



15 December 2016

Mr Craig Edmunds
President
Master Builders' Association of Tasmania Incorporated
Level 5, 116 Bathurst Street
Hobart TAS 7000

By e-mail: headoffice@mbatas.org.au

Dear Mr Edmunds

**Master Builders' Association of Tasmania Incorporated
Financial Report for the year ended 30 June 2016 - FR2016/142**

I acknowledge receipt of the amended financial report for the year ended 30 June 2016 for the Master Builders' Association of Tasmania Incorporated. The financial report was lodged with the Fair Work Commission on 30 November 2016.

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

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) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

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, 2016

I Lyndon Fenton being the President of Master Builders' Association of Tasmania Inc certify:

- that the **AMENDED** documents lodged herewith are copies of the full report for Master Builders' Association of Tasmania Inc for the period ended 30th June, 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full **AMENDED** report was provided to members of the reporting unit on 17th November, 2016 and
- that the full **AMENDED** report was presented to a Committee of Management meeting on 18th November, 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Lyndon Fenton

Title of prescribed designated officer: President

Dated: 18th November, 2016



The Master Builders'
Association of Tasmania
Inc.
Financial Statements
30 June 2016

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

We have audited the accompanying financial report of The Master Builders' Association of Tasmania Inc., which comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management statement.

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.

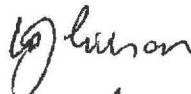
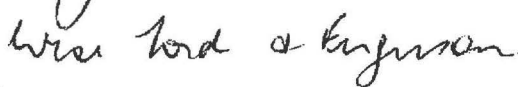
Independence

In conducting our audit, we have met the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion:

- a) the general purpose financial report of The Master Builders of Tasmania Inc. for the year ended 30 June 2016 presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the *Fair Work (Registered Organisations) Act 2009*.
- b) there are reasonable grounds to believe that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

HJ GIBSON
Partner
Wise Lord & Ferguson
Registered Company Auditor

1/160 Collins Street
Hobart TAS 7001

Date: 14 November 2016

The Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30 June 2016

The officers of management present its report of The Master Builders' Association of Tasmania Inc for the year ended 30 June 2016.

Principal activities

The principal activities of the Association during the financial year were:

- Providing members services such as, contractual and commercial services, wide range of individual services including advice on industrial disputes, and negotiating with unions at both state and federal levels;
- Keeping members informed on matter relevant and relating to the building industry; and
- The Association promotes all forms of education and training within the building industry to encourage and preserve skills.

It is noted that during the financial year the activities of the Association were suitably carried out. No significant change in the nature of these activities occurred during the year.

The profit/(loss) from ordinary activities amounted to \$63,005 for the period ending 30 June 2016 (2015: \$38,848)

Financial Affairs

On the 1st of July 2015, The Master Builders Association of Tasmania merged with the Tasmanian Builders' Association. This merger will allow the association to become a bigger, stronger and more viable Building Industry Association which is better able to represent the interests of and provide member services to its members across the state.

Right to Resign

Rule 9 of the Association's Constitution deals with right of members to resign - any Member may resign from membership by written notice via letter, email or facsimile addressed to the Executive Director.

Superannuation Trustees/Directors

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation.

Number of members

The association had 574 members at the end of the reporting period (2015: 531).

The Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30 June 2016

Number of employees

The Association employed 25 – (13 office based staff & 12 apprentices) as at 30 June 2016 (2015: 10 employees)

Payments to employers

The Association did not make any payments during the financial year to employers as consideration for the employers making payroll deductions of membership subscriptions.

The Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30 June 2016

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

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		

Names of Committee of Management members for part of the financial year - positions held as from 18.09.2015 to 30.06.2016

Councillor	Mr J Faulkner
Councillor	Mr B Verhulst
Councillor	Mr D Brown

Signature of Designated Officer:



Name and title of designated officer: Mr Lyndon Fenton (President)

Dated: 18th November, 2016

The Master Builders' Association of Tasmania Inc.

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2016

On the 18th November, 2016 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 2016:

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

For the Committee of Management:

David Moody

Title of Office Held:

Treasurer

Signature:



Date:

18th November, 2016

The Master Builders' Association of Tasmania Inc.

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
REVENUE	3	2,397,378	1,701,238
TOTAL INCOME		<u>2,397,378</u>	<u>1,701,238</u>
EXPENSES			
Depreciation Expense	4	56,076	57,923
Employee Expenses	4	824,072	559,714
Other Expenses	4	<u>1,454,225</u>	<u>1,044,753</u>
TOTAL EXPENSES		<u>2,334,373</u>	<u>1,662,390</u>
PROFIT FOR THE YEAR		<u>63,005</u>	<u>38,848</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME	11	<u>63,005</u>	<u>38,848</u>

The accompanying notes form part of the financial statements.

The Master Builders' Association of Tasmania Inc.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5	634,042	446,226
Prepayments		20,353	19,991
Inventories		19,162	19,986
Trade Receivables	6	170,707	145,824
TOTAL CURRENT ASSETS		844,264	632,027
NON-CURRENT ASSETS			
Investment in MBAIS	19	120,000	120,000
Property, Plant & Equipment	7	1,544,943	1,550,672
Investment Properties	8	3,141,960	3,141,960
TOTAL NON-CURRENT ASSETS		4,806,903	4,812,632
TOTAL ASSETS		5,651,167	5,444,659
CURRENT LIABILITIES			
Trade Payables	9(a)	150,883	98,408
Income Received in Advance		15,521	91,058
Employee Entitlements	10	111,242	91,355
Other Liabilities	9(b)	32,630	4,101
TOTAL CURRENT LIABILITIES		310,276	284,922
TOTAL LIABILITIES		310,276	284,922
NET ASSETS		5,340,891	5,159,737
EQUITY			
Accumulated Funds & Reserves	11	5,340,891	5,159,737

The accompanying notes form part of the financial statements.

The Master Builders' Association of Tasmania Inc.

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2016

	RESERVES	ACCUMULATED FUNDS	TOTAL EQUITY
	\$	\$	\$
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	5,159,737
Profit / (Loss) for the year	-	63,005	63,005
Merger with TBA	-	118,149	118,149
Balance as at 30 June 2016	708,083	4,632,808	5,340,891

The accompanying notes form part of the financial statements.

The Master Builders' Association of Tasmania Inc.

CASH FLOW STATEMENT

for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from trading		2,287,374	1,702,537
Interest received		10,408	10,984
Cash used			
Payments to suppliers & employees		(2,177,768)	(1,644,236)
Net cash from (used by) operating activities	13(b)	120,014	69,285
INVESTING ACTIVITIES			
Cash received			
Disposal of equipment		10,981	15,804
Merger with TBA		118,149	-
Cash used			
Purchase of equipment and investment properties		(61,328)	(32,362)
Repayment of loan from MBAIS		-	(9,216)
Net cash from (used by) investing activities		67,802	(25,614)
Net increase (decrease) in cash held		187,816	43,511
Cash & cash equivalents at the beginning of the reporting period		446,226	402,715
Cash & cash equivalents at the end of the reporting period		634,042	446,226
	13(a)		

The accompanying notes form part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Inc. 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.

New Australian Accounting Standards

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. There are no new standards, amendments to standards or interpretations that were issued prior to sign off date that are expected to have a financial impact on the Association in the future reporting period.

(a) 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.

(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:	2016	2015
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.

(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.

Apprentice Hire

Apprentice Hire income is recognised when the apprentice invoice is generated.

Training

Training 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

A 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.

(l) Accounting judgements and estimates

The preparation of financial statements requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in note 10 where judgements have been made in relation to the value of employee entitlements.

(m) Fair value measurement expenses to employees

All financial assets and liabilities recorded in the Balance Sheet, including cash, short-term deposits, trade receivables, borrowings and payables are recorded at fair value, being their nominal amount, due to their short-term to maturity and/or repricing. They are designated as fair value through profit and loss under AASB 139 Financial Instruments. They are classified under the Level 2 hierarchy of AASB 7 Financial Instruments: Disclosures as their values can be obtained from market based inputs that are observable.

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).

	2016	2015
	\$	\$
3. REVENUE		
Apprentice Hire	410,135	-
Associate Specialist Contractor	97,511	88,845
Associate Supplier Exchange	14,669	15,229
Commissions	14,437	-
Documents	11,819	11,725
Excellence Awards Entries	29,409	-
Fee for Service	11,032	8,450
Finance Income	5,000	-
Insurance Sales & Commission	193,159	142,579
Interest Income	10,408	10,984
John Holland Fairbrother Joint Venture Income	81,421	-
Profit on Sale of Fixed Assets	909	1,869
Subscriptions	361,790	340,818
Training	491,501	451,813
Property Income	436,989	387,204
Pathways Program Income	59,402	56,636
Housing Awards/Annual Dinner Income	77,898	102,206
Sensis Advertising Income	35,601	37,527
Marketing Income	9,938	4,569
Other Functions	5,368	10,725
Building Journal	26,830	17,543
Sundry Revenue	12,152	12,516
Total Revenue	2,397,378	1,701,238
4. EXPENSES		
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	16,982	19,250
Buildings	19,348	19,348
Motor Vehicles	19,746	19,325
Total Depreciation of Non-Current Assets	56,076	57,923
<i>Employee Expenses</i>		
Holders of Office		
Wages and Salaries	-	-
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
Subtotal employee expenses holders of office	-	-

	2016	2015
	\$	\$
4. EXPENSES - CONTINUED		
Employers other than office holders		
Wages and Salaries	645,737	466,481
Superannuation	65,290	49,211
Leave and Other Entitlements	113,045	44,022
Separation and Redundancies		
Other Employee Expenses	-	-
Subtotal employee expenses other than office holders	824,072	559,714
Total Employee Expenses	824,072	559,714
 OTHER EXPENSES		
<i>Other Expenses</i>		
Accounting & Audit	7,864	5,675
Advertising	2,974	3,416
Affiliation Fees	-	-
Apprentice Expenses	341,642	-
Regional Annual Dinner Expenses	13,702	11,551
Bad Debts	4,479	(616)
Bank Charges	1,882	1,407
Building Journal Expenses	18,084	24,857
Catering & Meeting Costs	27,969	21,119
Commissions	7,555	-
Consideration to Employers for Payroll Deductions	-	-
Consultancies	11,921	13,875
Cost of Goods Sold	824	(8,244)
Documents	11,479	12,609
Donations		
Total paid that wee \$1,000 or less	-	200
Total paid that exceeded \$1,000	-	-
Federal Subscriptions	92,933	90,384
Fees/Allowances -Meeting and Conferences	35,546	25,259
Fee for Service	3,510	-
Insurance Recovery	(12,261)	-
Housing Awards/Annual Dinner Expense	93,266	98,518
Insurances	31,119	29,249
John Holland Fairbrother Joint Venture Expenses	37,162	-
Light & Power	51,775	49,843
Loss On Sale of Fixed Asset	592	2,200
Office Rental	3,000	3,000
Pathways Program Expenditure	27,737	20,525
Penalties – via RO Act or RO Regulations	-	-
Postage & Stamps	4,132	2,859
Printing and Photocopying	9,716	2,453
Property Expenses - Rates	77,377	79,603

	2016	2015
	\$	\$
OTHER EXPENSES CONTINUED		
Property/Office Equipment Maintenance	35,948	53,217
Sensis Expenses	26,896	30,915
Telephone	38,801	36,699
Trade Shows	-	670
Training	355,571	360,483
Vehicle Running	25,705	15,001
Sundry Expenses	65,325	58,026
Total Other Expenses	1,454,225	1,044,753

5. CASH & CASH EQUIVALENTS

Cash on Hand	1,500	1,500
Commonwealth Trading Bank	223,264	163,742
Cash Investment	271,072	261,088
Commonwealth At Call	20,225	19,896
Commonwealth TBA	92,980	-
MBA Finance	25,001	-
Total Cash & Cash Equivalents	634,042	446,226

6. TRADE RECEIVABLES

Trade Receivables	(a) 176,741	148,172
Provision for Doubtful Debts	(6,034)	(2,348)
Total Trade Receivables	170,707	145,824

(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	(160,134)	(140,786)
	<u>1,390,138</u>	<u>1,409,486</u>
Plant & Equipment	513,809	499,377
Less: Accumulated Depreciation	(463,313)	(446,633)
	<u>50,496</u>	<u>52,744</u>
Motor Vehicles	178,168	183,775
Less: Accumulated Depreciation	(73,859)	(95,333)
	<u>104,309</u>	<u>88,442</u>
Total Property, Plant & Equipment	1,544,943	1,550,672

	2016	2015
	\$	\$
PROPERTY, PLANT & EQUIPMENT CONTINTUED		
7 (a) Reconciliations		
<i>Land & Buildings</i>		
Opening Written Down Value	1,409,486	1,428,835
Less Depreciation	(19,348)	(19,349)
Closing Written Down Value	<u>1,390,138</u>	<u>1,409,486</u>
 <i>Plant & Equipment</i>		
Opening Written Down Value	52,744	68,050
Add Purchases	15,082	4,985
Less Disposals	(348)	(1,041)
Less Depreciation	(16,982)	(19,250)
Closing Written Down Value	<u>50,496</u>	<u>52,744</u>
 <i>Motor Vehicles</i>		
Opening Written Down Value	88,442	95,153
Add Purchases	44,887	27,357
Less Disposals	(9,274)	(14,923)
Less Depreciation	(19,746)	(19,325)
Closing Balance	<u>104,309</u>	<u>88,442</u>

	Carrying Amount 2016 \$	Fair Value 2016 \$	Carrying Amount 2015 \$	Fair Value 2015 \$
8. FAIR VALUE OF INVESTMENT PROPERTIES				
Financial Assets				
116 Bathurst Street, Hobart (b)	2,091,960	2,091,960	2,091,960	2,091,960
55 Canning Street, Launceston (c)	1,050,000	1,050,000	1,050,000	1,050,000
Total	3,141,960	3,141,960	3,141,960	3,141,960
(a) Reconciliation				
	2016	2015		
	\$	\$		
<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 Inc. 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 Inc. 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 statement of financial position.

	2016	2015
	\$	\$
9. TRADE PAYABLES & OTHER LIABILITIES		
(a) Trade Payables		
Trade Payables	102,933	97,283
GST Liability	47,950	1,125
Legal Costs		
Ligation	-	-
Other Legal Matters	-	-
Consideration to Employers for Payroll Deductions	-	-
Total Trade Payables	<u>150,883</u>	<u>98,408</u>
(b) Other Liabilities		
Sundries	21,426	4,101
Certificate IV Deposit refundable	11,204	-
Total Other Liabilities	<u>32,630</u>	<u>4,101</u>
(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	60,331	23,831
Provision for Long Service Leave	50,911	67,524
Total Employee Entitlements	<u>111,242</u>	<u>91,355</u>

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	4,451,654	4,412,806
Add Profit for the year	63,005	38,848
Merger with Tasmanian Builders' Association	118,149	-
Balance at End of Year	4,632,808	4,451,654

(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

	<u>5,340,891</u>	<u>5,159,737</u>
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	2016	2015
	\$	\$
12. AUDITORS REMUNERATION		
Amounts received or due and receivable by WLF Accounting & Advisory for:		
- an audit or review of the financial report of the Association	5,800	5,600
	<u>5,800</u>	<u>5,600</u>
13. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash on Hand	1,500	1,500
Cash at Bank	223,264	163,742
Cash Investment Account	271,072	261,088
Commonwealth At Call	20,225	19,896
Commonwealth TBA	92,980	-
MBA Finance	25,001	-
	<u>634,042</u>	<u>446,226</u>
(b) Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:		
Net Profit	63,005	38,848
Depreciation and Amortisation	56,076	57,923
Increase/(Decrease) in Employee Entitlements	19,887	(21,164)
Increase/(Decrease) in Trade Payables & Other Liabilities	81,004	(122)
Increase/(Decrease) in Income in Advance	(75,537)	43,950
(Increase)/Decrease in Prepayments	(362)	(18,483)
(Increase)/Decrease in Inventories	824	(8,244)
(Increase)/Decrease in Trade & Other Receivables	(24,883)	(23,423)
Net Cash provided by (used in) Operating Activities	<u>120,014</u>	<u>69,285</u>

14. RELATED PARTY DISCLOSURES

The names of the officers of The Master Builders' Association of Tasmania Inc., 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		

Part of financial year – 18.09.2015 to 30.06.2016:

Councillor	Mr J Faulkner	Councillor	Mr B Verhulst
Councillor	Mr D Brown		

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 arm's length.

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

15. KEY MANAGEMENT PERSONNEL REMUNERATION

	Short-term employee benefits	Post- employment benefits	Long term benefits	Other	Total
2016					
Total income paid or payable to all Key Management personnel	157,798	14,991	15,696	-	188,485
2015					
Total income paid or payable to all Key Management personnel	151,141	14,384	30,756	-	196,281

16. DESCRIPTION OF OPERATIONS

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

17. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 1st of July 2015, The Master Builders Association of Tasmania merged with the Tasmanian Builders' Association. This merger will allow the association to become a bigger, stronger and more viable Building Industry Association which is better able to represent the interests of and provide member services to its members across the state.

18. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

19. 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 association's investment is measured at cost; as at 30 June 2016 there are no indicators of impairment.

20. REGISTERED OFFICE

116 Bathurst Street
Hobart Tasmania 7000

21. SEGMENT REPORTING

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

22. 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 \$ 6,340 (2015: \$4,462).

(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.

23. CAPITATION FEES

There was no capitation paid or received during the year.

24. LEVIES

There was no compulsory or voluntary levies paid or received during the year.

25. GRANTS

There were no grants paid or received during the year.

26. LEGAL FEES

There were no legal costs paid during the year.