



FAIR WORK
COMMISSION

7 March 2013

Mr Robert K Hunter
Ure Lynam & Co
GPO Box 3904
SYDNEY NSW 2001

Dear Mr Hunter,

Re: Lodgement of Financial Statements and Accounts - Master Builders' Association of New South Wales - for year ended 30 June 2012 (FR2012/422) - Audit Report requirements

Thank you for your letter dated today, 7 March 2013, in reply to my letter dated 4 March 2013 advising your undertakings and the relevant particulars. I appreciate the promptness of your reply.

The inclusion of full address and your membership and Company Auditor registration numbers on your audit reports will comply with the requirements and assist us to maintain accurate records.

I do not require any other information and I have filed the correspondence.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

7 March 2013

Mr S Kellett
Senior Adviser, Regulatory Compliance Branch
Fair Work Commission
Via Email: sydney@fwc.gov.au

Dear Mr Kellett,

**LODGEMENT OF FINANCIAL STATEMENTS AND ACCOUNTS –
MASTER BUILDERS’ ASSOCIATION OF NSW –
FOR YEAR ENDED 30 JUNE 2012 (FR2012/422)**

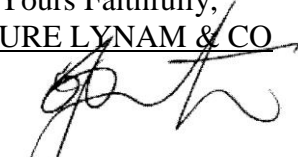
I refer to your correspondence dated 4 March 2013 and your recent conversation with my office’s Richard Legge.

Thank you for your advice in in regard to the appropriate wording of the Auditor’s Report and your preference for our full address on the face of future audit reports. I will attend to these matters in future years.

As requested, I advise I am a:

- Fellow of the Institute of Chartered Accountants in Australia – Member No: 24702 and hold a public practice certificate.
- A registered Company Auditor – Registration No. 3990.

If you wish to discuss any matter in connection with this audit or require further information and I am unavailable please contact Richard Legge of my office who will assist.

Yours Faithfully,
URE LYNAM & CO

ROBERT K HUNTER
RKH/rm/MBANSW

Document Ref #: 49668_1



FAIR WORK
COMMISSION

4 March 2013

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

Dear Mr Seidler,

Re: Lodgement of Financial Statements and Accounts - Master Builders' Association of New South Wales - for year ended 30 June 2012 (FR2012/422)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now the Fair Work Commission) on 19 December 2012.

I also acknowledge receipt of your letter dated today, and the attachments including a letter from Mr Richard Legge, of Ure Lynam & Co to Mr Arthur Johnson, Director of Finance and Administration, dated 1 March 2013.

I note your confirmations in relation to (a) the resolution of 9 October 2012 of the Council of Management to provide a concise report to the members; and (b) the non-payment of employee benefits to the office-holders of the organisation; and your undertakings in relation to the inclusion of the full Committee of Management Statement in the financial documents comprising the concise report.

The information provided by Mr Legge, in his letter, satisfactorily explains the figures reported for employee benefits.

I have written to the Auditor in relation to some minor requirements for future audit reports and for your record I enclose a copy of my letter.

There is no further action required in relation to this financial report and I have filed the documents.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



FAIR WORK
COMMISSION

4 March 2013

Mr Robert K Hunter
Ure Lynam & Co
GPO Box 3904
SYDNEY NSW 2001

Dear Mr Hunter,

Re: Lodgement of Financial Statements and Accounts - Master Builders' Association of New South Wales - for year ended 30 June 2012 (FR2012/422)

I refer to the above financial statements and accounts which were lodged by the Association with Fair Work Australia (now the Fair Work Commission) on 19 December 2012.

I have filed the documents. However, I draw your attention to the following details to be reflected in future audit reports.

The form of your opinion was that the financial reports give "a true and fair view". This is one of two equivalent phrases permitted by the Auditing Standards except where otherwise required by law. Sub-section 257(5) of the Act requires the auditor to "*state whether...the general purpose financial report is presented fairly...*" so I would ask that you use the phrase "presenting fairly" in future.

In addition, I would ask that you provide your full address on the face of future audit reports.

Finally, though I note that you have been auditing the accounts of the organisation for a considerable number of years, so that our records may be maintained up-to-date, I would ask that you include confirmation of either your membership of an approved professional association and public practice certificate, or your continued registration as Registered Company Auditor. I understand that new Reporting Guidelines to be issued by the General Manager in the near future will include this requirement.

If you wish to discuss any aspect of the financial reporting requirements at any time please contact me on (02) [REDACTED].

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



Monday, 4 March 2013

Mr Stephen Kellet
Senior Adviser
Regulatory Compliance Branch
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011

By Email: stephen.kellet@fwa.gov.au

Dear Mr Kellet,

RE: MBA/NSW FINANCIAL RETURN 2011/2012

Further to our recent telephone conversation I can confirm the following matters:

On 9 October 2012 at a meeting of the MBA/NSW Council of Management, the following resolution was made (Item 4, Financial Report).

“ ... Further, the Council resolved that each member of the Association be provided with a concise copy of the Association’s accounts in accordance with the provisions of the Fair Work Act and MBA Constitution.”

On the issue of “employee benefits”, the different figures which appear on page 3 and page 13 of the Annual Financial Report is explained in correspondence recently received from the Association’s accountant Ure Lynam & Co (see attachment 1).

I confirm that the Office Holders of the Association, the Deputy President and four Vice Presidents do not receive any employee benefits. The position of MBA President receives an honorarium as identified in note 3 found on page 13 of the Annual Financial Report.

I also confirm that a copy of the Committee of Management Statement will be circulated to members with the Concise Report in the future.

I hope this addresses the issues raised and should you have any further questions please do not hesitate to contact me on 02-8586-3503 or [REDACTED].

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brian Seidler', with a stylized, cursive style.

Brian Seidler
EXECUTIVE DIRECTOR

Attachments.

1 March 2013

Mr A Johnson
Director of Finance & Administration
Master Builders Association NSW
Private Bag 9
BROADWAY NSW 2007

Dear Arthur,

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
("Master Builders")
ABN: 96 550 042 906

I refer to your telephone call yesterday when you advised that Fair Work Australia had advised of a discrepancy in the financial statements of the Master Builders for the year ended 30 June 2012 between:

- Employee benefits expense on the Consolidated Statement of Comprehensive Income - \$12,645,111; and
- Employee Benefits in Note 3 in the notes accompanying the Financial Statements of \$12,511,540.


We have reviewed our file, and advise:

- The difference of \$133,571 relates to apprentices adult back pay, including superannuation, which was taken up as a liability in the entity employing these apprentices – Master Builders Association of New South Wales Pty Limited at 30 June 2012 consequent to a court decision. This amount was paid subsequent to 30 June 2012 to the apprentices entitled to this back pay.
- Master Builders Association of New South Wales Pty Limited is an entity wholly controlled by the Master Builders Association of New South Wales Pty Limited.
- The \$133,571 was disclosed as a "Significant Expense" in the accounts of the Master Builders Association of New South Wales Pty Limited – (see attachment 1).
- The \$133,571 was not sufficiently material to warrant disclosing as a significant expense in the accounts of the Master Builders and accordingly was not disclosed as a separate line item.
- By error the \$133,571 was not added to Employee Benefits in Note 3.

I would be happy to discuss this matter further with the responsible person at Fair Work Australia if this would assist.

If you require further information please do not hesitate to ask.

Yours Faithfully,
URELYNAM & CO

A handwritten signature in black ink, appearing to read 'Richard Legge', is written over the company name.

RICHARD LEGGE
RL/dc/mbansw

Enc

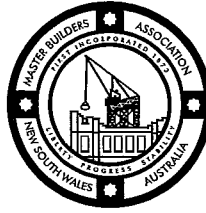
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MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES PTY LIMITED

A.B.N. 11 074 397 532

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2012	2011
	\$	\$
NOTE 3 – PROFIT FOR THE YEAR		
Significant Expense		
The profit was determined after allowing for the following significant expense -		
Adult apprentices backpay awarded	<u>133,571</u>	<u>-</u>
NOTE 4 – CASH AND CASH EQUIVALENTS		
Cash at bank		
- Westpac Banking Corporation	134,114	374,758
- Indigenous bank account	<u>10,723</u>	<u>1,871</u>
	<u>144,837</u>	<u>376,629</u>
NOTE 5 – TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	564,635	786,009
Less: Provision for impairment losses	<u>(160,336)</u>	<u>(204,827)</u>
	404,299	581,182
Other debtors	<u>203,908</u>	<u>95,679</u>
	<u>608,207</u>	<u>676,861</u>
Non-current		
Loan - Master Builders (NSW) Limited	<u>1,551,414</u>	<u>2,001,414</u>
	<u>1,551,414</u>	<u>2,001,414</u>
a- Provisions for impairment of trade receivables		
Movement in the provision for impairment of trade receivables is as follows		
Opening balance	(204,827)	(190,572)
Credit/(charge) to profit	13,412	(14,255)
Written off	<u>31,079</u>	<u>-</u>
	<u>(160,336)</u>	<u>(204,827)</u>



Master Builders Association

New South Wales

17 December 2012

NSW Services Manager
Fair Work Australia
Level 8
80 William Street
EAST SYDNEY NSW 2010



Dear Sir/Madam,

**RE: FINANCIAL RETURN – YEAR ENDING 30 JUNE 2012
MASTER BUILDERS ASSOCIATION OF NSW**

Please find attached the relevant information relating to the Association's financial return for the year ending June 2011.

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. Notice of Annual General Meeting and reference that the MBA/NSW financial statements are available to members on the Association's website (Attachment 4).

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

Yours faithfully,

Brian Seidler
EXECUTIVE DIRECTOR

Attachs.

Certificate of Secretary or Prescribed Officer
S268, Fair Work (Registered Organisations) Act 2011

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 Fair Work (Registered Organisations Act 2009); and
- That the concise report including the Operating Report, Council of Management Declaration, Auditors report and notice of Annual General Meeting, was provided to members by placing the report in a prominent position on the MBA/NSW website, www.mbansw.asn.au on 8 November 2012; and
- That Members were notified by specific email of the date of the Annual General Meeting and advising that the concise report would be published on the MBA/NSW website on 16 November 2012. Members were also advised in writing of the date of the Annual General Meeting and access to the Association's financial statements in the Oct/Nov 2012 edition Master Builder Magazine (*see attachment 4*); and
- That the full report was presented to the Association's Annual General Meeting of members of the reporting unit on 12 December 2012 in accordance with section 268 of the Fair Work (Registered Organisations Act 2009).



Signature

Date: 17 December 2012

**Master Builders Association of New South Wales
And Controlled Entities**

ABN: 96 550 024 906

Annual Financial Report

30 June 2012

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

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

OPERATING REPORT

Your council presents their report on the association and Controlled Entities for the financial year ended 30 June 2012.

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

Gordon Leggett	Raymond Carden
Paul Maginnity	Peter Haack
Ross Mitchell	John Harrison
Martin Patience	Bill Taylor
Simon Pilcher	John Rostirolla
Dan Murphy	James Stuart
Scott Nash	Giovanni Vittali
Ron Bracken	John Worthington
Christopher Calderbank-Park	John Laby
Anthony Clark	Kevin Dalton
Michael O'Donnell	Simon Webber
Ken Austin	John Morris
Mick Banks (appointed 13 December 2011)	Bob Black (appointed 13 December 2011)
Ian Saurine (appointed 13 December 2011)	Jeffrey Cork (appointed 13 December 2011)
Ian Anderson (retired 13 December 2011)	Andrew Fowler (retired 13 December 2011)
Peter Court (retired 13 December 2011)	Russell Holland (retired 13 December 2011)
Wayne Deane (retired 13 December 2011)	

Members of the council have been in office since the start of the previous financial year to the date of this report unless otherwise stated.

Operating and financial review

The consolidated loss of the Consolidated Entity for the financial year amounted to \$326,114 (2011: profit of \$876,202).

A review of the operations of the Consolidated Entity during the financial year and the results of those operations is included in The President's Report which is attached.

Significant changes in the state of affairs

No significant changes in the Consolidated Entity's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Consolidated 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
AND CONTROLLED ENTITIES
ABN 96 550 024 906

OPERATING REPORT (CONTINUED)

Events subsequent to reporting date

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

Other information

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 organization, by virtue of their office or membership of the Master Builders Association of New South Wales, is:

- a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or


Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation as defined under the Fair Work (Registered Organisations) Act 2009.

At the end of the financial year there were 7,411 (2011: 7,454) Members of the Master Builders Association of New South Wales. Additionally at the end of the financial year there were 376 (2011:404) members of the Newcastle Master Builders Association which are serviced by the Master Builders Association of New South Wales.

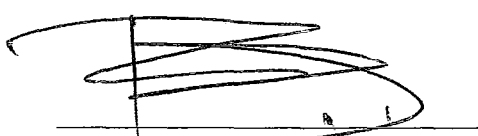
The Master Builders Association of New South Wales employs administration staff. Apprentices are employed by a Controlled Entity, The Master Builders Association of New South Wales Pty Limited. The number of employees of the Master Builders Association of New South Wales and Controlled Entities at the end of the financial year was 69 staff and 207 apprentices (2011: 80 staff and 210 apprentices).

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

Council Member


Gordon Leggett

Council Member


Paul Maginnity

Dated at Sydney 9 October 2012.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Revenue	2	18,678,947	20,047,028	11,851,034	13,282,815
Employee benefits expense	3	(12,645,111)	(12,953,374)	(6,302,028)	(6,191,202)
Cost of services rendered		(1,395,677)	(1,413,066)	(1,395,677)	(1,413,066)
Cost of documents sold		(203,078)	(214,664)	(203,078)	(214,664)
Bad and doubtful debts expense	3	(199,141)	(249,924)	(212,553)	(235,669)
Other expenses		(4,232,380)	(3,963,111)	(3,742,900)	(3,970,496)
Finance costs		(87,863)	(151,449)	-	-
Depreciation and amortization expenses	3	(241,811)	(225,238)	(127,021)	(113,257)
Profit/(Loss) attributable to members of the consolidated entity		(326,114)	876,202	(132,223)	1,144,461
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		(326,114)	876,202	(132,223)	1,144,461
Total comprehensive income attributable to members of the consolidated entity		(326,114)	876,202	(132,223)	1,144,461

The accompanying notes form part of these financial statements

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	4	1,268,170	2,048,367	994,403	1,428,197
Trade and other receivables	5	4,646,076	4,239,346	4,028,730	3,537,763
Financial assets	6	4,051,728	3,722,491	3,695,683	2,913,404
Inventories	8	160,458	147,874	160,458	147,874
Other current assets	9	238,991	262,160	224,736	262,160
TOTAL CURRENT ASSETS		10,365,423	10,420,238	9,104,010	8,289,398
NON-CURRENT ASSETS					
Trade and other receivables	5	320,780	362,741	5,351,801	6,020,912
Financial assets	6	140,001	140,001	90,000	90,000
Property, plant and equipment	10	9,218,856	9,021,696	561,197	368,625
TOTAL NON-CURRENT ASSETS		9,679,637	9,524,438	6,002,998	6,479,537
TOTAL ASSETS		20,045,060	19,944,676	15,107,008	14,768,935
CURRENT LIABILITIES					
Trade and other payables	11	6,645,838	6,118,322	5,847,210	5,411,896
Loans and borrowings	12	136,000	136,000	-	-
Short-term provisions	13	310,134	357,640	310,134	357,640
TOTAL CURRENT LIABILITIES		7,091,972	6,611,962	6,157,344	5,769,536
NON-CURRENT LIABILITIES					
Loans & borrowings	12	1,394,499	1,530,500	-	-
Long-term provisions	13	241,766	159,277	241,766	159,277
TOTAL NON-CURRENT LIABILITIES		1,636,265	1,689,777	241,766	159,277
TOTAL LIABILITIES		8,728,237	8,301,739	6,399,110	5,928,813
NET ASSETS		11,316,823	11,642,937	8,707,898	8,840,122
EQUITY					
Reserves	14	3,572,207	3,572,207	-	-
Retained earnings		7,744,616	8,070,730	8,707,898	8,840,122
TOTAL EQUITY		11,316,823	11,642,937	8,707,898	8,840,122

The accompanying notes form part of these financial statements

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Consolidated Group			
Balance at 1 July 2010	7,194,528	3,572,207	10,766,735
Profit attributable to the entity	876,202	-	876,202
Balance at 30 June 2011	8,070,730	3,572,207	11,642,937
Profit attributable to the entity	(326,114)	-	(326,114)
Balance at 30 June 2012	7,744,616	3,572,207	11,316,823
Parent Entity			
Balance at 1 July 2010	7,695,661	-	7,695,661
Profit attributable to the entity	1,144,461	-	1,144,461
Balance at 30 June 2011	8,840,122	-	8,840,122
Profit/(Loss) attributable to the entity	(132,223)	-	960,635
Balance at 30 June 2012	8,707,899	-	9,800,757

The accompanying notes form part of these financial statements

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipt from customers		17,992,121	19,859,946	11,058,125	13,058,004
Cash paid to suppliers and employees		(18,059,727)	(18,516,069)	(11,260,620)	(11,520,670)
Cash generated from operations		(67,606)	1,343,877	(202,495)	1,537,334
Interest received		236,155	215,293	200,098	168,317
Finance costs		(87,863)	(151,449)	-	-
Net cash provided by /(used in) operating activities	20a	80,686	1,407,721	(2,397)	1,705,651
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(438,971)	(219,226)	(319,593)	(104,839)
Payment for held to maturity investments- bank term deposits		(329,237)	(957,393)	(782,279)	(922,140)
Loan repayment received from proprietary limited company – MBA Insurance Service Pty Ltd		41,962	37,020	41,961	37,020
Repayments from/Advances to related parties		-	-	627,150	(589,307)
Proceeds on sale of property plant and equipment		1,364	143	1,364	143
Net cash (used in) investing activities		(724,882)	(1,139,456)	(431,397)	(1,579,123)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		(136,001)	(130,841)	-	-
Net cash provided by (used in) financing activities		(136,001)	(130,841)	-	-
Net increase/(decrease) in cash held		(780,197)	137,424	(433,794)	126,528
Cash at beginning of year		2,048,367	1,910,943	1,428,197	1,301,669
Cash at end of year	4	1,268,170	2,048,367	994,403	1,428,197

The accompanying notes form part of these financial statements

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES**

ABN 96 550 024 906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1 Statement of Significant Accounting Policies

The financial report covers Master Builders Association of New South Wales as an individual entity and Master Builders Association of New South Wales and Controlled Entities as a consolidated entity. The Master Builders Association of New South Wales is an industry association domiciled in Australia.

Basis of Preparation

Master Builders Association of New South Wales and Controlled Entities have elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirement as set out in ASAB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the association has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and AASB 2011-6: Amendment to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements. This is because the reduced disclosure requirement in AASB 2011-2 and AASB 2011-6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009 and Regulations. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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 detailed in Note 7 to the financial statements. All controlled entities have a June year end.

All inter-group balances and transactions between entities in the consolidated 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.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES

ABN 96 550 024 906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1 Statement of Significant Accounting Policies (continued)

b. Income Tax

The Master Builders Association of New South Wales and 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 third 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.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct director's valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

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 1997 (see 1(b) above).

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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 arm's 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 the council 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.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES

ABN 96 550 024 906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 consolidated entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	10%-33%
Fixtures and fittings	10%

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 consolidated 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 consolidated 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 council 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1 Statement of Significant Accounting Policies (continued)

g. Impairment of assets (continued)

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 entity'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 consolidated entity to an employee superannuation fund and are charged as expenses when incurred.

i. Cash and cash equivalents

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).

k. Borrowing Costs

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

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 balance sheet are shown inclusive of GST.

l. Comparative Figures

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 1 Statement of Significant Accounting Policies (continued)

m. Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Association becomes a party to the contractual provisions of the instrument. Financial assets are recognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Association commits itself to purchase or sale the asset. Financial liabilities are derecognized if the Association's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Other non-derivative financial instruments

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment.

n. Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy g).

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 consolidated entity.

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.

o. Accounting standards issued but not yet effected

At the date of this financial report, there are no accounting standards which have been issued which are not yet effective which could have a financial impact on the financial report of the parent and consolidated entity.

The financial statements were authorized for issue on 9 October 2012 by the council of management.

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 2 Revenue

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Operating activities				
Members subscriptions	5,113,393	4,947,774	5,113,393	4,947,774
Group apprenticeship scheme	7,982,693	8,877,381	-	-
Sponsorship & commission	1,274,240	1,522,742	1,274,240	1,522,742
Training and education	2,104,960	2,784,268	2,104,960	2,784,268
Legal services and contract sales	525,417	530,086	525,417	530,086
Insurance services	200,858	182,301	200,858	182,301
Industrial relations services	619,362	558,249	619,362	558,249
Management fees from controlled entities	-	-	1,283,452	2,229,988
Other revenue from operating activities	353,110	283,128	260,495	213,284
Interest received on financial assets not at fair value through profit and loss- from other persons	236,155	215,293	200,098	168,317
Workcover grant income	268,759	145,806	268,759	145,806
Total revenue	18,678,947	20,047,028	11,851,034	13,282,815

Note 3 Profit

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

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
Expenses				
Affiliation fees				
- Master Builders Association Inc.	557,774	592,740	557,774	592,740
Bad and doubtful debts				
- Apprenticeship receivables	(13,412)	14,255	-	-
- Membership receivables	213,487	236,416	213,487	236,416
Total bad and doubtful debts	200,075	250,671	213,487	236,416
Bad debts recovered	(934)	(747)	(934)	(747)
Total bad and doubtful debts charged to profit	199,141	249,924	212,553	235,669
Depreciation of non-current assets				
- Buildings	84,118	81,999	-	-
- Plant & equipment	157,663	143,239	127,024	113,257
Total depreciation	241,811	225,238	127,024	113,257

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 3 Profit (continued)

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
(Profit)/Loss on sale of assets	(1,364)	450	(1,364)	-
Employee Benefits				
- Wages & salaries including non-monetary benefits	11,302,800	11,651,524	5,568,931	5,441,045
- Superannuation	1,208,740	1,301,850	733,097	750,157
Total employee benefits	12,511,540	12,953,374	6,302,028	6,191,202

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 totaled \$617,929 (2011:\$1,014,178).

Legal expenses	323,557	328,408	323,557	328,408
Presidents honorarium	10,000	10,000	10,000	10,000
Remuneration of auditor				
- Audit	36,750	35,000	36,750	35,000
- Accounting and tax services	17,000	17,830	17,000	17,830
Rental expense on operating leases				
- Minimum lease payments	561,992	720,766	561,992	720,766

Note 4 Cash and cash equivalents

Cash on hand	6,450	6,950	6,450	6,950
Cash at bank	1,261,720	2,041,417	987,953	1,421,247
	1,268,170	2,048,367	994,403	1,428,197

Note 5 Trade and other receivables

CURRENT				
Membership receivable	4,263,248	3,547,262	4,263,248	3,547,262
Provision for impairment of membership	(723,566)	(598,952)	(723,566)	(598,952)
	3,539,682	2,948,310	3,539,682	2,948,310
Apprenticeship receivable	564,635	748,544	-	-
Provision for impairment apprenticeship	(160,336)	(204,827)	-	-
	404,299	543,717	-	-
Other debtors	702,095	747,319	489,048	589,454
	4,646,076	4,239,346	4,028,730	3,537,764

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 5 Trade and other receivables (continued)

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
NON-CURRENT				
Amounts receivable from:				
- Wholly controlled entities	-	-	5,031,021	5,658,171
MBAIS Commissions	58,236	100,197	58,236	100,197
Loan related entity-				
Comet Training Trust	362,544	362,544	362,544	362,544
Provision for impairment of loan	(100,000)	(100,000)	(100,000)	(100,000)
Total comet training trust	<u>262,544</u>	<u>262,544</u>	<u>262,544</u>	<u>262,544</u>
Total Trade and other receivables	<u><u>320,780</u></u>	<u><u>362,741</u></u>	<u><u>5,351,801</u></u>	<u><u>6,020,912</u></u>

Financial assets classified as loans and receivables

Trade and other receivables:

Total Current	4,646,076	4,239,346	4,028,730	3,537,764
Total Non- Current	320,780	362,742	5,351,801	6,020,912
Financial assets	<u><u>4,966,856</u></u>	<u><u>4,602,088</u></u>	<u><u>9,380,531</u></u>	<u><u>9,558,676</u></u>

a. Provision for Impairment of Receivables

Movement in the provision for impairment of receivables is as follows:

Provision for impairment- opening balance	803,779	535,345	598,952	344,773
Charge for year				
Bad and doubtful debts	200,075	250,671	213,487	236,416
Provision for credit raised/(written back to profit)	(55,908)	50,000	(55,908)	50,000
Bad debts	(64,044)	(32,237)	(32,965)	(32,237)
Provision for impairment – closing balance	<u><u>883,902</u></u>	<u><u>803,779</u></u>	<u><u>723,566</u></u>	<u><u>598,952</u></u>

Note 6 Financial Assets

CURRENT

Held to maturity investments- bank term deposits	4,051,728	3,722,491	3,695,683	2,913,404
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NON-CURRENT

Unlisted investments at cost				
Shares in other corporations	140,000	140,000	90,000	90,000
Investment in related entity-				
Comet Training Trust – at cost	1	1	-	-
Percentage owned: 50% (2011:50%)				
	<u><u>140,001</u></u>	<u><u>140,001</u></u>	<u><u>90,000</u></u>	<u><u>90,000</u></u>

**MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 7 Controlled entities

	Country of Incorporation	Percentage Controlled	
		2012	2011
- Master Builders (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 8 Inventories

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Stock of publications at cost	156,709	151,512	156,709	151,512
Stock of clothing at cost	3,749	6,362	3,749	6,362
Provision for impairment loss	-	(10,000)	-	(10,000)
Total stock at cost	160,458	147,874	160,458	147,874

Note 9 Other assets

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Prepayments	238,991	262,160	224,736	262,160

Note 10 Property, plant & equipment

Freehold land at fair value	4,900,000	4,900,000	-	-
Buildings at fair value	3,625,196	3,480,000	-	-
Less accumulated depreciation	(174,199)	(89,809)	-	-
Total buildings	3,450,997	3,390,191	-	-
Total land and buildings	8,350,997	8,290,191		
Paintings	50,195	50,195	50,195	50,195
Plant and equipment at cost	1,960,420	1,677,645	1,567,753	1,259,160
Less accumulated depreciation	(1,142,756)	(996,335)	(1,056,751)	(940,730)
Total plant and equipment	817,664	681,310	511,002	318,430
Total property, plant & equipment	9,218,856	9,021,696	561,197	368,625

The freehold land and buildings, including fixtures and fittings, were independently valued at 31 May 2010. The valuations were made on the basis of open market value. The valuations resulted in a revaluation increment of \$169,951 being recognized in the Revaluation Surplus for the year ended 30 June 2010.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 10 Property, plant & equipment (continued)

(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 & equipment \$	Total \$
Consolidated Group					
Balance at the beginning of the year	4,900,000	3,390,191	50,195	681,310	9,021,696
Additions	-	43,139	-	395,832	438,971
Reclassification	-	101,815	-	(101,815)	-
Depreciation expense	-	(84,148)	-	(157,663)	(241,811)
Carrying amount at the end of the year	4,900,000	3,450,997	50,195	817,664	9,218,856
Parent Entity					
Balance at the beginning of the year	-	-	50,195	318,430	368,625
Additions	-	-	-	319,593	319,593
Depreciation expense	-	-	-	(127,021)	(127,021)
Carrying amount at the end of the year	-	-	50,195	511,002	561,197

Note 11 Trade and other payables

	Consolidated Group		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
CURRENT				
Trade and other payables	2,824,646	2,216,911	2,350,702	1,820,055
Membership income received in advance	2,928,836	2,951,606	2,928,836	2,951,606
Other deferred income	191,718	232,868	191,718	232,868
Employee benefits	700,638	716,937	375,954	407,367
	6,645,838	6,118,322	5,847,210	5,411,896

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables	6,645,838	6,118,322	5,670,493	5,411,896
Less membership income received in advance	(2,928,836)	(2,951,606)	(2,928,836)	(2,951,606)
Less other deferred income	(191,718)	(232,868)	-	(232,868)
Less employee benefits	(700,638)	(716,937)	(375,954)	(407,367)
Financial liabilities as trade and other payables	2,824,646	2,216,911	2,365,702	1,820,055

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 12 Loans & borrowings

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Bank loan-secured	136,000	136,000	-	-
NON-CURRENT				
Bank loan-secured	1,394,499	1,530,500	-	-
a. Total current and non-current secured liabilities	1,530,499	1,666,500	-	-
b. The bank loan and overdraft facility (\$500,000) 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. Collateral provided				
The carrying value of non-current assets pledged as security:				
First mortgage				
- Freehold land and building	8,350,997	8,290,191	-	-
Fixed charge				
- Property plant and equipment in addition to that covered by the first mortgage	306,662	362,880	-	-
- Investment	50,101	50,101	-	-
Total non-current assets pledged as security	8,707,760	8,703,172	-	-
The carrying value of financial assets that have been pledged as security:				
- Cash and cash equivalents (floating charge)	273,767	620,170	-	-
- Trade and other receivables (floating charge)	617,346	701,582	-	-
- Other financial assets (fixed charge)	356,045	809,087	-	-
Total financial assets pledged as security	1,247,158	2,130,839	-	-
Total assets pledged as security	9,954,918	10,834,011	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 13 Provisions

	Long-Term Employee Benefits \$
Consolidated Group	
Opening balance at 1 July 2011	516,917
Additional provisions raised during the year	34,983
Amounts used	-
Balance at 30 June 2012	551,900
Parent Entity	
Opening balance at 1 July 2011	516,917
Additional provisions raised during the year	34,983
Amounts used	-
Balance at 30 June 2012	551,900

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current	310,134	357,640	310,134	357,640
Non-Current	241,766	159,277	241,766	159,277
	551,900	516,917	551,900	516,917

Provision for long-term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in note 1(h).

Provision for workers compensation

A provision has been recognised for costs relating to an injury to an apprentice. The provision represents the maximum potential liability arising including legal costs.

Note 14 Asset revaluation reserve

The asset revaluation reserve records revaluations of non-current assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 15 Capital & leasing commitments

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalized.				
Motor vehicles and office equipment				
- Not later than 1 year	236,875	307,597	267,381	307,597
- Later than 1 year but not later than 5 years	228,020	152,060	232,372	152,060
	464,895	459,657	464,895	459,657

The leases are for various motor vehicles with a term of 3 to 5 years. An additional rental is payable for each vehicle on a per kilometer 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 kilometers.

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Leasing – property				
- Not later than 1 year	134,893	168,322	134,893	168,322
- Later than 1 year but not later than 5 years	65,743	88,751	65,743	88,751
	200,636	258,878	200,636	258,878
Total operating lease commitments	700,388	718,535	700,388	718,535

Property leases are non-cancellable leases with three to five year terms, with rent payable monthly in advance. Minimum rentals increase annually at rates between CPI and 4% per annum. Certain leases have options to renew at the end of the five year term while others do not. The leases allow for sub letting of all lease areas.

Note 16 Contingent liabilities

At 30 June 2012 there were no contingent liabilities of the consolidated entity. The Master Builders Association of New South Wales has issued a guarantee and indemnity in favor of the Westpac Banking Corporation in respect of a loan to a Controlled Entity. At 30 June 2012 the loan amount was \$1,530,500 (2011: \$1,666,500).

Note 17 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 parent entity and Controlled Entities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 18 Related party transactions

	Consolidated Group		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
The Master Builders Association of New South Wales performed all administrative functions for the wholly and Controlled Entities Master Builders Association of South Wales Pty Limited. For this service an administration charge is paid to the Master Builders Association of New South Wales.	-	-	423,372	337,196
The Master Builders Association of New South Wales performed all administrative functions for the wholly and Controlled Entities Master Builders Association of South Wales Limited. For this service an administration charge is paid to the Master Builders Association of New South Wales.	-	-	1,283,452	1,855,597
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 19 Segment reporting

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

Note 20 Cash flow information

	Consolidated Group		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
a. Reconciliation of cash flow from operations				
Profit/(Loss) for the period	(326,114)	876,202	(132,223)	1,144,461
Adjustment for:				
Depreciation	241,811	225,238	127,021	113,257
Loss/(Profit) on sale of plant & equipment	(1,364)	450	(1,364)	450
Operating profit before changes in working capital and provisions	(85,667)	1,101,890	(6,566)	1,258,168
(Increase)/decrease in trade & other receivables	(406,730)	278,135	(490,967)	179,174
(Increase)/decrease in inventories	(12,584)	(26,292)	(12,584)	(26,292)
(Increase)/decrease in other assets	23,169	(110,861)	37,424	(110,861)
Increase/(decrease) in trade and other payables	527,516	240,348	435,314	327,961
Increase/(decrease) in provisions	34,982	(75,499)	34,982	77,501
Cash flows from operations	80,686	1,407,721	(2,397)	1,705,651

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 20 Cash flow information (continued)

b. Non-cash financing and investing activities

The Master Builders Association of New South Wales Pty Ltd, and Controlled Entities, has a bank overdraft facility amounting to \$500,000 (2011: \$500,000). The facility is subject to an annual review. The next annual review due is 30 June 2012. At 30 June 2012 none of this facility was used (2011: Nil). Variable interest rates are chargeable on any amount of the facility utilised.

Note 21 Key Management Personnel Compensation

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Key management personnel compensation	1,004,388	944,161	1,004,388	944,161

Note 22 Financial Risk Management

The Consolidated Group's financial instruments consist mainly of deposits with banks, term deposits with bank, accounts receivable and payable, loans to wholly controlled entities and borrowings from banks.

The totals for each category of financial instrument, measured in accordance with AASB 139, Financial Instruments Recognition and Measurement, as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	4	1,268,170	2,048,367	994,403	1,428,197
Trade and other receivables	5	4,966,856	4,602,088	9,380,531	9,558,676
Held to maturity financial assets	6	4,051,728	3,722,491	3,695,683	2,913,404
Unlisted investments at cost	6	140,001	140,001	90,000	90,000
Total financial assets		10,426,755	10,512,947	8,576,649	13,990,277
Financial liabilities at amortised cost					
Trade and other payables	11	3,402,780	2,216,911	2,365,702	1,820,055
Borrowings	12a	1,530,499	1,666,500	-	-
Total financial liabilities		4,933,279	3,883,411	2,365,702	1,820,055

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES

ABN 96 550 024 906

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 23 Workplace Relations Act

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 Fair Work (Registered Organisations) Act 2009, 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


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

COUNCIL OF MANAGEMENT STATEMENT

On 9 October 2012 the Council 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 2012:

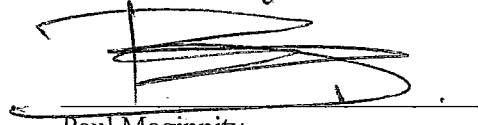
- a. The financial statements and notes, as set out on pages 3 to 22, comply with Australian Accounting Standards;
- b. The financial statements and notes, as set out on pages 3 to 22, comply with the reporting guidelines of the Industrial Registrar;
- c. The financial statements and notes, as set out on pages 3 to 22 give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate.
- d. There are reasonable grounds to believe that the Reporting Unit will be able to pay 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 Council 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) The financial records of the Master Builders Association of New South Wales and its controlled entities have been kept in a consistent manner.
 - v) 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;
 - vi) There has been no order for inspection of financial records made by the Commission under Section 273 of the RAO Schedule

Council Member



Gordon Leggett

Council Member



Paul Maginnity

Dated at Sydney 9 October 2012

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Master Builders Association of New South Wales and Controlled Entities

Report on the Financial Report

We have audited the accompanying financial report of Master Builders Association of New South Wales and Controlled Entities (the association) which comprises the statement of financial position as 30 June 2012, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the council of management's statement of the consolidated entity comprising the Master Builders Association of New South Wales and the entities it controlled at the year's end or from time to time during the financial year.

Council's Responsibility for the Financial Report

The Council of Management of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2010 and Regulations and for such internal control as the council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that's gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council, as well as evaluating the overall presentation of the financial report.

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.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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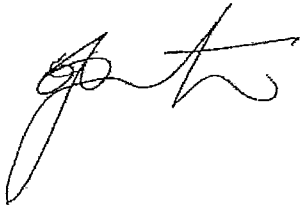
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Master Builders Association of New South Wales

Audit Opinion

In our opinion, the financial report of Master Builders Association of New South Wales and Controlled Entities is in accordance with the Fair Work (Registered Organisations) Act 2010 and Regulations, including:

- a. giving a true and fair view of the Association's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards' Reduced Disclosure Requirements

Ure Lynam & Co
Chartered Accountants



Robert K Hunter
Principal

Sydney

9 October 2012

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

CONCISE FINANCIAL REPORT

30 JUNE 2012

The financial statements and other specific disclosures are an extract of, and have been derived from the full financial report of Master Builders Association of New South Wales and Controlled Entities ("the Consolidated Entity") for the financial year ended 30 June 2012. Other information included in the concise financial report is consistent with the Consolidated Entity's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity's as the full financial report.

A hard copy of the Consolidated Entity's 30 June 2012 Annual Financial Report, including the independent audit report, is available to members, and will be sent to members without charge upon request. The 30 June 2012 Annual Financial Report can be requested by telephone + 61 2 8856 3555.

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

OPERATING REPORT

Your council presents their report on the association and Controlled Entities for the financial year ended 30 June 2012.

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

Gordon Leggett	Raymond Carden
Paul Maginnity	Peter Haack
Ross Mitchell	John Harrison
Martin Patience	Bill Taylor
Simon Pilcher	John Rostirolla
Dan Murphy	James Stuart
Scott Nash	Giovanni Vittali
Ron Bracken	John Worthington
Christopher Calderbank-Park	John Laby
Anthony Clark	Kevin Dalton
Michael O'Donnell	Simon Webber
Ken Austin	John Morris
Mick Banks (appointed 13 December 2011)	Bob Black (appointed 13 December 2011)
Ian Saurine (appointed 13 December 2011)	Jeffrey Cork (appointed 13 December 2011)
Ian Anderson (retired 13 December 2011)	Andrew Fowler (retired 13 December 2011)
Peter Court (retired 13 December 2011)	Russell Holland (retired 13 December 2011)
Wayne Deane (retired 13 December 2011)	

Members of the council have been in office since the start of the previous financial year to the date of this report unless otherwise stated.

Operating and financial review

The consolidated loss of the Consolidated Entity for the financial year amounted to \$326,114 (2011: profit of \$876,202).

A review of the operations of the Consolidated Entity during the financial year and the results of those operations is included in The President's Report which is attached.

Significant changes in the state of affairs

No significant changes in the Consolidated Entity's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Consolidated 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
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OPERATING REPORT (CONTINUED)

Events subsequent to reporting date

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

Other information

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 organization, by virtue of their office or membership of the Master Builders Association of New South Wales, is:

- a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation as defined under the Fair Work (Registered Organisations) Act 2009.

At the end of the financial year there were 7,411 (2011: 7,454) Members of the Master Builders Association of New South Wales. Additionally at the end of the financial year there were 376 (2011:404) members of the Newcastle Master Builders Association which are serviced by 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 was 69 staff and 207 apprentices (2011: 80 staff and 210 apprentices).


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

Council Member



Gordon Leggett

Council Member



Paul Maginnity

Dated at Sydney 9 October 2012

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Master Builders Association of New South Wales and Controlled Entities Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2012. The financial information and disclosures in the concise financial report have been derived from the 2012 Financial Report of the Master Builders Association of New South Wales and Controlled Entities. A copy of the full financial report and auditor's 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 financial report of the Master Builders Association of New South Wales and Controlled Entities.

Statement of Comprehensive Income

The consolidated loss attributable to members is \$326,114 (2011 \$876,202 profit). The result reflects the generally much tougher economic conditions affecting the building and construction industry in the year and government training programmes not proceeding in accordance with the originally anticipated timeframes. Significant factors are:

- Total revenue fell by \$1,368,081 or 6.8% to \$18,678,947. Total expenses fell by \$165,766 or 0.9% to \$19,005,061.
- Membership subscriptions revenue increasing by \$165,619 or 3.3% largely due to a 1% increase in average membership numbers compared to the prior period.
- Training and education:
 - revenue fell \$679,308 or 24.4% to \$2,104,960
 - net contribution decreased by \$405,463 or 8.8% to \$1,476,641largely due to government assistance programmes not proceeding in the timeframes originally anticipated.
- Apprenticeship:
 - revenue fell \$894,688 or 10.1% to \$7,982,693.
 - net contribution decreased by \$546,624 or 32%.

The average number of apprentices employed in the 2012 year fell by 11.6% to 208 consequent to the decline in building and construction activity. In addition costs were adversely affected compared to the prior period by:

- \$133,570 being adult apprentices being awarded pay increases and this being backdated.
 - The 2011 year benefiting by the write back of a provision raised in prior periods of \$153,000 which was surplus to requirements.
- Limiting overhead cost increases by reducing staff by 111 to 69.

Statement of Financial Position

Total assets increased by \$100,384 or 1% to \$20,045,060. The increase was largely attributable to:

- Decreases in cash held in bank accounts by \$780,177 during the year to \$1,268,170.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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- Increases in current financial assets, being bank term deposits by \$329,237 during the year to

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DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Financial Position (Continued)

\$4,051,728;

- Increases in trade and other receivables by \$406,730 to \$4,646,076.

Total liabilities increased by \$326,114 or 3% mainly due to:

- Increase in trade and other payables by \$527,516 largely due to unbilled costs of training programmes;
and
- Decrease in loans and borrowings by \$136,001 during the year being repayments of the loan taken by the Consolidated Entity to finance the refurbishment of the Consolidated Entity's building.

Statement of changes in equity

The total equity of the Consolidated Entity decreased during the year by \$326,114. This amount represents the loss for the year.

Statement of cash flows

Cash flows from operating activities were \$80,686 compared to \$1,407,721 in 2011. This is largely due to the current year loss of \$326,114 compared to a profit of \$876,202 in the prior year. In addition the balance held in cash was reduced by \$780,197..

Cash flows were utilised by:

- Investing in additional amounts in bank term deposits, \$328,237 and acquisition of property plant and equipment \$438,971 largely in connection with the building refurbishment.
- Repayments of the Bank Loan taken to finance the building renovation of \$136,001.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Revenue	2	18,678,947	20,047,028	11,851,034	13,282,815
Employee benefits expense		(12,645,111)	(12,953,374)	(6,302,028)	(6,191,202)
Cost of services rendered		(1,395,677)	(1,413,066)	(1,395,677)	(1,413,066)
Cost of documents sold		(203,078)	(214,664)	(203,078)	(214,664)
Bad and doubtful debts expense		(199,141)	(249,924)	(212,553)	(235,669)
Other expenses		(4,232,380)	(3,963,111)	(3,742,900)	(3,970,496)
Finance costs		(87,863)	(151,449)	-	-
Depreciation and amortisation expenses		(241,811)	(225,238)	(127,021)	(113,257)
Profit/(Loss) attributable to members of the consolidated entity		(326,114)	876,202	(132,223)	1,144,461
Other comprehensive income		-	-	-	-
Total comprehensive income for the		(326,114)	876,202	(132,223)	1,144,461
Total comprehensive income attributable to members of the entity		(326,114)	876,202	(132,223)	1,144,461

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	1,268,170	2,048,367	994,403	1,428,197
Trade and other receivables	4,646,076	4,239,346	4,028,730	3,537,763
Financial assets	4,051,728	3,722,491	3,695,683	2,913,404
Inventories	160,458	147,874	160,458	147,874
Other current assets	238,991	262,160	224,736	262,160
TOTAL CURRENT ASSETS	10,365,423	10,420,238	9,104,010	8,289,398
NON-CURRENT ASSETS				
Trade and other receivables	320,780	362,741	5,351,801	6,020,912
Financial assets	140,001	140,001	90,000	90,000
Property, plant and equipment	9,218,856	9,021,696	561,197	368,625
TOTAL NON-CURRENT ASSETS	9,679,637	9,524,438	6,002,998	6,479,537
TOTAL ASSETS	20,045,060	19,944,676	15,107,008	14,768,935
CURRENT LIABILITIES				
Trade and other payables	6,645,838	6,118,322	5,847,210	5,411,896
Loans and borrowings	136,000	136,000	-	-
Short-term provisions	310,134	357,640	310,134	357,640
TOTAL CURRENT LIABILITIES	7,091,972	6,611,962	6,157,344	5,769,536
NON-CURRENT LIABILITIES				
Loans & borrowings	1,394,499	1,530,500	-	-
Long-term provisions	241,766	159,277	241,766	159,277
TOTAL NON-CURRENT LIABILITIES	1,636,265	1,689,777	241,766	159,277
TOTAL LIABILITIES	8,728,237	8,301,739	6,399,110	5,928,813
NET ASSETS	11,316,823	11,642,937	8,707,898	8,840,122
EQUITY				
Reserves	3,572,207	3,572,207	-	-
Retained earnings	7,744,616	8,070,730	8,707,898	8,840,122
TOTAL EQUITY	11,316,823	11,642,937	8,707,898	8,840,122

The accompanying notes form part of these financial statements

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Retained earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Consolidated Group			
Balance at 1 July 2010	7,194,528	3,572,207	10,766,735
Profit attributable to the entity	876,202	-	876,202
Balance at 30 June 2011	<u>8,070,730</u>	<u>3,572,207</u>	<u>11,642,937</u>
Profit attributable to the entity	(326,114)	-	(326,114)
Balance at 30 June 2012	<u>7,744,616</u>	<u>3,572,207</u>	<u>11,316,823</u>
Parent Entity			
Balance at 1 July 2010	7,695,661	-	7,695,661
Profit attributable to the entity	1,144,461	-	1,144,461
Balance at 30 June 2011	<u>8,840,122</u>	<u>-</u>	<u>8,840,122</u>
Profit/(Loss) attributable to the entity	(132,223)	-	960,635
Balance at 30 June 2012	<u>8,707,899</u>	<u>-</u>	<u>9,800,757</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipt from customers	17,992,121	19,859,946	11,058,125	13,058,004
Cash paid to suppliers and employees	(18,059,727)	(18,516,069)	(11,260,620)	(11,520,670)
Cash generated from operations	(67,606)	1,343,877	(202,495)	1,537,334
Interest received	236,155	215,293	200,098	168,317
Finance costs	(87,863)	(151,449)	-	-
Net cash provided by /(used in) operating activities	80,686	1,407,721	(2,397)	1,705,651
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(438,971)	(219,226)	(319,593)	(104,839)
Payment for held to maturity investments- bank term deposits	(329,237)	(957,393)	(782,279)	(922,140)
Loan repayment received from proprietary limited company – MBA Insurance Service Pty Ltd	41,962	37,020	41,961	37,020
Repayments from/Advances to related parties	-	-	627,150	(589,307)
Proceeds on sale of property plant and equipment	1,364	143	1,364	143
Net cash (used in) investing activities	(724,882)	(1,139,456)	(431,397)	(1,579,123)
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of borrowings	(136,001)	(130,841)	-	-
Net cash provided by (used in) financing activities	(136,001)	(130,841)	-	-
Net increase/(decrease) in cash held	(780,197)	137,424	(433,794)	126,528
Cash at beginning of year	2,048,367	1,910,943	1,428,197	1,301,669
Cash at end of year	1,268,170	2,048,367	994,403	1,428,197

The accompanying notes form part of these financial statements

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

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

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 2012. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039 Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

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 and Controlled Entities as the full financial report. A copy of the full financial report and auditor's report will be sent to any member free of charge, upon request.

The presentation currency used in this concise financial report is Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest dollar.

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

Note 2 Revenue

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Operating activities				
Members subscriptions	5,113,393	4,947,774	5,113,393	4,947,774
Group apprenticeship scheme	7,982,693	8,877,381	-	-
Sponsorship & commission	1,274,240	1,522,742	1,274,240	1,522,742
Training and education	2,104,960	2,784,268	2,104,960	2,784,268
Legal services and contract sales	525,417	530,086	525,417	530,086
Insurance services	200,858	182,301	200,858	182,301
Industrial relations services	619,362	558,249	619,362	558,249
Management fees from controlled entities	-	-	1,283,452	2,229,988
Other revenue from operating activities	353,110	283,128	260,495	213,284
Interest received on financial assets not at fair value through profit and loss- from other persons	236,155	215,293	200,098	168,317
Workcover grant income	268,759	145,806	268,759	145,806
Total revenue	18,678,947	20,047,028	11,851,034	13,282,815

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

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

Note 3 Segment Reporting

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

Note 4 Information to be Provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 Fair Work (Registered Organisations) Act 2009, 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 5 Subsequent Events

There have been no events subsequent to balance date which would have a material effect on the Consolidated Entity's financial statements at 30 June 2012.

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


COUNCIL OF MANAGEMENT DECLARATION

In the opinion of the Council of Management of Master Builders Association of New South Wales, the accompanying financial report of the Consolidated Entity comprising Master Builders Association of New South Wales and Controlled Entities, for the financial year ended 30 June 2012, 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 2012 and has been derived from and is consistent with the full financial report of the Master Builders Association of New South Wales and Controlled Entities.

Signed in accordance with a resolution of the Council of Management.

Council Member



.....
Gordon Meggett

Council Member



.....
Paul Maginnity

Dated at Sydney 9 October 2012.

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

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

We have audited the accompanying concise financial report of Master Builders Association of New South Wales and Controlled Entities which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statements of changes in equity and statements of cash flows 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 2012, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly reading the concise financial report is not a substitute for reading the audited financial report.

Council's responsibility for the concise financial report

The council of management is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the council determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. 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 2012. We expressed an unmodified audit opinion on that financial report in our report dated 9 October 2012. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend upon the auditor's judgement, included the assessment of the risks of material misstatement of the concise financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit 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.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES (Continued)

Audit Opinion

In our opinion, the concise financial report including the discussion and analysis of Master Builders Association of New South Wales and Controlled Entities for the year ended 30 June 2012 complies with Accounting Standards AASB 1039 *Concise Financial Reports*.

Ure Lynam & Co
Chartered Accountants

A handwritten signature in black ink, appearing to read 'R. Hunter', is written over the printed name of the principal.

Robert K Hunter
Principal

Sydney

9 October 2012

NOTICE OF ANNUAL GENERAL MEETING



Master Builders Association
New South Wales

November 2012

Dear Member,

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, 11th December 2012 at 3.00pm at 52 Parramatta Road, Forest Lodge, NSW (MBA Head Office).

Yours faithfully,

Brian Seidler
EXECUTIVE DIRECTOR

**NOTICE OF ANNUAL GENERAL MEETING
MASTER BUILDERS ASSOCIATION OF NSW
Tuesday, 11th DECEMBER 2012 @ 3.00PM**

AGENDA

- 1.0 Attendance and Apologies
- 2.0 Minutes of Previous Meeting (13 December 2011)
- 3.0 President's Report
- 4.0 Presentation of MBA/NSW Audited Accounts
- 5.0 Close of Annual General Meeting

N.B. This year's financial statements can be found on the Association's website at www.mbansw.asn.au/financials
This is member only content and you will need to be logged in to view this content. Any member who does not have access to the Internet and would like a hard copy of the financial statements posted to them, free of charge, should contact Arthur Johnson, Director Finance & Administration on (02) 8586 3508.