



19 October 2015

Executive Director
Master Builders' Association of Tasmania Inc.
headoffice@mbatas.org.au

CC: Wise Lord & Ferguson, Attn: Harvey Gibson by email: email@wlf.com.au

Dear Executive Director,

**Master Builders' Association of Tasmania Inc.
Financial Report for the year ended 30 June 2015 - [FR2015/203]**

I acknowledge receipt of the financial report of the Master Builders' Association of Tasmania Inc.. The documents were lodged with the Fair Work Commission on 24 September 2015.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for training which appears to be a material revenue stream has not been disclosed. Please disclose accounting policies for all material revenue streams in next year's report.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

While I note that the report states that none of the officers are paid, this does not address the existence of key management personnel who are not officers.

A key management personnel note normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Please ensure next year's report includes a key management personnel note.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Note 4 discloses that \$200 was paid in donations but does not provide information on grants. Please note item 17 of the reporting guidelines requires a statement to be made if any of these categories are NIL, this may be done in the notes or as a NIL line item.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by 'litigation' and by 'other legal matters'. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. This can be done as a note or a NIL line item. I note that for litigation and other legal matters no such disclosure has been made. Please ensure next year's report includes a line item for 'litigation' and 'other legal matter' payables.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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catherine.bebbington@fwc.gov.au

www.fwc.gov.au

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC

s.268 *Fair Work (Registered Organisations) Act 2009*


CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30th June, 2015

I *Craig Edmunds* being the *President* of the *Master Builders' Association of Tasmania Inc.* certify:

- that the documents lodged herewith are copies of the full report for the *Master Builders' Association of Tasmania Inc.* for the period ended 30th June, 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 27th August, 2015; and
- that the full report was presented to a *general meeting of members (AGM)* of the reporting unit on 18th September, 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Craig Edmunds

Title of prescribed designated officer:

President

Dated: 24th September, 2015

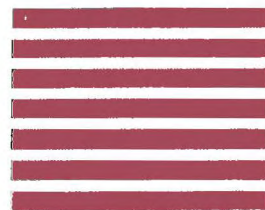


MASTER BUILDERS
T A S M A N I A

The Master Builders Association of Tasmania

Financial Statements

**For the year ending
30 June 2015**



Wise Lord & Ferguson
Chartered Accountants
advice to advantage





Wise Lord & Ferguson
Chartered Accountants
advice to advantage

Independent auditor's report to the members of The Master Builders Association of Tasmania

We have audited the accompanying general purpose financial report of the Master Builders Association of Tasmania (the Association) for the year ended 30 June 2015, which comprises the Statement of Financial Position, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cashflow, notes comprising a summary of significant accounting policies, other explanatory information and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The Association's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Association's constitution and with the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.



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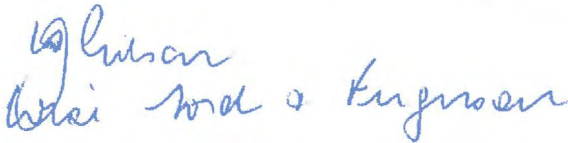
Partners: Harvey Gibson, Danny McCarthy, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck,
Ian Wheeler, Dean Johnson, Marg Marshall, Paul Lyons, Alicia Leis, Nick Carter
Managers: Melanie Richardson, Simon Jones, Trent Queen, Rachel Burns, Nathan Brereton,
Melissa Johnson, Donna Powell, Rebecca Meredith, Naomi Norman, Maryellen Salter
Consultant: Peter Beven

Going Concern

In conducting our audit we conclude that management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate in preparation of the Master Builders Association of Tasmania accounts.

Opinion

In our opinion the general purpose financial report is presented fairly, in all material respects, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.



Handwritten signature of H J Gibson, with the firm name 'Wise Lord & Ferguson' written below it.

H J GIBSON
PARTNER
WISE LORD & FERGUSON

Date: 27 August 2015

Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30th June, 2015

The committee presents its report on the reporting unit for the financial year ended 30th June, 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

- *The principal activities of the Association are to provide benefits to its members*
- *The Association is active in seeking to improve the conditions under which the building industry operates*
- *The Association is a non-political and non-profit organisation set up to safeguard and promote the interests of its members in their business of building and construction contracting*
- *The Association assists its members in the execution of their work and encourages and promotes a high standard of workmanship and integrity in the building industry*

During the year there were no significant changes in the nature of the above activities.

Significant changes in financial affairs

During the year there have been no significant changes in the financial affairs of the Association.

Right of members to resign

Rule 9 of the Association's Constitution deals with right of members to resign:

9 - RESIGNATION OF MEMBERS

- (a) *Any Member may resign from membership by written notice via letter, email or facsimile addressed to the Executive Director.*
- (b) *A notice of resignation from membership of the Association takes effect:*
 - (i) *where the member ceases to be eligible to become a member of the Association;*
 - (a) *on the day on which the notice is received by the Association; or*
 - (b) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;**whichever is later; or*
 - (ii) *In any other case:*
 - (a) *at the end of 2 weeks after the notice is received by the Association; or*
 - (b) *on the day specified in the notice;**whichever is later.*
- (c) *Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.*
- (d) *A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.*

- (e) *A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-section (a).*

A notice of resignation from membership of the Association is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

Not applicable

Number of members

Membership Numbers: 531 as at 30th June 2015

Number of employees

The Association employed ten (10) staff as at 30th June 2015.

Names of Committee of Management members and period positions held during the financial year

President & Northern Regional Representative

Mr C Edmunds

Elected: 2014 Tenure expires: 2016 Resigned: n/a

Vice President & Southern Regional Representative

Mr L Fenton

Elected: 2014 Tenure expires: 2016 Resigned: n/a

Treasurer & Co-opted Extraordinary Board Member

Mr D Moody

Elected: 2014 Tenure expires: 2016 Resigned: n/a

State Councillor & North West Regional Chairman

Mr D Gates

Elected: 2014 Tenure expires: 2016 Resigned: n/a

State Councillor & Northern Regional Chairman

Mr T Streefland

Elected: 2014 Tenure expires: 2016 Resigned: n/a

State Councillor & Southern Regional Chairman

Mr R Oakes

Elected: 2014 Tenure expires: 2016 Resigned: n/a

State Councillor & Southern Regional Representative

Mr D Reid

Elected: 2014 Tenure expires: 2016 Resigned: n/a

State Councillor & North West Regional Representative

Mr W Licht

Elected: 2014

Tenure expires: 2016

Resigned: n/a

State Councillor & North West Regional Representative

Mr S Davidson

Elected: 2014

Tenure expires: 2016

Resigned: n/a

State Councillor and Northern Regional Representative

Mr A Kilpatrick

Elected: 2014

Tenure expires: 2016

Resigned: n/a

State Councillor (Ex officio/Immediate Past President)

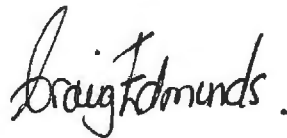
Mr T Mead

Elected: 2013

Tenure expires: 2016

Resigned: n/a

Signature of designated officer:



Name and title of designated officer: Craig Edmunds - President

Dated: 21st August, 2015

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30th June, 2015

On the 14th August, 2015 the *Committee of Management of Master Builders' Association of Tasmania Inc.* passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2015:

The *Committee 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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (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.

Signature of designated officer:



Name and title of designated officer: David Moody - Treasurer

Dated: 14th August, 2015

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
REVENUE	3	1,701,238	1,795,043
TOTAL INCOME		<u>1,701,238</u>	<u>1,795,043</u>
EXPENSES			
Depreciation Expense	4	57,923	96,380
Employee Expenses	4	559,714	656,086
Other Expenses	4	1,044,753	1,230,673
TOTAL EXPENSES		<u>1,662,390</u>	<u>1,983,139</u>
PROFIT / (LOSS) FOR THE YEAR		<u>38,848</u>	<u>(188,096)</u>
OTHER COMPREHENSIVE INCOME			-
TOTAL COMPREHENSIVE INCOME / (LOSS)	11	<u>38,848</u>	<u>(188,096)</u>

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5	446,226	402,715
Prepayments		19,991	1,508
Inventories		19,986	11,742
Trade Receivables	6	145,824	122,401
TOTAL CURRENT ASSETS		632,027	538,366
NON-CURRENT ASSETS			
Investment in MBAIS	18	120,000	120,000
Property, Plant & Equipment	7	1,550,672	1,592,038
Investment Properties	8	3,141,960	3,141,960
TOTAL NON-CURRENT ASSETS		4,812,632	4,853,998
TOTAL ASSETS		5,444,659	5,392,364
CURRENT LIABILITIES			
Trade Payables	9(a)	98,408	90,886
Income Received in Advance		91,058	47,108
Employee Entitlements	10	91,355	112,520
Other Liabilities	9(b)	4,101	20,961
TOTAL CURRENT LIABILITIES		284,922	271,475
TOTAL LIABILITIES		284,922	271,475
NET ASSETS		5,159,737	5,120,889
EQUITY			
Accumulated Funds & Reserves	11	5,159,737	5,120,889

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	RESERVES	ACCUMULATED FUNDS	TOTAL EQUITY
	\$	\$	\$
Balance as at 30 June 2013	708,083	4,600,902	5,308,985
Profit / (Loss) for the year	-	(188,096)	(188,096)
Balance as at 30 June 2014	708,083	4,412,806	5,120,889
Profit / (Loss) for the year	-	38,848	38,848
Balance as at 30 June 2015	708,083	4,451,654	5,159,797

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from trading		1,702,537	1,792,580
Interest received		10,984	13,357
Cash used			
Payments to suppliers & employees		(1,644,236)	(1,872,398)
Net cash from (used by) operating activities	13(b)	69,285	(66,461)
INVESTING ACTIVITIES			
Cash received			
Disposal of equipment		15,804	-
Cash used			
Purchase of equipment and investment properties		(32,362)	(7,297)
Repayment of loan from MBAIS		(9,216)	(12,925)
Net cash from (used by) investing activities		(25,614)	(20,222)
Net increase (decrease) in cash held			
43,511 (86,683)			
Cash & cash equivalents at the beginning of the reporting period			
402,715 489,398			
Cash & cash equivalents at the end of the reporting period			
	13(a)	446,226	402,715

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and 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*. For the purpose of preparing the general purpose financial statements, the Master Builders' Association of Tasmania is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

(b) Trade Receivables

Receivables include amounts where settlement has not yet occurred. Receivables are recognised and carried at original invoice amount less a provision for uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that collection of the debt is no longer probable. Bad debts are written off as incurred.

(c) Inventories

Inventories are valued at the lower of cost or net realisable value.

(d) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks including deposits held with a bank or financial institution.

(e) Trade Payables & Other Liabilities

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(f) Property, Plant and Equipment

Valuation

All classes of property, plant and equipment are valued at cost, except for the investment properties which are valued under *AASB140 Investment Properties* as noted below.

Depreciation

Land is not depreciated. Depreciation of items of Equipment and Motor Vehicles is calculated on the reducing balance method in order to write the assets off over their useful life. Depreciation on Buildings is calculated on a straight line basis at 2%.

Major depreciation periods are:	2015	2014
Motor vehicles	4 – 5 years	4 - 5 years
Plant and Equipment	2.5 – 11 years	2.5 - 11 years
Buildings	50 years	50 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. An impairment exists when the carrying value of an asset exceeds its recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in profit and loss unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a devaluation in accordance with the relevant standard.

(g) Investment Properties

The property purchased during the 2010 year, 116 Bathurst Street Hobart, is considered an investment property and is governed by *AASB140 Investment Properties*. Within *AASB140 Investment Properties*, the cost model was originally adopted. Under the cost model, the asset is valued at cost and is not depreciated. During the 2012 year the fair value model was adopted to replace the cost model. Details regarding the fair value of the asset at balance sheet date are disclosed in the notes to the financial statements. Refer note 8.

During the 2011 year the fair value model of *AASB140 Investment Properties* was adopted for the Canning Street property. Transfers of buildings to investment properties can only occur under the fair value model and not the cost model as used for the purchase of the Bathurst Street property. Under the fair value model the asset is valued at fair value and is not depreciated. Any changes to the fair value of investment properties are recognised in profit and loss in the period in which they occur.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(h) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Subscriptions

Subscription income is recognised when the member invoice is generated.

Interest

Interest income is recognised as it accrues.

Sale of Goods

Control of the goods has passed to the buyer.

Property Income

Property income is recognised as it accrues.

(i) Taxes

The provision for income tax is not necessary as "Employers' Associations" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(j) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, long service leave and annual leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The amounts expected to be paid to employees for their pro-rata entitlements for long service leave are accrued annually at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The pro-rata liability for long service leave is recognised after completion of seven years service. The provision for long service leave has not been calculated in accordance with AASB 119 *Employee Benefits* due to the small number of staff members and the consequent impracticality of applying the discounting methodology. The method applied is consistent with prior years.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirement of the *Fair Work (Registered Organisations) Act 2009* the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 of that Act, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
3. REVENUE		
Associate Specialist Contractor	88,845	85,913
Associate Supplier Exchange	15,229	14,740
Documents	11,725	12,859
Fee for Service	8,450	8,957
Insurance Sales & Commission	142,579	124,492
Interest Income	10,984	13,357
Profit on Sale of Fixed Assets	1,869	-
Subscriptions	340,818	314,178
Training	451,813	463,408
Property Income	387,204	391,122
Pathways Program Income	56,636	56,055
Housing Awards/Annual Dinner Income	102,206	108,785
Trade Shows	-	94,175
Sensis Advertising Income	37,527	39,012
Marketing Income	4,569	12,209
Other Functions	10,725	2,283
Building Journal	17,543	41,851
Sundry Revenue	12,516	11,647
Total Revenue	1,701,238	1,795,043

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
4. EXPENSES		
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	19,250	25,421
Buildings	19,348	19,348
Motor Vehicles	19,325	51,611
Total Depreciation of Non-Current Assets	57,923	96,380
<i>Employee Expenses</i>		
Wages and Salaries	466,481	523,886
Superannuation	49,211	62,927
Leave and Other Entitlements	44,022	69,273
Total Employee Expenses	559,714	656,086
<i>Other Expenses</i>		
Accounting & Audit	5,675	6,009
Advertising	3,416	3,368
Regional Annual Dinner Expenses	11,551	14,100
Bad Debts	(616)	-
Bank Charges	1,407	2,108
Building Journal Expenses	24,857	53,030
Catering & Meeting Costs	21,119	32,724
Consultancies	13,875	7,933
Cost of Goods Sold	(8,244)	8,914
Documents	12,609	8,027
Donations	200	300
Federal Subscriptions	90,384	89,665
Housing Awards/Annual Dinner Expense	98,518	91,875
Housing Guarantee Scheme	-	800
Insurances	29,249	30,073
Light & Power	49,843	56,766
Loss On Sale of Fixed Asset	2,200	-
Office Rental	3,000	3,000
Pathways Program Expenditure	20,525	20,774
Postage & Stamps	2,859	4,402
Printing and Photocopying	2,453	2,762
Property Expenses- Rates	79,603	77,271
Property/Office Equipment Maintenance	53,217	52,739
Sensis Expenses	30,915	32,943
Telephone	36,699	38,029
Trade Shows	670	82,072
Training	360,483	411,111
Travel, Meals & Accommodation	25,259	31,162
Vehicle Running	15,001	22,599
Sundry Expenses	58,026	46,117
Total Other Expenses	1,044,753	1,230,673

Ha THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
5. CASH & CASH EQUIVALENTS		
Cash on Hand	1,500	1,500
Commonwealth Trading Bank	163,742	131,215
Cash Investment	261,088	250,568
Commonwealth At Call	19,896	19,432
Total Cash & Cash Equivalents	446,226	402,715
6. TRADE RECEIVABLES		
Trade Receivables	148,172	127,196
Provision for Doubtful Debts	(2,348)	(4,795)
Total Trade Receivables	145,824	122,401
(a) Terms and Conditions		
Terms and conditions relating to the above financial instruments:		
(i) Trade debtors are non-interest bearing and generally on 30 day terms.		
7. PROPERTY, PLANT & EQUIPMENT		
Land & Buildings	1,550,272	1,550,272
Less: Accumulated Depreciation – Buildings	(140,786)	(121,438)
	1,409,486	1,428,835
Plant & Equipment	499,377	506,274
Less: Accumulated Depreciation	(446,633)	(438,224)
	52,744	68,050
Motor Vehicles	183,775	229,284
Less: Accumulated Depreciation	(95,333)	(134,131)
	88,442	95,153
Total Property, Plant & Equipment	1,550,672	1,592,038

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
7. PROPERTY PLANT & EQUIPMENT – CONTINUED		
(a) Reconciliations		
<i>Land & Buildings</i>		
Opening Written Down Value	1,428,835	1,448,183
Less Depreciation	<u>(19,349)</u>	<u>(19,348)</u>
Closing Written Down Value	1,409,486	1,428,835
 <i>Plant & Equipment</i>		
Opening Written Down Value	68,050	87,981
Add Purchases	4,985	5,490
Less Disposals	(1,041)	-
Less Depreciation	<u>(19,250)</u>	<u>(25,421)</u>
Closing Written Down Value	52,744	68,050
 <i>Motor Vehicles</i>		
Opening Written Down Value	95,153	144,959
Add Purchases	27,537	1,807
Less Disposals	(14,923)	-
Less Depreciation	<u>(19,325)</u>	<u>(51,611)</u>
Closing Balance	88,442	95,153

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

		2015 \$	2014 \$
8. INVESTMENT PROPERTIES			
116 Bathurst Street, Hobart	(b)	2,091,960	2,091,960
55 Canning Street, Launceston	(c)	1,050,000	1,050,000
Total Investment Properties		3,141,960	3,141,960
(a) Reconciliation			
<i>Investment Properties</i>			
Opening Fair Value		3,141,960	3,141,960
Closing Fair Value		3,141,960	3,141,960

(b) 116 Bathurst Street Hobart

During the 2010 financial year The Master Builders Association of Tasmania purchased an investment property at 116 Bathurst Street, Hobart. It has been recorded in the accounts under the cost model of AASB140 as per policy in note 1(g).

A valuation was performed at 30 June 2010 by Brothers & Newton – Opteon property valuers, and two valuations were advised based on occupancy levels. When fully occupied the fair value of the 116 Bathurst St property is \$2,700,000.

During the 2012 financial year The Master Builders Association of Tasmania moved offices and now occupies level 5 of 116 Bathurst Street. Adjustment was therefore required to the classification of the property to ensure only the unoccupied portion is recognised as an investment property. The value of the property has been allocated accordingly based on the government valuation obtained on 12 December 2011.

	\$
Total value of 116 Bathurst Street:	<u>2,700,000</u>
Occupied Building Value:	180,160 (Depreciable)
Occupied Land Value:	427,880 (Not depreciable)
Investment Property Value:	2,091,960 (Not depreciable)

(c) 55 Canning Street Launceston

During the 2011 financial year the recognition of the 55 Canning Street property changed to an investment property. It has been recorded in the accounts under the fair value model of AASB140. The most recent valuation was a government valuation performed on 29 September 2010. The fair value at that date was determined to be \$1,050,000 and this is the value recorded on the balance sheet.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
9. TRADE PAYABLES & OTHER LIABILITIES		
(a) Trade Payables		
Trade Payables	(c) 97,283	53,547
GST Liability	1,125	37,339
Total Trade Payables	98,408	90,886
(b) Other Liabilities		
MBAIS Shareholdings Loan	-	9,216
Sundries	4,101	11,745
Total Other Liabilities	4,101	20,961
(c) Terms and Conditions		
Terms and conditions relating to the above financial instruments:		
(i) Trade creditors are non-interest bearing and normally settled on 30 day terms.		
10. EMPLOYEE ENTITLEMENTS		
The aggregate employee entitlement liability is comprised of:		
Provision for Annual Leave	23,831	45,399
Provision for Long Service Leave	67,524	67,121
Total Employee Entitlements	91,355	112,520
There are no other provisions relating to redundancies or other liabilities for employees of the Association.		
11. ACCUMULATED FUNDS & RESERVES		
(a) Accumulated Funds		
Balance at Beginning of year	4,412,806	4,600,902
Add Profit / (Loss) for the year	38,848	(188,096)
Balance at End of Year	4,451,654	4,412,806
(b) Reserves		
Balance at Beginning of year	708,083	708,083
Add Revaluation for the year	-	-
Balance at End of Year	708,083	708,083
Total Accumulated Funds & Reserves	5,159,737	5,120,889
12. AUDITORS REMUNERATION		
Amounts received or due and receivable by Wise Lord & Ferguson for:		
- an audit or review of the financial report of the Association	5,600	5,400
	5,600	5,400

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
13. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash on Hand	1,500	1,500
Cash at Bank	163,742	131,215
Cash Investment Account	261,088	250,568
Commonwealth At Call	19,896	19,432
	446,226	402,715
(b) Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:		
Net Profit / (Loss)	38,848	(188,096)
Depreciation and Amortisation	57,923	96,380
Increase/(Decrease) in Employee Entitlements	(21,164)	8,613
Increase/(Decrease) in Trade Payables & Other Liabilities	(122)	(1,658)
Increase/(Decrease) in Income in Advance	43,950	(3,864)
(Increase)/Decrease in Prepayments	(18,483)	(1,508)
(Increase)/Decrease in Inventories	(8,244)	8,914
(Increase)/Decrease in Trade & Other Receivables	(23,423)	14,758
	69,285	(66,461)
Net Cash provided by (used in) Operating Activities	69,285	(66,461)

14. RELATED PARTY DISCLOSURES

The officers of The Master Builders' Association of Tasmania, during the financial year were:

President	Mr C Edmunds	Councillor	Mr T Streefland
Vice President	Mr L Fenton	Councillor	Mr A Kilpatrick
Treasurer	Mr D Moody	Councillor	Mr D Reid
Immediate Past President	Mr T Mead	Councillor	Mr D Gates
Councillor	Mr W Licht	Councillor	Mr R Oakes
Councillor	Mr S Davidson		

Details of loans to officers is Nil.

There were no transactions between the office holders and the Association other than those relating to their membership of the Association and the reimbursement by the Association in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which would have been adopted by parties at arms length.

None of the office holders are employees of The Master Builders' Association of Tasmania and therefore they do not receive any remuneration or employee entitlements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

15. DESCRIPTION OF OPERATIONS

The principal activities of the Association are to provide benefits to its members.

16. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs.

17. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

18. INVESTMENT IN MASTER BUILDERS AUSTRALIA INSURANCE SERVICES

The Master Builders' Association of Tasmania has shareholders' investment in Master Builders Australia Insurance Services Pty Ltd (MBAIS). The associations investment is measured at cost; as at the 30 June 2015 there are no indicators of impairment.

19. REGISTERED OFFICE

116 Bathurst Street
Hobart Tasmania 7000

20. SEGMENT REPORTING

The Master Builders' Association of Tasmania operates predominantly in the one geographical region being Tasmania. The Master Builders' Association of Tasmania activities surround the provision of benefits and services to its members.

21. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk represents the risk that a counter-party will fail to perform contractual obligations under a contract.

The Association's maximum credit risk exposure at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risk exposure for receivables reflects the underlying credit risk inherent in the Association.

These risks are managed through the credit policies implemented by the Association. There is no concentration of credit risk in any particular industry or market segment, however all transactions are within the State of Tasmania.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Association will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount.

(c) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

An increase / (decrease) in interest rate of 1% will have a corresponding effect on revenue of \$ 4,462 (2014: \$4,027).

(d) Net fair values

The carrying amounts of all financial assets and financial liabilities of the Association recognised at balance date generally approximated fair value because of the short term to maturity.

22. Capitation Fees

There was no capitation paid or received during the year.