Australian Government
Registered Organisations Commission

8 June 2018

Mr Martin Patience
President
Master Builders' Association of New South Wales

By e-mail: executive@mbansw.asn.au

Dear Mr Patience

Master Builders' Association of New South Wales
Financial Report for the year ended 30 June 2017 - FR2017/161

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Master Builders' Association of New South Wales (MBANSW). The financial report was lodged with the Registered Organisations Commission (ROC) on 22 May 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Please note that the filing of this financial report does not release the organisation from any obligations or potential findings with the ongoing inquiry (INQ2018/1) into the reporting unit's use of an unregistered auditor.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. Committee of Management Statement

Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work Commission (FWC).

The MBANSW Committee of Management statement, at reference (e)(vi), refers to the 'Registered Organisations Commission'. In future, please ensure that this reference is to the 'Fair Work Commission'.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

Master Builders Association
New South Wales

22 May 2018

Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 2983

By email: ***regorgs@roc.gov.au***

Dear Sir/Madam,

RE: Master Builders Association of New South Wales, Financial Report for Year Ended 30 June 2017 – [FR 2017/161]

Please find attached the relevant information relating to the Association's financial report for the year ending June 2017.

The relevant information includes:

1. Certificate by Prescribed Designated Officer (***Attachment 1***).
2. A copy of the Association's Full Report (***Attachment 2***).

We note that on the 14 December 2017, the Association mistakenly provided the Registered Organisations Commission with an unsigned copy of the Council of Management Statement which was contained in the Full Report. I can confirm that a correctly signed copy of this statement was provided to all members on the 10 October 2017.

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.

Master Builders Association of New South Wales
s.268 Fair Work (Registered Organisations) Act 2009

<u>Certificate by Prescribed Designated Officer</u>
Certificate for the year ended 30 June 2017

I, Martin Patience, being the President of the Master Builders Association of NSW certify:

- That the documents lodged herewith are copies of the full report for the Master Builders Association of NSW for the period ended referred to in s268 of the Fair Work (Registered Organisations Act 2009); and
- That the full report was provided to members on 15 March 2018; and
- That the full report was presented to a Meeting of the Master Builders Association of NSW Council of Management on 15 May 2018 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature

Martin Patience
President
Master Builders Association of NSW

Date: 21 May 2018

ATTACHMENT 2

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES and CONTROLLED ENTITIES

Annual Financial Report

30 June 2017

Master Builders Association

New South Wales

Master Builders Association of New South Wales
And Controlled Entities

ABN: 96 550 042 906

Annual Financial Report

30 June 2017

CONTENTS	PAGE

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES
ABN 96 550 042 906

OPERATING REPORT

Your council presents their report on the association and Controlled Entities for the financial year ended 30 June 2017.

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

Ross Mitchell – President	Rob Bevear
Martin Patience – Deputy President	Warwick Jones
Simon Pilcher – Vice President	Ross Finnie
Christopher Calderbank-Park – Vice President	John Dela Cruz
Michael O'Donnell – Vice -President	Louis Stanton
Gordon Leggett	John Biazzo
Dan Murphy	Colin Jewell
Anthony Clark	Robert Bech
Bill Taylor	Brad Garrard
John Laby	Dave Dillon
Mick Banks	John Worthington
Robert Black	Ian Anderson
Anthony Larter	John O'Neill
Peter Leotta	Paul Maginnity - Immediate Past President (resigned 11 October 2016)

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

Operating and financial review

The consolidated Surplus of the Consolidated Entity for the financial year amounted to $3,505,584 (2016: $3,680,620).

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.

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.

Rights of members to resign

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.

Officers & employees who are superannuation fund trustees

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.

Officers & employees who are directors of company or a member of a board

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 director of a company or a member of a board.

Number of members

At the end of the financial year, there were 7,560 (2016: 7,442) members of the Master Builders Association of New South Wales. Additionally, at the end of the financial year there were 302 (2016: 308) members of the Newcastle Master Builders Association which are serviced by the Master Builders Association of New South Wales.

Number of Employees

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 76 staff and 275 apprentices (2016: 69 staff and 274 apprentices).

OPERATING REPORT (CONTINUED)

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

Council Member

Ross Mitchell

Council Member

Martin Patience

Dated at Sydney 10 October 2017.

MASTER BUILDERS ASSOCIATION OF NEW SOUTH WALES
AND CONTROLLED ENTITIES
ABN 96 550 042 906

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017	2016	Parent Entity 2017	2016
		$	$	$	$
Revenue	2	43,879,998	38,212,206	27,892,067	23,846,237
Other income	2	3,818	-	2,995,233	3,226,799
Total income		43,883,816	38,212,206	30,887,300	27,073,036
Employee benefits expense	3	(20,227,312)	(18,061,216)	(7,411,617)	(6,670,269)
Training and education expense		(13,324,805)	(9,890,840)	(13,324,805)	(9,890,840)
Cost of services rendered		(930,268)	(814,606)	(930,268)	(814,606)
Cost of documents sold		(166,383)	(175,123)	(166,383)	(175,123)
Bad and doubtful debts expense/provision write back	3	623	(252,774)	35,033	(201,802)
Administrative expenses		(1,826,876)	(1,334,012)	(1,826,876)	(1,334,012)
Motor vehicle expenses		(274,887)	(313,013)	(274,887)	(313,013)
Property expenses		(591,506)	(587,805)	(909,506)	(905,805)
Loss on revaluation of land and buildings		-	-	(205,754)	-
Affiliation fees		(681,964)	(668,017)	(681,964)	(668,017)
Travelling expenses		(221,033)	(184,717)	(221,033)	(184,717)
Legal expenses		(362,515)	(493,109)	(362,515)	(493,109)
Insurances including workers' compensation premium		(498,220)	(457,293)	(168,506)	(214,746)
Payroll tax		(374,199)	(364,163)	(374,199)	(364,163)
Repair & maintenance		(100,166)	(80,606)	(100,166)	(80,606)
Other expenses		(462,239)	(529,723)	(301,747)	(363,065)
Finance costs		-	(25,412)	-	(25,412)
Depreciation and amortization expenses	3	(336,482)	(299,157)	(226,346)	(176,539)
Total expenses		(40,378,232)	(34,531,586)	(27,451,539)	(22,875,844)
Surplus (deficit) for the year		3,505,584	3,680,620	3,435,761	4,197,192
Other comprehensive income					
Gain / (loss) on revaluation of land and buildings		976,275	-	(16,448)	-
Total comprehensive income for the year		4,481,859	3,680,620	3,419,313	4,197,192
Total comprehensive income attributable to members of the consolidated entity		4,481,859	3,680,620	3,419,313	4,197,192

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	4	2,389,351	1,757,560	1,410,719	910,651
Trade and other receivables	5	4,721,253	4,758,883	3,083,468	3,426,381
Other financial assets	6	7,347,655	5,032,391	7,347,655	5,032,391
Inventories	8	133,104	156,595	133,104	156,595
Other assets	9	923,843	636,906	923,844	636,906
TOTAL CURRENT ASSETS		15,515,206	12,342,335	12,898,790	10,162,924
NON-CURRENT ASSETS					
Trade and other receivables	5	347,835	258,567	8,510,892	7,620,081
Other financial assets	6	140,001	140,001	90,000	90,000
Property, plant and equipment	10	18,081,975	16,923,418	8,214,556	8,543,865
Intangibles	11	709,674	321,212	709,674	321,212
TOTAL NON-CURRENT ASSETS		19,279,485	17,643,198	17,525,122	16,575,158
TOTAL ASSETS		34,794,691	29,985,533	30,423,912	26,738,082
CURRENT LIABILITIES					
Trade creditor and other payables	12	2,305,039	2,729,280	1,488,225	1,892,207
Deferred revenue	13	3,486,991	3,264,764	3,486,991	3,264,764
Employee benefits	14	1,564,037	1,503,774	889,534	910,312
Unearned grant	15	350,000	-	350,000	-
TOTAL CURRENT LIABILITIES		7,706,067	7,497,818	6,214,750	6,067,283
NON-CURRENT LIABILITIES					
Employee benefits	14	185,487	216,437	185,487	216,437
Unearned grant	15	150,000	-	150,000	-
TOTAL NON-CURRENT LIABILITIES		335,487	216,437	335,487	216,437
TOTAL LIABILITIES		8,041,554	7,714,255	6,550,237	6,283,720
NET ASSETS		26,753,137	22,271,278	23,873,675	20,454,362
EQUITY					
Reserves	16	4,753,147	3,776,872	-	16,448
Retained earnings		21,999,990	18,494,406	23,873,675	20,437,914
TOTAL EQUITY		26,753,137	22,271,278	23,873,675	20,454,362

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Consolidated Group			
Balance at 1 July 2015	14,813,786	3,776,872	18,590,658
Surplus for the year	3,680,620	-	3,680,620
Balance at 30 June 2016	18,494,406	3,776,872	22,271,278
Surplus for the year	3,505,584	-	3,505,584
Other comprehensive income	-	976,275	976,275
Balance at 30 June 2017	21,999,990	4,753,147	26,753,137
Parent Entity			
Balance at 1 July 2015	16,240,722	16,448	16,257,170
Surplus for the year	4,197,192	-	4,197,192
Balance at 30 June 2016	20,437,914	16,448	20,454,362
Surplus for the year	3,435,761	-	3,435,761
Other comprehensive income	-	(16,448)	(16,448)
Balance at 30 June 2017	23,873,675	-	23,873,675

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		$	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipt from customers		44,284,945	31,265,105	29,174,519	17,834,489
Cash paid to suppliers and employees		(40,599,505)	(28,372,437)	(28,209,944)	(17,690,885)
Cash generated from operations		3,685,440	2,892,668	964,575	143,604
Interest received		165,019	209,553	164,768	129,153
Finance costs		-	(25,412)	-	(25,412)
Net cash provided by / (used in) operating activities	24	3,850,459	3,076,809	1,129,343	247,345
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(503,816)	(768,568)	(104,296)	(753,070)
Acquisition of Intangibles - computer software		(403,407)	(322,120)	(403,406)	(322,120)
Receipt from/ (Payments for) held to maturity investments- bank term deposits		(2,315,263)	640,902	(2,315,262)	640,902
(Advances to)/repayments from related parties – Master Builders (NSW) Limited		-	-	(47,471)	(752,623)
(Advances to)/repayments from related parties - Master Builders Association (NSW) Pty Limited		-	-	2,237,342	2,751,282
Proceeds on sale of property plant and equipment		3,818	-	3,818	-
Net cash (used in) investing activities		(3,218,668)	(449,786)	(629,275)	1,564,371
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		-	(3,672,500)	-	(2,550,000)
Net cash provided by (used in) financing activities		-	(3,672,500)	-	(2,550,000)
Net increase/(decrease) in cash held		631,791	(1,045,477)	550,068	(738,285)
Cash at beginning of year		1,757,560	2,803,037	910,651	1,648,935
Cash at end of year	4	2,389,351	1,757,560	1,410,719	910,651

Note 1 Statement of Significant Accounting Policies

The financial report covers Master Builders Association of New South Wales ("the Association") 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

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. The Master Builders Association of New South Wales 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. The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements are presented in Australian dollars.

a. Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Association. Control exists where the Association has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Association to achieve the objectives of the Association.

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.

b. Income Tax

The Master Builders Association of New South Wales and Controlled Entities are exempt from income tax in terms of Division 50 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, Plant and Equipment

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.

Note 1 Statement of Significant Accounting Policies (continued)

d. Property, Plant and Equipment (continued)

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.

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.

Note 1 Statement of Significant Accounting Policies (continued)

d. Property, Plant and Equipment (continued)

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. Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful lives of Association intangible assets are:

	Amortisation Rate
Intangibles	33%

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

f. 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.

g. 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.

Note 1 Statement of Significant Accounting Policies (continued)

h. 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.

i. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability plus related on-costs.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

j. Cash and cash equivalents

Cash is recognised at its nominal amount. 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 that are readily convertible to known amounts of cash and subject to insignificant risks of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

k. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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 provision of the service to the customers.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. This is on delivery of the goods to the customers.

Interest revenue is recognised on an accrual basis using the effective interest method.

Note 1 Statement of Significant Accounting Policies (continued)

k. Revenue (continued)

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

l. Government grants

Government grants are not recognised until there is reasonable assurance that the Master Builders Association of New South Wales will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Master Builders Association of New South Wales recognises as expenses the related costs for which the grants are intended to compensate.

m. Borrowing Costs

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

n. 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.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

o. Comparative Figures

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

p. Financial instruments

Financial assets and financial liabilities are recognised when a Master Builders Association of New South Wales entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Note 1 Statement of Significant Accounting Policies (continued)

q. Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Master Builders Association of New South Wales manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Master Builders Association of New South Wales documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

The Master Builders Association of New South Wales held no "held for trading financial assets" during the financial year.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Master Builders Association of New South Wales has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Note 1 Statement of Significant Accounting Policies (continued)

q. Financial assets (continued)

Available-for-sale

The Master Builders Association of New South Wales has investments in unlisted shares that are not traded in an active market – refer to note g for details of accounting treatment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Master Builders Association of New South Wales's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Note 1 Statement of Significant Accounting Policies (continued)

q. Financial assets (continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Derecognition of financial assets

The Master Builders Association of New South Wales derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

r. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss. In the current financial year, no financial liabilities were classified as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Master Builders Association of New South Wales manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Master Builders Association of New South Wales's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or.

Note 1 Statement of Significant Accounting Policies (continued)

r. Financial liabilities (continued)

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Master Builders Association of New South Wales derecognises financial liabilities when, and only when, the Master Builders Association of New South Wales's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

s. Trade and other receivables

Receivables for goods and services including membership, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

t. Fair value measurement

The Master Builders Association of New South Wales measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. The, fair values of financial instruments measured at amortised cost are their carrying values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Master Builders Association of New South Wales. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Note 1 Statement of Significant Accounting Policies (continued)

t. Fair value measurement (continued)

The Master Builders Association of New South Wales uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Master Builders Association of New South Wales determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of land and buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Master Builders Association of New South Wales has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

u. Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

v. New Australian accounting standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

The following standards became effective for the first time this financial year but did not have an impact on the Association's financial statements.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in AASB 3 Business Combinations and other Australian Accounting Standards that do not conflict with the requirements of AASB 11 Joint Arrangements.

Note 1 Statement of Significant Accounting Policies (continued)

v. New Australian accounting standards (continued)

As the Association does not have an interest in a joint arrangement this standard has no effect.

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation clarify the principle in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

  The Association does not depreciate/amortise assets based on revenue generated. Accordingly, this standard has no effect on the financial statements of the Association.

- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements amends AASB 127 Separate Financial Statements to allow an entity to use the equity method as described in AASB 128 to account for its investments in subsidiaries, joint ventures and associates in their separate financial statements.

  As the Association presents consolidated financial statements and not separate financial statements for its investments in subsidiaries, has no joint ventures and its one associate – Comet Training Trust which is not material and is carried at cost of $1, refer note 6, adoption of this Standard has no effect on the financial statements of the Association.

- AASB 2015 -1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle clarify certain requirements in:
  - AASB 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
  - AASB 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements
  - AASB 119 Employee Benefits – regional market issue regarding discount rate
  - AASB 134 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report.

  As the Association:
  - has no non-current assets held for sale or discontinued operations.
  - is not presenting interim financial statements, condensed or otherwise.
  - being domiciled in Australia has access to market data for high quality bonds.

  Adoption of this standard has no effect on the financial statements of the Association.

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 amends AASB 101 Presentation of Financial Statements to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Note 1 Statement of Significant Accounting Policies (continued)

v. New Australian accounting standards (continued)

The Association is an industrial organisation registered under the Fair Work (Registered Organisation) Act 2009 which applies its reporting requirements. To ensure compliance the Association follows the model financial statements provided by the Registered Organisation Commission as closely as possible. Accordingly, this standard has no effect on the financial statements of the Association.

- AASB 2015-5 Amendments to Australian Accounting Standards – Investments Entities: Applying the Consolidation Exception amends AASB 10 Consolidated Financial Statements, AASB 12 Disclosure in Interests in Other Entities and AASB 128 Investments in Associates and Joint Ventures to clarify how investment entities and their subsidiaries apply the consolidation exception.

The Association does not satisfy the conditions set in paragraph 4(a) of AASB 10 Consolidated Financial Statements to exempt the Association from preparing consolidated financial statements. Accordingly, adoption of this this standard has no effect on the financial statements of the Association.

w. 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.

x. 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.

y. 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 authorised for issue on 10 October 2017 by the council of management.

Note 2 Revenue and other income

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Revenue				
Members subscriptions	5,761,788	5,503,610	5,761,789	5,503,610
Capitation fees – Income	-	-	-	-
Levies – Income	-	-	-	-
Group apprenticeship scheme	15,801,461	14,198,138	-	-
Sponsorship & commission	1,252,717	1,608,600	1,252,717	1,608,600
Training and education	17,975,376	14,086,575	17,975,376	14,086,575
Legal services and contract sales	562,707	582,211	562,707	582,211
Insurance services	1,273,561	1,045,802	1,273,561	1,045,802
Occupational health and safety services	358,460	373,203	358,460	373,203
Industrial relations services	310,181	363,080	310,181	363,080
Interest received on financial assets not at fair value through profit and loss from bank term deposits	165,019	129,387	164,768	129,153
Other revenue from operating activities	418,728	321,600	232,508	154,003
	43,879,998	38,212,206	27,892,067	23,846,237
Other income				
Management fees from controlled entities - Master Builders Association of New South Wales Pty Limited	-	-	2,991,415	3,226,799
Profit on disposal of asset	3,818	-	3,818	-
	3,818	-	2,995,233	3,226,799
Total revenue	43,883,816	38,212,206	30,887,300	27,073,036

Note 3 Surplus

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

	Consolidated Group 2017	Consolidated Group 2016	Parent Entity 2017	Parent Entity 2016
a. Expenses				
Affiliation fees				
Master Builders Association Limited.	681,964	668,017	681,964	668,017
Bad and doubtful debts				
Apprenticeship receivables	34,410	60,063	-	-
Membership receivables	(35,033)	201,802	(35,033)	202,120
Total bad and doubtful debts	(623)	261,865	(35,033)	202,120
Bad debts recovered	-	(9,091)	-	(318)
Total bad and doubtful debts charged to profit	(623)	252,774	(35,033)	201,802

Note 3 Surplus (continued)

	Consolidated Group		Parent Entity	
	2017	2016	2016	2015
	$	$	$	$
Depreciation of non-current assets				
Buildings	158,447	161,128	85,095	71,484
Plant & equipment	163,090	137,121	126,306	104,147
Total depreciation	321,537	298,249	211,401	175,631
Amortisation of tangibles – computer software	14,945	908	14,945	908
	336,482	299,157	226,346	176,539
Remuneration of auditor				
Audit fee	47,000	47,000	47,000	47,000
Accounting and tax services	33,186	35,892	33,186	35,892
	80,186	82,892	80,186	82,892

No other services were provided by the auditors of the financial statements. The auditor of Master Builders Association of New South Wales is Ure Lynam & Co.

Grants:				
Total paid that were $1,000 or less	-	-	-	-
Total paid that exceeded $1,000	-	-	-	-
	-	-	-	-
Donations:				
Total paid that were $1,000 or less	1,841	1,227	1,841	1,227
Total paid that exceeded $1,000	-	-	-	-
	1,841	1,227	1,841	1,227
Legal expenses - matters other than litigation by the Master Builders Association	362,515	493,109	362,515	491,109
Legal litigation expenses incurred	-	-		-
Rental expense on operating leases				
Minimum lease payments	408,169	452,944	408,169	452,944
Profit on sale of assets	3,818	-	3,818	-
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Capitation fees – expense	-	-	-	-
Levies expense	-	-	-	-

Note 3 Surplus (continued)

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
- Salary and wages	17,597,712	15,545,900	5,963,670	5,322,181
- Superannuation	1,757,507	1,497,779	783,425	711,083
- Leave and other entitlements	666,695	763,693	619,709	564,623
- Other employee expenses	205,398	253,844	44,813	72,382
- Separation and redundancies provided for employees	-	-		-
Total employee benefits	20,227,312	18,061,216	7,411,617	6,670,269
President's honorarium (Note i)	15,000	15,000	15,000	15,000

i. No employees are office holders of the Association. Certain council members, or entities over which council members have significant influence, provide training services on an arm's length basis – refer note 22 for details. Except for these services and the President's honorarium, no office holder received a benefit from the Association.

Note 4 Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Cash on hand	10,250	9,250	10,250	9,250
Cash at bank	2,379,101	1,748,310	1,400,469	901,401
	2,389,351	1,757,560	1,410,719	910,651

Note 5 Trade and other receivables

CURRENT				
Trade debtors				
Receivables from membership and training	3,581,358	3,942,369	3,581,358	3,942,369
Provision for impairment of membership and training				
Specific provision (Note a)	(386,584)	(458,864)	(386,584)	(458,864)
General provision (Note b)	(122,896)	(71,654)	(122,896)	(71,654)
	(509,480)	(530,518)	(509,480)	(530,518)
	3,071,878	3,411,851	3,071,878	3,411,851

Note 5 Trade and other receivables (continued)

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Receivables from apprenticeship	1,441,065	1,226,718	-	-
Provision for impairment apprenticeship				
Specific provision (Note a)	(73,505)	(76,219)	-	-
General provision (Note b)	(27,351)	(23,010)	-	-
	(100,856)	(99,229)	-	-
Receivables net of provision for impairment	1,340,209	1,127,489	-	-
Receivables net of provision for impairment	4,412,087	4,539,340	3,071,878	3,411,851
Other receivables	309,166	219,543	11,590	14,530
Total trade and other receivables net of provisions for impairment	4,721,253	4,758,883	3,083,468	3,426,381

a. Included in the provision for impairment are individually impaired trade receivables amounting to:

i. Consolidated group - $460,089 (30 June 2016: $535,083).

ii. Parent entity - $386,584 30 June 2016: $458,864).

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected receipt.

b. A general provision of gross trade debtor is made based on historical trend of uncollected trade debtors and the general economic conditions.

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
NON-CURRENT				
Amounts receivable from related entities 3 (Refer to Note 22)				
Wholly controlled entities				
- Master Builder (NSW) Limited	-	-	5,613,607	5,091,428
- Master Builders Association of New South Wales Pty Limited	-	-	2,549,450	2,270,086
	-	-	8,163,057	7,361,514
Other debtor				
MBAIS Commissions receivable	347,835	258,567	347,835	258,567
Total Trade and other receivables	347,835	258,567	8,510,892	7,620,081

Note 5 Trade and other receivables (continued)

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
c. Provision for Impairment of Receivables:				
Movement in the provision for impairment of receivables is as follows:				
Provision for impairment- opening balance	629,747	867,201	530,518	794,159
Charge for year				
Bad and doubtful debts charged/ (written back)	(623)	252,774	(35,033)	201,802
Provision for credit raised/ (written back to profit)	50,000	-	50,000	-
Bad debts written off	(68,788)	(490,228)	(36,005)	(465,443)
Provision for impairment – closing balance	610,336	629,747	509,480	530,518

Ageing of financial assets that were past due but not impaired for 2017—Consolidated

	to 30 days	31 to 60 days	61 to 90 days	90+ days	Total past due	Within Initial trade term	Total
	$	$	$	$	$	$	$
Trade receivable	-	422,841	504,029	395,967	1,322,838	3,089,249	4,412,087
Other receivables	-	-	-	-	-	657,001	657,001
Total	-	422,841	504,029	395,967	1,322,838	3,746,250	5,069,088

Ageing of financial assets that were past due but not impaired for 2016—Consolidated

	to 30 days	31 to 60 days	61 to 90 days	90+ days	Total past due	Within Initial trade term	Total
	$	$	$	$	$	$	$
Trade receivable	-	549,644	170,663	423,757	1,144,065	3,395,275	4,539,340
Other receivables	-	-	-	-	-	478,110	478,110
Total	-	549,644	170,663	423,757	1,144,065	3,873,385	5,017,450

Ageing of financial assets (other than amounts receivable from related entities) that were past due but not impaired for 2017—Parent

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total past due	Within Initial trade term	Total
	$	$	$	$	$	$	$
Trade receivable	-	185,719	414,132	262,901	862,752	2,209,126	3,071,878
Other receivables	-	-	-	-	-	359,425	359,425
Total	-	185,719	414,132	262,901	862,752	2,568,551	3,431,303

Note 5 Trade and other receivables (continued)

Ageing of financial assets (other than amounts receivable from related entities) that were past due but not impaired for 2016—Parent

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total past due	Within Initial trade term	Total
	$	$	$	$	$	$	$
Trade receivable	-	426,831	102,837	440,614	960,656	2,451,195	3,411,851
Other receivables	-	-	-	-	-	273,097	273,097
Total	-	426,831	102,837	440,614	960,656	2,724,292	3,684,948

i. In determining the recoverability of a trade receivable, the Group considers the age of the receivable, payment history and any other change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and uunrelated.

ii. The credit term is normally one month from date of invoice, except that of apprenticeship which is 7 days from date of invoice.

The following is an analysis of the trade receivables individually determined to be impaired:

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
0 to 30 days	-	-	-	-
30 to 60 days	-	-	-	-
60 to 90 days	-	20,191	-	-
90 + days	460,089	514,892	386,584	458,864
	460,089	535,083	386,584	458,864

b. Credit Risk

The Master Builders Association of New South Wales and Controlled Entities have no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk is considered to relate to the class of assets described as trade and other receivables.

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
The maximum exposure to credit risk, from receivables	5,679,424	5,647,197	3,940,783	4,215,466

Note 5 Trade and other receivables (continued)

Financial assets classified as loans and receivables

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Trade and other receivables:				
Total Current	4,721,253	4,758,883	3,083,468	3,426,381
Total Non- Current	347,835	258,567	8,510,892	7,620,081
	5,069,088	5,017,450	11,594,360	11,046,462

Note 6 Other Financial assets

CURRENT				
Held to maturity investments- bank term deposits	7,347,655	5,032,391	7,347,655	5,032,391
NON-CURRENT				
Unlisted investments at cost				
MBA Insurance Services Pty Ltd	140,000	140,000	90,000	90,000
Investment in related entity-				
Comet Training Trust – at cost (note a)	1	1	-	-
Percentage owned: 50% (2016:50%)				
	140,001	140,001	90,000	90,000

a) Comet Training Trust provides accredited training for the building and construction industry. It is a non-profit entity. No returns/dividends are made to the Association. The Association has a 50% interest in this organization. The other 50% interest is held by the Construction Forestry Mining and Energy Union (CMFEU).

The Board of Comet consists of 3 Directors. The Association and CMFEU both can appoint one director. There is an independent Director. Accordingly, the Association cannot control Comet and has not consolidated Comet.

Note 7 Controlled entities

	Country of Incorporation	Percentage controlled	
		2017	2016
Master Builders (NSW) Limited	Australia	100%	100%
Master Builders Association of New South Wales Pty Limited	Australia	100%	100%

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities of the Association.

Note 8 Inventories

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Stock of publications at cost	127,635	149,972	127,635	149,972
Stock of clothing at cost	5,469	6,623	5,469	6,623
Total stock at cost	133,104	156,595	133,104	156,595

Note 9 Other assets

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Prepayments	923,843	636,906	923,844	636,906

Note 10 Property, plant & equipment

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Freehold land at fair value	9,478,000	8,828,000	5,978,000	3,928,000
Buildings at fair value	7,957,602	7,754,771	1,707,602	4,254,771
Less accumulated depreciation	-	(313,412)	-	(130,783)
Total buildings	7,957,602	7,441,359	1,707,602	4,123,988
Total land and buildings	17,435,602	16,269,359	7,685,602	8,051,988
Paintings at cost	53,313	53,313	53,313	53,313
Plant and equipment at cost	2,639,947	2,489,974	2,272,121	2,114,169
Less accumulated depreciation	(2,046,887)	(1,889,228)	(1,796,480)	(1,675,605)
Total plant and equipment	593,060	600,746	475,641	438,564
Total property, plant & equipment	18,081,975	16,923,418	8,214,556	8,543,865

The freehold land and buildings were valued by independent valuers in February 2017. The Council considered the highest and best use of the properties to be their current use – that of conducting the business of the entity. Councilors based their value on:

Note 10 Property, plant & equipment (continued)

i. For the entity's premises located at: 52 Parramatta Road Forest Lodge NSW 2038 ($9,750,000), 5 Burbank Place Baulkham Hills NSW 2153 ($6,500,000) and 1/171 Princes Highway, Ulladulla NSW 2529 ($530,000), an independent valuation made on 16 February 2017 17 February 2017 and 28 February 2017 respectively. The independent valuation was based on sales per square meter of building area sold achieved by observable sales of similar properties in similar areas and applying that rate to the building area of the company's property.

A significant increase (decrease) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

ii. For the entity's premise, 30 De-Havilland Crs, Ballina, NSW 2478 cost of acquisition of $600,723. This property was acquired 31 January 2016. Having regard to the recent purchase Councilors considered the cost of acquisition represented the price that would be received for a sale between willing participants at 30 June 2017.

(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 1 July 2015	8,360,000	7,441,901	50,195	601,003	16,453,099
Additions	468,000	160,586	3,118	136,864	768,568
Depreciation expense	-	(161,128)	-	(137,121)	(298,249)
Balance at 30 June 2016	8,828,000	7,441,359	53,313	600,746	16,923,418
Additions	-	455,629	-	48,187	503,816
Depreciation expense	-	(158,446)	-	(163,088)	(321,534)
Reclassification	-	(107,215)	-	107,215	-
Independent valuation 2017	650,000	326,275	-	-	976,275
Balance at 30 June 2017	9,478,000	7,957,602	53,313	593,060	18,081,975
Parent Entity					
Balance at 1 July 2015	3,460,000	4,034,886	50,195	421,345	7,966,426
Additions	468,000	160,586	3,118	121,366	753,070
Depreciation expense	-	(71,484)	-	(104,147)	(175,631)
Balance at 30 June 2016	3,928,000	4,123,988	53,313	438,564	8,543,865
Additions	-	56,109	-	48,187	104,296
Depreciation expense	-	(85,095)	-	(126,308)	(211,403)
Reclassification	-	(115,197)	-	115,197	-
Independent valuation 2017	2,050,000	(2,272,202)	-	-	(222,202)
Balance at 30 June 2017	5,978,000	1,707,602	53,313	475,641	8,214,556

Note 11 Intangibles

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Intangibles – computer software at cost	725,526	322,120	725,526	322,120
Less accumulated amortisation	(15,852)	(908)	(15,852)	(908)
	709,674	321,212	709,674	321,212

(a) Movements in Carrying Amounts

Movement in the carrying amounts for intangibles – computer software between the beginning and the end of the current financial year.

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Carrying amount at beginning of the year	321,212	-	321,212	-
Additions	403,407	322,120	403,407	322,120
Amortisation expense	(14,945)	(908)	(14,945)	(908)
Carrying amount at the end of the year	709,674	321,212	709,674	321,212

Note 12 Trade and other payables

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
CURRENT	$	$	$	$
Trade creditors and accruals	1,293,879	1,347,596	1,102,870	1,146,134
Other payables	1,011,160	1,381,684	385,355	746,073
Total trade and other payables	2,305,039	2,729,280	1,488,225	1,892,207

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is paid on overdue amounts.

Note 12 Trade and other payables (continued)

Other payables

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Wages and salaries	-	-	-	-
Superannuation	-	296,268	-	-
Consideration to employers for payroll deductions	-	-	-	-
Legal costs	-	-	-	-
GST (recoverable)/ payable	518,131	432,245	118,874	198,209
Other	493,029	653,171	266,481	547,864
Total other payables	1,011,160	1,381,684	385,355	746,073

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Total other payables are expected to be settled in:				
No more than 12 months	1,011,160	1,381,684	385,355	746,073
More than 12 months	-	-	-	-
Total other payables	1,011,160	1,381,684	385,355	746,703

Financial liabilities at amortised cost classified as trade and other payables				
Total trade and other payables	2,305,039	2,729,280	1,488,225	1,892,207
GST receivable/(payable)	(420,088)	(432,245)	(64,116)	(76,272)
Financial liabilities as trade and other payables	1,884,951	2,297,035	1,424,109	1,815,935

Note 13 Deferred revenue

CURRENT				
Membership income received in advance	2,968,285	3,264,764	2,968,285	3,264,764
Other deferred income	518,706	-	518,706	-
Total	3,486,991	3,264,764	3,486,991	3,264,764

Note 14 Employee benefits

Employees other than office holders:				
Annual leave	1,102,056	1,070,764	427,553	477,302
Long service leave	647,468	649,447	647,468	649,447
Separations and redundancies	-	-	-	-
Other	-	-	-	-
Subtotal employee provisions—employees other than office holders	1,749,524	1,720,211	1,075,021	1,126,749
Total employee benefits	1,749,524	1,720,211	1,075,021	1,126,749

Note 14 Employee benefits (continued)

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Current	1,564,037	1,503,774	889,534	910,312
Non-Current	185,487	216,437	185,487	216,437
Total employee benefits	1,749,524	1,720,211	1,075,021	1,126,749

Except for the President honorarium disclosed in Note 3 officeholders are not entitled to benefits from the entity. Accordingly, no provision for employee benefits for office holders has been made.

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(i).

Note 15 Unearned grant

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Grants stream 1 and stream 2	350,000	-	350,000	-
NON-CURRENT				
Grants stream 2	150,000	-	150,000	-
Total grants unearned	500,000	-	500,000	-

The Association received a grant from Skills and Economic Development, Department of Industry of $500,000:

- for the digital promotion of Apprenticeship/Traineeship and Careers in Building Construction Industry (Stream 1- $200,000); and
- establishing Apprenticeship and Careers Advisory Service (Stream 2- $300,000). This project period will run for 2 years from signing the deed at end of June 2017.

Note 16 Reserve

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

Note 17 Financial Instruments

Note 17A Net Income and Expense from Financial Assets

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Held-to-maturity				
Interest revenue	165,019	129,387	164,768	129,153
Net gain/(loss) held-to-maturity	165,019	129,387	164,768	129,153
Loans and receivables				
Impairment	623	(252,774)	35,033	(201,802)
Net gain/(loss) from loans and receivables	623	(252,774)	35,033	(201,802)
Net income from financial assets not at fair value from profit and loss	165,642	(123,387)	199,801	(72,649)

Note 17B Net Income and Expense from Financial Liabilities

At amortised cost				
Interest expense	(114,411)	(119,037)	(84,210)	(96,603)
Net expense from financial liabilities not at fair value from profit and loss	(114,411)	(119,037)	(84,210)	(96,603)

a) Liquidity Risk

Prudent liquidity risk management is carried out by maintaining sufficient cash including working capital and unused bank debt. The following tables detail the economic entity's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the economic entity can be required to pay. The table includes both interest and principal cash flows.

Maturities for financial liabilities 2017 – Consolidated

	Weighted average effective interest rate	<0–1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Non-interest bearing	-	1,884,951	-	-	-	1,884,951
Variable interest rate		-	-	-	-	-
Total		1,884,951	-	-	-	1,884,951

Note 17 Financial Instruments (continued)

a) Liquidity Risk (continued)

Maturities for financial liabilities 2016 – Consolidated

	Weighted average effective interest rate	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Non-interest bearing	-	2,297,035	-	-	-	2,297,035
Total		2,297,035	-	-	-	2,297,035

Maturities for financial liabilities 2017 – Parent

	Weighted average effective interest rate	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Non-interest bearing	-	1,424,109	-	-	-	1,424,109
Total	-	1,424,109	-	-	-	1,424,109

Maturities for financial liabilities 2016 – Parent

	Weighted average effective interest rate	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Non-interest bearing	-	1,815,935	-	-	-	1,815,935
Total	-	1,815,935	-	-	-	1,815,935

b) Market Risk

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. The economic entity's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

The consolidated and parent entity's sensitivity to interest rates has increased during the current period mainly due to the settlement of all bank borrowings.

Note 17 Financial Instruments (continued)

b) Market Risk (continued)

An increase or decrease of 50 interest basis points would increase or decrease consolidated Surplus and equity by $36,738 (2016: $26,512) and for the parent entity Surplus and equity by $36,738 (2016: $26,512).

Credit Risk
Refer to Note 5b for details of the credit risk.

Price risk
The economic entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The economic entity does not actively trade these investments. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

c) Foreign Currency Risk Management

The economic entity does not undertake transactions denominated in foreign currencies, and consequently exposures to exchange rate fluctuation will not arise.

d) Fair Value

Assets and liabilities, fair values approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

Financial assets where carrying amounts exceed net fair values have not been written down as the company intends to hold these to maturity.

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

e) Capital Risk Management

The economic entity manages its capital to ensure that the economic entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The economic entity's overall strategy remains unchanged. The economic entity is not exposed to any externally imposed capital requirements.

Note 18 Fair value measurement

The Association measures freehold land and buildings at fair value on a non-recurring basis.

Management of the Association assessed that the fair value of:
- cash, trade and other receivables, other financial assets, trade and other payables approximate their carrying amounts largely due to the short term maturities of these instruments.
- loans and borrowings approximate their carrying amounts as the interest rate charged is variable monthly to the current market rate.

Land and buildings are valued using the fair value hierarchy Level 2 (refer note 1(t) for the definition of Level 2) - refer to note 10 for details of the valuation techniques and inputs.

Note 19 Capital & leasing commitments

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised				
Motor vehicles and office equipment				
- Not later than 1 year	99,347	136,954	99,347	136,954
- Later than 1 year but not later than 5 years	12,024	80,781	12,024	80,781
	111,371	217,735	111,371	217,735
Property				
- Not later than 1 year	176,015	173,615	176,015	173,615
- Later than 1 year but not later than 5 years	114,661	91,565	114,661	91,565
	290,676	265,180	290,676	265,180
Total operating lease commitments	402,047	482,915	402,047	482,915

The leases are for various motor vehicles with a term of 3 to 4 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.

Property leases are non-cancellable leases of terms ranging from month to month to five years. Rent is 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 subletting of all lease areas.

Note 20 Contingent liabilities

At 30 June 2017 there were no contingent liabilities of the consolidated entity or the Association.

Note 21 Events subsequent to reporting date

There have been no events after 30 June 2017 which will have a significant effect on the operations of the Association and Controlled Entities.

Note 22 Segment reporting

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

Note 23 Related party transactions

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	$	$	$	$
Transactions with related parties				
With controlled entities				
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	-	-	2,137,342	2,700,552
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	-	-	474,708	526,248
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)
With key management personnel				
Office holders being members of the council of management				
The Association contracts with the following council members over which a council member has significant interest for the provision of training services / office accommodation on an arm's length basis.				
Amounts paid during the period are as follows:				
MKO Consulting Pty Ltd (Michael O'Donnell) – training	156,399	43,971	156,399	43,971
Stanton Building Contract Services (Louis Stanton) - training	29,442	17,118	29,442	17,118
Laby Building (John Laby) – training	924	2,640	924	2,640
Ross Finnie (Trew Enterprises Pty Ltd) - training	4,500	-	4,500	-
John Dela Cruz (Contracts Specialist) – office accommation	18,200	-	18,200	-

Note 23 Related party transactions (continued)

	Consolidated Group 2017 $	Parent Entity 2016 $	Consolidated Group 2017 $	Parent Entity 2016 $
Amounts owed by/(to) related parties				
Wholly controlled entities: refer note 5				
Key management personnel:				
Laby Building (John Laby)	-	(110)	-	(110)
Stanton Building Contract Services (Louis Stanton)	-	(2,230)	-	(2,230)
MKO Consulting Pty Ltd (Michael O'Donnell)	-	(5,143)	-	(5,143)

Terms and conditions of transactions with related entities

Administrative functions are charges to related entities to recover costs incurred.

Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash.

The Master Builders (NSW) Limited has provided a letter to The Master Builders Association of New South Wales Pty Limited whereby Master Builders (NSW) Limited advises it will provide ongoing financial support if needed to allow the Master Builders of New South Wales Pty Limited to pay its debts as and when they fall due. Except for this letter there have been no guarantees provided or received for any related party receivables or payables.

The Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: $nil) for the year ended 30 June 2017. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 24 Cash flow information

Reconciliation of cash flow from operations

Surplus/(Loss) for the period	3,505,584	3,680,620	3,435,761	4,197,192
Adjustment for:				
Depreciation and amortisation	336,480	299,157	226,346	176,539
Loss on valuation of land and property			205,753	
(Profit) on sale of plant & equipment	(3,818)	-	(3,818)	-
Operating Surplus before changes in working capital and provisions	3,838,246	3,979,777	3,864,042	4,373,731
Decrease/(increase) in trade & other receivables	(51,638)	(1,245,396)	253,644	(459,026)
Decrease/(increase) in inventories	23,491	(10,768)	23,491	(10,768)
Decrease/(increase) in other assets	(286,937)	204,100	(617,501)	(50,008)
Increase/(decrease) in trade & other payables	(424,242)	(15,366)	(403,981)	(293,779)
Increase/(decrease) in deferred revenue	222,226	(36,673)	552,791	(36,673)
Increase/(decrease) in employee benefits	29,313	201,135	(51,728)	(49,332)
Increase/(decrease) in unearned grants	500,000	-	500,000	-
Non-cash loans to wholly controlled entities	-	-	(2,991,415)	(3,226,800)
Cash flows from operations	3,850,459	3,076,809	1,129,343	247,345

Note 25 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	
	2017	2016	2017	2016
	$	$	$	$
Short-term employee benefits				
Salary (including annual leave taken)	654,528	775,780	654,528	775,780
Fringe benefit	58,215	74,398	58,215	74,398
Total short-term employee benefits	712,743	850,178	712,743	850,178
Post-employment benefits - Superannuation	90,140	147,881	90,140	147,881
Other long-term benefits- Long-service leave	-	62,648	-	62,648
Total	802,883	1,060,707	802,883	1,060,707

No loans or transactions other than the above occurred with key management personnel.

Note 26 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	
		2017	2016	2017	2016
		$	$	$	$
Financial assets					
Cash and cash equivalents	4	2,389,351	1,757,560	1,410,719	910,651
Trade and other receivables	5	5,069,088	5,017,450	11,594,360	11,046,462
Held to maturity financial assets	6	7,347,655	5,032,391	7,347,655	5,032,391
Other financial assets	6	140,001	140,001	90,000	90,000
Total financial assets		14,946,095	11,947,402	20,442,734	17,079,504
Financial liabilities at amortised cost					
Trade and other payables	12	1,884,951	2,297,035	1,424,109	1,815,935
Total financial liabilities		1,884,951	2,297,035	1,424,109	1,815,935

Note 27 Recovery of Wages

No recovery of wages activity has been undertaken by the Master Builders Association of New South Wales in the financial year to 30 June 2017, the previous financial year and the period from 30 June 2017 to the date of this report

Note 28 Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of Section 272, which reads as follows:

Information to be provided to members or Commissioner:

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 29 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 96 550 042 906

COUNCIL OF MANAGEMENT STATEMENT

On 10 October 2017 the Council of Management of Master Builders Association of New South Wales passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Council of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Master Builders Association of New South Wales for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Master Builders Association of New South Wales will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

  (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;

  (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 RO Act;

  (iv) the Master Builders Association of New South Wales consists of one reporting units;

  (v) no member of the Master Builders Association of New South Wales or Commissioner has made a request for information under section 272 of the RO Act; and

  (vi) no order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Council Member

Ross Mitchell

Council Member

Martin Patience

Dated at Sydney 10 October 2017

Ure Lynam & Co Chartered Accountants

1st Floor, 1 Jamison Street Sydney NSW 2000
GPO Box 3904 Sydney NSW 2001
Telephone 02 9299 8977
Fax 02 9262 4644

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

Report on the Financial Report

Opinion

I have audited the financial report of Master Builders Association of New South Wales and Controlled Entities (the association) (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Master Builders Association of New South Wales and Controlled Entities as at 30 June 2017 and its financial performance and its cash flows for the year ended on that date in accordance with:

a) Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Ure Lynam & Co Chartered Accountants
1st Floor, 1 Jamison Street Sydney NSW 2000
GPO Box 3904 Sydney NSW 2001
Telephone 02 9299 8977
Fax 02 9262 4644

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

1st Floor, 1 Jamison Street Sydney NSW 2000
GPO Box 3904 Sydney NSW 2001
Telephone 02 9299 8977
Fax 02 9262 4644

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a Fellow of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

Ure Lynam & Co
Chartered Accountants

Robert K Hunter
Principal
Fellow of the Institute of Chartered Accountants in Australia
Holder of a Current Practicing Certificate
Registered Company Auditor number 3990

Level 1 Jamison Street
Sydney, NSW 2000

GPO Box 3904
Sydney NSW 2001

13 March 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2018/2