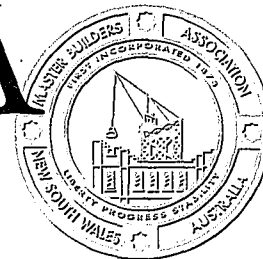
As the legislative requirements have been met, the documents have been filed.

Yours sincerely,


Statutory Services Branch

5 August 2008

MBA



13 December 2007

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 2007
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2007.

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.



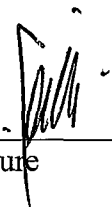
Certificate of Secretary or other Authorised
S268 of Schedule 1B Workplace Relations Act 1996

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 2007; and

- That the full report was presented to the Association's Annual General Meeting of members of the reporting unit on 11 December 2007 in accordance with section 268 of the RAO Schedule.



Signature

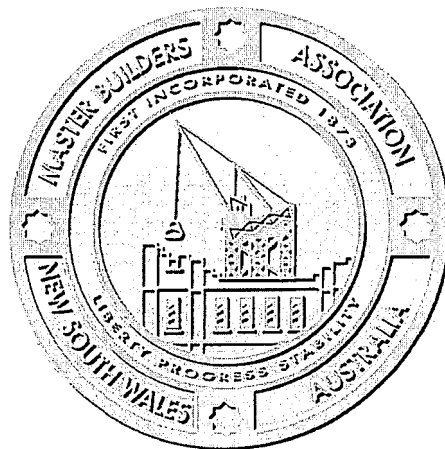
Date: 13 December 2007



Master Builders Association of NSW
ABN 96 550 042 906

2007 Annual Report
For presentation to the
Annual General Meeting
Of Members

Tuesday, 11 December 2007



NOTICE OF ANNUAL GENERAL MEETING

October 2007

Dear Member



**Master
Builders
Association**

New South Wales

RE: NOTICE OF ANNUAL GENERAL MEETING - MASTER BUILDERS ASSOCIATION OF NSW

I hereby give notice that the Annual General Meeting of the Master Builders Association of NSW will take place on Tuesday, 11 December 2007 at 3.00 pm at 52 Parramatta Road, Forest Lodge NSW.

Yours faithfully

Brian Seidler
EXECUTIVE DIRECTOR

**NOTICE OF ANNUAL GENERAL MEETING
MASTER BUILDERS ASSOCIATION OF NSW
Tuesday 11 DECEMBER 2007 @ 3.00 PM**

AGENDA

- 1.0 Attendance and Apologies
- 2.0 Minutes of Previous Meeting (12 December 2006)
- 3.0 President's Report
- 4.0 Presentation of MBA/NSW Audited Accounts
- 5.0 Ballot Results for 2008
 - 5.1 Declaration of Ballot for Executive Committee
 - 5.2 Declaration of Ballot for Council of Management
- 6.0 Close of Annual General Meeting

**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 2007.

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 | Gordon Henderson |
| Ken Austin | Gordon Leggett |
| Scott Beynon | Paul Maginnity |
| Robert Black | Ross Mitchell |
| Ron Bracken | Ermond Morelli |
| Christopher Calderbank-Park | John Morris |
| Raymond Carden | Dan Murphy |
| Anthony Clark | Scott Nash |
| Barry Clark | Michael O'Donnell |
| John Condon | Richard Osborn |
| Peter Court | Martin Patience |
| Kevin Dalton | Andrew Pearce |
| Andrew Daniels | Simon Pilcher |
| David Donaldson | Howard Punshon |
| Bruce Edwards | John Rostirolla |
| Byron Fitzgerald | James Stuart |
| Martin Gleeson | Brendan Sturgeon |
| Raymond Gordon | Bill Taylor |
| Peter Haack | Ross Trovato |
| John Harrison | Giovanni Vittali |

The consolidated profit of the economic entity for the financial year amounted to \$972,933.

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 6,693 (2006: 6,192) 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 61 staff and 250 apprentices (2005: 60 staff and 264 apprentices).

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

Committee
Member



David Donaldson

Committee
Member



Scott Beynon

Dated this 9 th day of October 2007

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Economic Entity		Controlling Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	12,034,362	12,001,030	9,897,374	8,562,461
Employee benefits expense	3	(6,602,828)	(6,542,722)	(4,449,400)	(4,041,136)
Cost of services rendered		(546,626)	(518,017)	(546,626)	(518,017)
Cost of documents sold		(210,929)	(203,541)	(210,929)	(203,541)
Bad and doubtful debts expense	3	(64,065)	(78,034)	69,487	(47,297)
Other expenses		(3,469,622)	(3,810,704)	(3,554,228)	(3,402,646)
Depreciation and amortisation expenses	3	(167,359)	(127,480)	(135,359)	(127,480)
Profit attributable to members of the parent entity	3	972,933	720,532	1,070,319	222,343

The accompanying notes form part of these financial statements.

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

BALANCE SHEET AS AT 30 JUNE 2007

	Note	Economic Entity		Controlling Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
CURRENT ASSETS					
Cash and cash equivalents	4	2,780,780	1,416,478	2,160,761	1,260,590
Trade and other receivables	5	3,373,948	3,062,119	6,456,531	5,681,058
Inventories	6	57,888	65,004	57,888	65,004
Other current assets	7	308,377	203,219	220,266	203,219
TOTAL CURRENT ASSETS		6,520,993	4,746,820	8,895,446	7,209,871
NON-CURRENT ASSETS					
Trade and other receivables	5	262,544	142,544	262,544	142,544
Financial assets	8	50,100	50,100	100	100
Property, plant and equipment	10	6,692,811	6,801,848	224,811	301,848
TOTAL NON-CURRENT ASSETS		7,005,455	6,994,492	487,455	444,492
TOTAL ASSETS		13,526,448	11,741,312	9,382,901	7,654,363
CURRENT LIABILITIES					
Trade and other payables	11	4,866,735	4,117,306	3,788,126	3,171,800
Short term borrowings	12	46,702	73,377	46,702	56,811
Short term provisions	13	238,871	186,869	238,871	186,869
TOTAL CURRENT LIABILITIES		5,152,308	4,377,552	4,073,699	3,415,480
NON-CURRENT LIABILITIES					
Long term borrowings	12	59,895	22,448	-	-
TOTAL NON-CURRENT LIABILITIES		59,895	22,448	-	-
TOTAL LIABILITIES		5,212,203	4,400,000	4,073,699	3,415,480
NET ASSETS		8,314,245	7,341,312	5,309,202	4,238,883
EQUITY					
Reserves	14	3,402,256	3,402,256	-	-
Retained earnings	15	4,911,989	3,939,056	5,309,202	4,238,883
TOTAL EQUITY		8,314,245	7,341,312	5,309,202	4,238,883

The accompanying notes form part of these financial statements.

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

Protect

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Economic Entity		Controlling Entity	
	Note			
	2007 \$	2006 \$	2007 \$	2006 \$
Total equity at the beginning of the year	7,341,312	4,180,780	4,238,883	4,016,540
Profit for the year	972,933	720,532	1,070,319	222,343
Revaluation increment	-	2,440,000	-	-
Total equity at the end of the year	<u>8,314,245</u>	<u>7,341,312</u>	<u>5,309,202</u>	<u>4,238,883</u>

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	Economic Entity		Controlling Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from operations		11,461,141	11,964,389	9,004,030	8,463,707
Payments to suppliers and employees		(10,126,617)	(11,275,614)	(8,102,787)	(7,682,108)
Interest received		77,327	10,141	67,358	8,113
Net cash provided by (used in) operating activities	21b	<u>1,411,851</u>	<u>698,916</u>	<u>968,601</u>	<u>789,712</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	6,000	-	6,000
Payment for property, plant and equipment		(58,321)	(169,030)	(58,321)	(435,328)
Payment for investments		-	-	-	-
Net cash provided by (used in) investing activities		<u>(58,321)</u>	<u>(163,030)</u>	<u>(58,321)</u>	<u>(429,328)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		37,447	22,738	-	56,811
Repayment of borrowings		(26,675)	(31,311)	(10,109)	-
Net cash provided by (used in) financing activities		<u>10,772</u>	<u>(8,573)</u>	<u>(10,109)</u>	<u>56,811</u>
Net increase in cash held		1,364,302	527,313	900,171	417,195.00
Cash at beginning of year		<u>1,416,478</u>	<u>889,165</u>	<u>1,260,590</u>	<u>843,395</u>
Cash at end of year	21a	<u><u>2,780,780</u></u>	<u><u>1,416,478</u></u>	<u><u>2,160,761</u></u>	<u><u>1,260,590</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

a. Principles of Consolidation

A controlled entity is any entity that Master Builders Association of New South Wales has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities.

A list of controlled entities is controlled in Note 9 to the financial statements. All controlled entities have a June year end.

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 consolidated group during the year its operating results have been included/excluded 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 consist of stationery purchased from 3rd party suppliers. Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include purchase costs only.

d. Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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 (see 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1 Statement of Significant Accounting Policies (continued)

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.

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%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 and amortised on a straight line basis over the life of the lease term.

f. Investments

Non-current investments are measured on the cost basis. These investments are not traded and the expected cash flows cannot reliably be determined by the Master Builders Association of New South Wales. 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 underlying net assets of these corporations.

g. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the assets has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

h. 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 have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. 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.

i. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j. Revenue

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1 Statement of Significant Accounting Policies (continued)

k. Borrowing Costs

All borrowing costs are expensed in the period in which they are incurred.

l. 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.

m. Comparative Figures

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

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 2 Revenue

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Operating activities				
— members subscriptions	4,344,138	4,210,197	4,344,138	4,210,197
— group apprenticeship scheme	4,199,319	4,442,943	-	-
— sponsorship & commission	1,118,625	1,129,786	1,118,625	1,129,786
— training and education	929,136	916,748	929,136	916,748
— legal services and contract sales	473,379	446,734	473,379	446,734
— insurance services	223,770	211,771	223,770	211,771
— industrial relations services	252,230	190,723	252,230	190,723
— management fees from controlled entities	-	-	2,208,767	1,142,453
— other revenue from operating activities	416,438	441,988	279,971	305,936
— interest received from other persons	77,327	10,141	67,358	8,113
Total revenue	12,034,362	12,001,030	9,897,374	8,562,461

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 3 Profit

Economic Entity		Controlling Entity	
2007	2006	2007	2006
\$	\$	\$	\$

Profit from ordinary activities before income tax expense has been determined after:

a. Expenses

Affiliation fees

— Master Builders Association Inc

	429,429	364,234	429,429	364,234
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Bad and doubtful debts

— trade debtors

	184,065	58,034	50,513	27,297
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— loans

	(120,000)	20,000	(120,000)	20,000
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Total bad and doubtful debts

	64,065	78,034	(69,487)	47,297
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Depreciation of non-current assets

— buildings

	32,000	-	-	-
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— plant and equipment

	117,804	98,873	117,804	98,873
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— leased plant and equipment

	17,555	28,607	17,555	28,607
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Total depreciation

	167,359	127,480	135,359	127,480
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Employee Benefits

— wages and salaries (including non monetary benefits)

	5,605,550	4,879,353	3,962,116	3,062,882
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— annual leave and sick leave

	-	618,932	-	473,394
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— long service leave

	-	51,593	-	51,593
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— superannuation

	997,278	992,844	487,284	453,267
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Total Employee Benefits

	6,602,828	6,542,722	4,449,400	4,041,136
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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 \$5,486,472 (2006:\$5,289,211)

Legal expenses

	292,968	357,118	292,968	357,118
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Presidents honorarium

	10,000	10,000	10,000	10,000
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Remuneration of auditor

— audit

	23,800	23,800	17,000	13,800
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— accounting and tax services

	8,000	8,000	8,000	8,000
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Rental expense on operating leases

— minimum lease payments

	-	396,024	-	396,024
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Note 4 Cash and Cash Equivalents

Economic Entity		Controlling Entity	
2007	2006	2007	2006
\$	\$	\$	\$

Cash on hand

	5,100	2,600	5,100	2,600
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Cash at bank

	2,775,680	1,413,878	2,155,661	1,257,990
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	2,780,780	1,416,478	2,160,761	1,260,590
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**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 2007

Note 5 Trade and Other Receivables

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Membership receivable	2,397,293	1,792,132	2,397,293	1,792,132
Provision for impairment of membership receivables	(344,775)	(250,768)	(344,775)	(250,768)
	<u>2,052,518</u>	<u>1,541,364</u>	<u>2,052,518</u>	<u>1,541,364</u>
Apprenticeship receivable	1,111,655	1,248,719	-	-
Provision for impairment of apprenticeship receivables	(130,565)	(158,658)	-	-
	<u>981,090</u>	<u>1,090,061</u>	<u>-</u>	<u>-</u>
Other debtors	340,340	430,694	109,964	152,575
Amounts Receivable from:				
Wholly controlled entities	-	-	4,294,049	3,987,119
	<u>340,340</u>	<u>430,694</u>	<u>4,404,013</u>	<u>4,139,694</u>
	<u><u>3,373,948</u></u>	<u><u>3,062,119</u></u>	<u><u>6,456,531</u></u>	<u><u>5,681,058</u></u>
NON-CURRENT				
Loan to related entity-				
Comet Training Trust	362,544	362,544	362,544	362,544
Provision for impairment of loan	(100,000)	(220,000)	(100,000)	(220,000)
	<u>262,544</u>	<u>142,544</u>	<u>262,544</u>	<u>142,544</u>

Note 6 Inventories

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Stock of publications at cost	57,888	65,004	57,888	65,004

Note 7 Other Assets

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Prepayments	308,377	203,219	220,266	203,219

Note 8 Financial Assets

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Unlisted Investments at cost				
Shares in other corporations	50,000	50,000	-	-
Investment in related entity-				
Comet Training Trust — at cost				
Percentage owned: 50% (2006:50%)	100	100	100	100
	<u>50,100</u>	<u>50,100</u>	<u>100</u>	<u>100</u>

Note 9 Controlled Entities

Entiti	Master Builders Association of New South Wales	Country of incorporation	Percentage controlled (%)	
			2007	2006
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%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 10 Property, Plant & Equipment

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Freehold Land at independent valuation 2006	4,600,000	4,600,000	-	-
Buildings at independent valuation 2006	1,900,000	1,900,000	-	-
Less accumulated depreciation	(32,000)	-	-	-
	<u>1,868,000</u>	<u>1,900,000</u>	-	-
Paintings	43,240	43,240	43,240	43,240
Plant and equipment at cost	659,050	600,728	659,050	600,728
Less accumulated depreciation	(477,479)	(359,675)	(477,479)	(359,675)
	<u>181,571</u>	<u>241,053</u>	<u>181,571</u>	<u>241,053</u>
Capitalised leased plant and equipment	86,690	86,690	86,690	86,690
Less accumulated depreciation	(86,690)	(69,135)	(86,690)	(69,135)
	<u>-</u>	<u>17,555</u>	<u>-</u>	<u>17,555</u>
Total Plant and Equipment	<u>181,571</u>	<u>258,608</u>	<u>181,571</u>	<u>258,608</u>
Total Property, Plant and Equipment	<u>6,692,811</u>	<u>6,801,848</u>	<u>224,811</u>	<u>301,848</u>

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.

	Freehold Land	Buildings	Paintings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$
Economic Entity						
Balance at the beginning of the year	4,600,000	1,900,000	43,240	241,053	17,555	6,801,848
Additions	-	-	-	58,322	-	58,322
Depreciation expense	-	(32,000)	-	(117,804)	(17,555)	(167,359)
Carrying amount at the end of the year	<u>4,600,000</u>	<u>1,868,000</u>	<u>43,240</u>	<u>181,571</u>	<u>-</u>	<u>6,692,811</u>
Parent Entity						
Balance at the beginning of the year	-	-	43,240	241,053	17,555	301,848
Additions	-	-	-	58,322	-	58,322
Depreciation expense	-	-	-	(117,804)	(17,555)	(135,359)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>	<u>43,240</u>	<u>181,571</u>	<u>-</u>	<u>224,811</u>

Note 11 Trade and Other Payables

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Membership income related to future period	2,544,249	2,388,372	2,544,249	2,388,372
Trade creditors and accruals	1,547,566	1,122,358	929,729	544,145
Employee benefits	774,920	606,576	314,148	239,283
	<u>4,866,735</u>	<u>4,117,306</u>	<u>3,788,126</u>	<u>3,171,800</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 12 Short Term Borrowings

	Note	Economic Entity		Controlling Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT					
applicable policies	12a,b	46,702	56,811	46,702	56,811
Lease liability	16	-	16,566	-	-
		<u>46,702</u>	<u>73,377</u>	<u>46,702</u>	<u>56,811</u>
NON-CURRENT					
Bank loan- secured	12a,b	59,895	22,448	-	-
Lease liability	16	-	-	-	-
		<u>59,895</u>	<u>22,448</u>	<u>-</u>	<u>-</u>
a. Total current and non-current secured liabilities: applicable policies		46,702	56,811	46,702	56,811
Bank loan	12b	59,895	22,448	-	-
		<u>106,597</u>	<u>79,259</u>	<u>-</u>	<u>-</u>
b. The bank loan and overdraft facility are secured by a registered					
c. The carrying amounts of non-current assets pledged as security are:					
First mortgage					
Freehold land and buildings		4,600,000	4,600,000	-	-
Fixed charge					
Property plant and equipment in addition to that covered by the first mortgage		2,092,811	2,201,848	-	-
Loan Receivable		262,544	142,544	-	-
		<u>6,955,355</u>	<u>6,944,392</u>	<u>-</u>	<u>-</u>

Note 13 Provisions

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Employee benefits	238,871	186,869	238,871	186,869
Employee benefits				
a. Aggregate employee benefit liability	238,871	186,869	238,871	186,869
b. Number of employees at year end				
Staff	61	60	-	-
Apprentices	250	264	-	-
	<u>311</u>	<u>324</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.

Note 14 Asset Revaluation Reserve

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Opening balance	3,402,256	962,256	-	-
Revaluation Increment	-	2,440,000	-	-
Asset Revaluation Reserve	<u>3,402,256</u>	<u>3,402,256</u>	<u>-</u>	<u>-</u>

The asset revaluation reserve records revaluations of non-current assets. During the year Nil (2006:\$2,440,000) was credited to the reserve on the revaluation of land and buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 15 Retained Profits

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Retained profits at the beginning of the financial year	3,939,056	3,218,524	4,238,883	4,016,540
Net profit attributable to members of the Master Builders Association of New South Wales	972,933	720,532	1,070,319	222,343
Retained profits at the end of the financial year	4,911,989	3,939,056	5,309,202	4,238,883

Note 16 Capital & Leasing Commitments

	Note	Economic Entity		Controlling Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
a. Finance Lease Commitments					
Payable					
—not later than 1 year		-	16,566	-	-
—later than 1 year but not later than 5 years		-	-	-	-
Total Lease Liability	12	-	16,566	-	-
The hire purchase is for computer equipment. It commenced in 2004 and was 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					
Payable					
—not later than 1 year		232,161	232,161	-	-
—later than 1 year but not later than 5 years		387,802	387,802	-	-
		619,963	619,963	-	-

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 2007 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 2007 the loan amount was \$59,895 (30 June 2006: \$22,448).

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.

**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 2007

Note 19 Related Party Transactions

	Economic Entity		Controlling Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
The Master Builders Association of New South Wales performed all administrative functions for the wholly controlled entity Master Builders Association of New South Wales Pty Limited. For this service an administration charge is paid to the Master Builders Association of New South Wales.	-	-	1,757,487	686,224
The Master Builders Association of New South Wales performed all administrative functions for the wholly controlled entity Master Builders Association of New South Wales Limited. For this service an administration charge is paid to the Master Builders Association of New South Wales.	-	-	451,279	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)	(318,000)

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	
	2007	2006	2007	2006
	\$	\$	\$	\$
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	2,780,780	1,416,478	2,160,761	1,260,590
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary				
Profit (loss) from ordinary activities after income tax	972,933	720,532	1,070,319	222,343
Non-cash flows in profit from ordinary activities				
Depreciation	167,359	127,480	135,359	127,480
Changes in assets and liabilities				
(Increase)/decrease in receivables	(431,829)	(407,561)	(895,473)	(629,243)
(Increase)/decrease in other assets	(105,158)	(62,836)	(17,047)	(203,219)
(Increase)/decrease in inventories	7,116	(23,804)	7,116	(23,804)
Increase/(decrease) in payables	749,428	346,775	616,325	1,109,286
Increase/(decrease) in income tax payable				
Cash flows from operations	1,411,851	698,916	968,601	789,712

c. Non-cash Financing and Investing Activities

The Master Builders Association of New South Wales Pty Ltd, a controlled entity, has a bank overdraft facility amounting to \$500,000 (2006: \$500,000). The facility is subject to an annual review. The next annual review due is 30 June 2008. At 30 June 2007 none of this facility was used (2006: Nil). 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 2007 the potential loan facility was \$386,480 (2006: \$699,026). At 30 June 2007 \$59,895 of this facility was utilised (2006: \$22,448)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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 Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Assets/Liabilities			
	2007	2006	2007	2006	Within 1 Year		1 to 5 Years	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash at bank	6%	1%	2,775,680	1,413,878	-	-	-	-
Financial Liabilities								
Bank loan secured	8.0%	8.0%	59,895	22,448	-	-	-	-
Lease Liabilities	13.0%	13.0%	-	-	-	16,566	-	-
Total Financial Liabilities			59,895	22,448	-	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. A member of a reporting unit, or a registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- b. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- c. A reporting unit must comply with an application made under subsection (1).

Note 24 Master Builders Association of New South Wales Details

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

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

The principal place of business is:

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

COMMITTEE OF MANAGEMENT STATEMENT

On 10 October 2007 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 2007:

- a. The financial statements and notes, as set out on pages 3 to 16, comply with Australian Accounting Standards;
- b. The financial statements and notes, as set out on pages 3 to 16, comply with the reporting guidelines of the Industrial Registrar;
- c. The financial statements and notes, as set out on pages 3 to 16, 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 9 th day of October 2007

XXX. 3

**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 2007.

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 | Gordon Henderson |
| Ken Austin | Gordon Leggett |
| Scott Beynon | Paul Maginnity |
| Robert Black | Ross Mitchell |
| Ron Bracken | Ermond Morelli |
| Christopher Calderbank-Park | John Morris |
| Raymond Carden | Dan Murphy |
| Anthony Clark | Scott Nash |
| Barry Clark | Michael O'Donnell |
| John Condon | Richard Osborn |
| Peter Court | Martin Patience |
| Kevin Dalton | Andrew Pearce |
| Andrew Daniels | Simon Pilcher |
| David Donaldson | Howard Punshon |
| Bruce Edwards | John Rostirolla |
| Byron Fitzgerald | James Stuart |
| Martin Gleeson | Brendan Sturgeon |
| Raymond Gordon | Bill Taylor |
| Peter Haack | Ross Trovato |
| John Harrison | Giovanni Vittali |

The consolidated profit for the financial year amounted to \$972,933

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 of the organization, by virtue of their office or membership of the Master Builders Association of New South Wales, 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 6,693 (2006:6,192) 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 61 staff and 250 apprentices (2006: 60 staff and 264 apprentices).

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

Committee Member



.....
David Donaldson

Committee Member



.....
Scott Beynon

Dated this 9th day of October 2007

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 2007. The financial statements and disclosures in the concise financial report have been derived from the 2007 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 and will also be available at the Annual General Meeting of the Master Builders Association of New South Wales.

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 2007 Financial Report of the Master Builders Association of New South Wales and Controlled Entities.

Income Statement

The consolidated profit attributable to members is \$972,933 (2006:\$720,532). The increase of \$252,401, 26%, was consequent to:

- The workers compensation tariff factor for apprentices was reduced from 7.45% in 2006 to 6.36% in 2007. Also due to favourable claims experience a refund of premiums for the year ended 30 June 2006 was received. Together these resulted in a reduction in workers compensation expense for apprentices of \$627,915. This netted out with increases in other expenses to result in a net reduction in the expense category described as "Other Expenses" of \$347,082.
- A reduction in the apprenticeship scheme income of \$243,624, 9%, was largely caused by a reduction in the apprentices placed.

Balance Sheet

Total assets increased by \$1,785,136 or 15%, to \$13,526,448. The increase was largely attributable to cash increasing by \$1,364,302 consequent to the profit earned during the year and the timing of payments increasing trade creditors and accruals by \$425,308.

Total liabilities increased \$812,203 or 12.2%. This was largely caused by an increase in trade creditors and accruals of \$425,308 due to the timing of payments.

Equity increased by \$972,933 the profit for the year, to \$8,314,245. .

**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 \$1,411,851. This largely arises from the profit, \$972,933 and the increase in creditors noted above. The majority of the cash flow was retained increasing cash holdings \$1,364,302. \$58,321 was used for the purchase of plant and equipment, mostly equipment related to 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 2007

	Note	Economic Entity	
		2007	2006
		\$	\$
Revenue	2	12,034,362	12,001,030
Employee benefits expense		(6,602,828)	(6,542,722)
Cost of services rendered		(546,626)	(518,017)
Cost of documents sold		(210,929)	(203,541)
Bad and doubtful debts expense		(64,065)	(78,034)
Other expenses		(3,469,622)	(3,810,704)
Depreciation and amortisation expenses		(167,359)	(127,480)
Profit attributable to members of the parent entity		972,933	720,532

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 2007

	Economic Entity	
	2007	2006
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	2,780,780	1,416,478
Trade and other receivables	3,373,948	3,062,119
Inventories	57,888	65,004
Other current assets	308,377	203,219
TOTAL CURRENT ASSETS	6,520,993	4,746,820
NON-CURRENT ASSETS		
Trade and other receivables	262,544	142,544
Financial assets	50,100	50,100
Property, plant and equipment	6,692,811	6,801,848
TOTAL NON-CURRENT ASSETS	7,005,455	6,994,492
TOTAL ASSETS	13,526,448	11,741,312
CURRENT LIABILITIES		
Trade and other payables	4,866,735	4,117,306
Short term borrowings	46,702	73,377
Short term provisions	238,871	186,869
TOTAL CURRENT LIABILITIES	5,152,308	4,377,552
NON-CURRENT LIABILITIES		
Long term borrowings	59,895	22,448
TOTAL NON-CURRENT LIABILITIES	59,895	22,448
TOTAL LIABILITIES	5,212,203	4,400,000
NET ASSETS	8,314,245	7,341,312
EQUITY		
Reserves	3,402,256	3,402,256
Retained earnings	4,911,989	3,939,056
TOTAL EQUITY	8,314,245	7,341,312

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 2007

	Note	Economic Entity	
		2007	2006
		\$	\$
Total equity at the beginning of the year		7,341,312	4,180,780
Profit for the year		972,933	720,532
Revaluation increment		-	2,440,000
Total equity at the end of the year		8,314,245	7,341,312

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 2007

	Economic Entity	
	2007	2006
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	11,461,141	11,964,389
Payments to suppliers and employees	(10,126,617)	(11,275,614)
Interest received	77,327	10,141
Net cash provided by (used in) operating activities	1,411,851	698,916
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	6,000
Payment for property, plant and equipment	(58,321)	(169,030)
Net cash provided by (used in) investing activities	(58,321)	(163,030)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	37,447	22,738
Repayment of borrowings	(26,675)	(31,311)
Net cash provided by (used in) financing activities	10,772	(8,573)
Net increase in cash held	1,364,302	527,313
Cash at beginning of year	1,416,478	889,165
Cash at end of year	2,780,780	1,416,478

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
2007

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 2007. 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	
	2007	2006
	\$	\$
Operating activities		
— members subscriptions	4,344,138	4,210,197
— group apprenticeship scheme	4,199,319	4,442,943
— sponsorship & commission	1,118,625	1,129,786
— training and education	929,136	916,748
— legal services and contract sales	473,379	446,734
— insurance services	223,770	211,771
— industrial relations services	252,230	190,723
— other revenue from operating activities	416,438	441,988
— interest received from other persons	77,327	10,141
Total revenue	12,034,362	12,001,030

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 2007

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 2007, 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 2007 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 9th day of October 2007.

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

Report on the concise financial report

The accompanying concise financial report of Master Builders Association of New South Wales and Controlled Entities comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial statements of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2007, and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Committee's responsibility for the concise financial report

The committee of the association is responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards of the financial report of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2007. Our audit report on the financial report was signed on 9th October 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 financial report for the year. 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 and whether the discussion and analysis complies with the requirements laid down in AASB 1039; Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

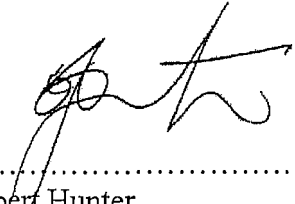
Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

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

Audit Opinion

In our opinion, the concise financial report of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2007 complies with Accounting Standards AASB 1039; Concise Financial Reports.



.....
Robert Hunter
C/- Dore Lynam & Co
Level 1, 1 Jamison Street, Sydney NSW 2000

Dated this 9th day of October 2007.



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: FR2007/256-[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, 2007

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.

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*).

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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*