

FJG:LRB

29 November 2004

FR 2004/632

Mr. Andrew O'Brien,  
Statutory Services Branch,  
Australian Industrial Registry,  
GPO Box 1994S,  
**MELBOURNE VIC. 3001**

Dear Mr. O'Brien,

I enclose for filing in accordance with the Financial Reporting Requirements of the Workplace Relations Act 1996 two copies of financial documents of the Master Builders' Construction & Housing Association of the ACT.

In accordance with Section 280 (1)(b) of the Workplace Relations Act 1996 we attach the necessary two (2) copies of Prescribed Officer Certificate.

The documents were provided to members then presented and accepted by members at an Annual General Meeting held on 12 October 2004.

The financial statements were subsequently endorsed by our Executive Committee of Management on 15 November 2004.

Yours faithfully,



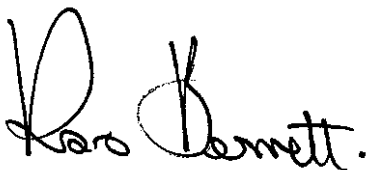
David Dawes  
**Executive Director**

Encls.

MASTER BUILDERS' CONSTRUCTION  
& HOUSING ASSOCIATION OF THE ACT

**ANNUAL FINANCIAL RETURN PRESCRIBED OFFICER CERTIFICATE**

In pursuance of the provisions of Section 280 (1)(b) of the Workplace Relations Act 1996 I, Ross Barrett, being the prescribed officer for the Master Builders' Construction & Housing Association of the ACT certify that the Financial Report, Accounts and Statements, for the year ended 30 June 2004 and lodged with the Industrial Registry on 29 November 2004 are copies of the documents presented and accepted by members at an Annual General Meeting held on 12 October 2004 and by the Executive Committee of Management on 15 November 2004.

A handwritten signature in black ink that reads "Ross Barrett." The signature is written in a cursive style with a large initial "R" and "B".

Ross Barrett  
**President**

29 November 2004

**MASTER BUILDERS ASSOCIATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2004**

**MASTER BUILDERS' ASSOCIATION OF THE ACT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

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## OPERATING REPORT FOR YEAR ENDED 30 JUNE 2004

### Principal activities

The principal activities of the Association during the financial year were to represent all sectors of the local housing and construction industry.

### Results of principal activities

The Associations' principal activities resulted in lobbying the Government on various matters to the betterment of members.

The profit from ordinary activities amounted to \$452,536 (2003: \$615,859).

### Significant changes in nature of principal activities

There were no significant changes in the nature of the Association's principal activities during the financial year.

### Significant changes in Association's financial affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Association.

### Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 900.

### Number of employees

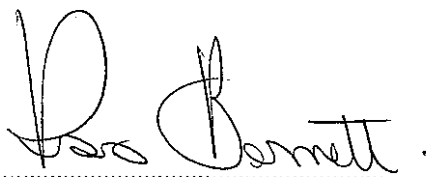
The number of persons who were, at the end of the financial year, employees of the Association was 20 (part time employees) measured on a full time equivalent basis.

### Members of Committee of Management

The persons who held office as members of the Committee of Management of the Association at the beginning of the financial year were:

John Hailey  
Josip Zivko  
Ross Barrett  
Robert Purdon  
Peter Fairburn

Sam Delorenzo  
Gavan McArdle  
Hans Sommer  
John Wells



.....  
**R Barrett**  
**President**

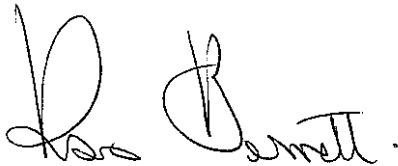
Dated this 11 day of October 2004

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

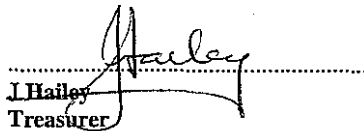
**COUNCIL OF MANAGEMENT STATEMENT**

We R Barrett and J Hailey, being the two members of the Council of the Master Builders' Association of the ACT, do state on behalf of the Council and in accordance with a resolution passed by the Council on October 2004, that in the opinion of the Council:

- (1) The financial statements and notes comply with the Australian Accounting Standards;
- (2) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (3) 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;
- (4) 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
- (5) During the financial year to which the financial report relates and since the end of that year:
  - (i) Meetings of the Council were held in accordance with the rules of the organisation; and
  - (ii) The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iii) The information sought in any request of a member of the organisation or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or the Registrar; and
  - (iv) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



.....  
**R Barrett**  
**President**



.....  
**J Hailey**  
**Treasurer**

Dated this 11 day of October 2004

**Independent Audit Report  
To the Members of Master Builders' Association of the ACT**



**WALTERTURNBULL**  
*your extra asset*

**Scope**

We have audited the financial report of Master Builders' Association of the ACT for the financial year ended 30 June 2004 as set out on pages 6 to 18. The Association's Board is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cashflows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

- (a) the financial statements of the Master Builders Association are properly drawn up:
  - (i) so as to give a true and fair view of its state of affairs at 30 June 2004 and the results of its operations for the financial year then ended and the other matters required by Section 72 (2) of the *Associations Incorporation Act 1991* to be disclosed in the financial statements;
  - (ii) in accordance with the provisions of the *Associations Incorporation Act 1991*; and
  - (iii) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.
- (b) we have obtained all the information and explanations required; and
- (c) proper accounting records and other records have been kept by Master Builders Association as required by the *Associations Incorporation Act 1991*.

A.B. Papps  
Registered Company Auditor  
WalterTurnbull

12 October 2004  
Canberra, ACT

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Barton ACT 2600  
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ABN 97 099 740 879

BUSINESS ADVISORY SERVICES

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MANAGEMENT CONSULTING

FINANCIAL PLANNING

INSOLVENCY SERVICES

ACCOUNTING SOLUTIONS



**MASTER BUILDERS' ASSOCIATION OF THE ACT**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	Notes	2004 \$	2003 \$
Revenue from ordinary activities	3	2,498,207	2,180,726
Employee benefits expense		(866,881)	(581,712)
Depreciation expense	4	(116,650)	(104,721)
Other expenses from ordinary activities		<u>(1,062,140)</u>	<u>(878,434)</u>
Net profit from ordinary activities attributable to the Association	14	<u>452,536</u>	<u>615,859</u>
Total changes in equity other than those resulting from transactins with owners as owners		<u>452,536</u>	<u>615,859</u>

The accompanying notes form part of this financial report.



**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2004**

	Notes	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets	5	54,542	435,945
Receivables	6	898,263	457,718
Inventories	7	992	-
Other financial assets	8	839,750	603,777
Other	9	<u>370,722</u>	<u>26,426</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,164,269</u>	<u>1,523,866</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,877,224	1,861,946
Other financial assets	8	428,434	406,434
Other	9	<u>4,545</u>	<u>4,545</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,310,203</u>	<u>2,272,925</u>
<b>TOTAL ASSETS</b>		<u>4,474,472</u>	<u>3,796,791</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	305,016	571,350
Provisions	12	145,899	122,950
Other	13	<u>753,592</u>	<u>256,539</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,204,507</u>	<u>950,839</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	<u>6,862</u>	<u>35,385</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>6,862</u>	<u>35,385</u>
<b>TOTAL LIABILITIES</b>		<u>1,211,369</u>	<u>986,224</u>
<b>NET ASSETS</b>		<u>3,263,103</u>	<u>2,810,567</u>
<b>EQUITY</b>			
Retained profits	14	2,741,495	2,288,959
Reserves	15	<u>521,608</u>	<u>521,608</u>
<b>TOTAL EQUITY</b>		<u>3,263,103</u>	<u>2,810,567</u>

The accompanying notes form part of this financial report.

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2004**

	Notes	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,976,516	2,445,683
Interest received		78,666	42,375
Payments to employees and suppliers		<u>(2,049,164)</u>	<u>(1,540,368)</u>
Net cash provided by operating activities	<b>16(b)</b>	<u>6,018</u>	<u>947,690</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on sale of fixed assets		53,687	16,800
Fixed asset purchases		(183,135)	(127,099)
Purchase of investments		<u>(257,973)</u>	<u>(600,000)</u>
Net cash (used) / provided by investing activities		<u>(387,421)</u>	<u>(710,299)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in funds held in trust		-	46,554
Repayment of borrowings		<u>-</u>	<u>(101,998)</u>
Net cash (used) in financing activities		<u>-</u>	<u>(55,444)</u>
Net increase in cash held		(381,403)	181,947
Cash at the beginning of the financial year		<u>435,945</u>	<u>253,998</u>
Cash at the end of the financial year	<b>16(a)</b>	<u><u>54,542</u></u>	<u><u>435,945</u></u>

The accompanying notes form part of this financial report.

# MASTER BUILDERS' ASSOCIATION OF THE ACT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2004

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Workplace Relations Act 1996*.

The financial report covers Master Builders Association of the ACT as an individual entity. Master Builders Association of the ACT is an organisation registered under the *Workplace Relations Act 1996*.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Income Tax

No provision for income tax is necessary as the Association is exempt under Section 50-15 of the *Income Tax Assessment Act 1997*.

#### (b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values less, where applicable, any accumulated depreciation.

##### Property

Leasehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Association to have an independent valuation every three years, with annual appraisals being made by the Board.

##### Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association 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 not been discounted to present values in determining recoverable amounts.

##### Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

MASTER BUILDERS' ASSOCIATION OF THE ACT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, Plant and Equipment (continued)

Depreciation (continued)

The depreciation rates used for each class of depreciable asset are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Land and Building	2.5%
Plant and Equipment	5 - 33%
Leasehold Improvements	10 - 27%
Motor Vehicle	22.5%

(c) Investments

Non-current investments are measured on the cost basis.

The carrying amount of investments is reviewed annually by the Council to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(d) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(e) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) Revenue

Revenue from rent, social events, sponsorship and advertising are recognised when the Association has established that it has a right to receive the revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Profit on sale of fixed assets is recognised when control of the assets has passed to the purchaser.

Other revenue, including investment income and commissions, are recognised when received.

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Revenue (continued)**

Subscriptions are brought to account as income over the period to which it relates. Subscriptions invoiced and received in the current financial year that relate to a future financial year are treated as unearned income.

Dividend revenue is recognised when the Association has established that it has a right to review a dividend.

**(g) 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 Taxation 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(h) Adoption of Australian Equivalents to International Financial Reporting Standards**

Australia is currently preparing for the introduction of the Australian Equivalent to International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Association's management are assessing the significance of these changes and preparing for their implementation.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of the Australian Equivalent to IFRS are:

**- Investments:**

Under AASB 139: Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses are recognised directly to equity unless there is evidence that the asset is permanently impaired.

Current accounting policy is to measure investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable amount of the investment.

**- Impairment of Assets:**

The Association currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the provisions of Section 274(4) of the Workplace Relations Act 1996, attention is drawn to Section 275(1), (2) and (3) which provide as follows:

**Section 274(1)**

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

**Section 274(2)**

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to a member or Registrar in such a manner and within such time as is prescribed.

**Section 274(3)**

A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

	2004	2003
	\$	\$
<b>NOTE 3: REVENUE</b>		
Operating activities		
- Annual dinner and social events	251,375	218,011
- Building Centre rent	326,552	309,445
- Energy advisory service	10,000	48,162
- Journal advertising	44,428	52,699
- Projects	55,252	-
- Publication sales	21,440	18,966
- Rent	16,166	30,046
- Seminars and training	192,860	110,706
- Sponsorship	109,000	176,532
- Subscriptions	468,005	474,809
- Sundry income	(14,379)	1,556
	<u>1,480,699</u>	<u>1,440,932</u>
Non-operating activities:		
- Commissions and fees	934,639	683,026
- Interest	78,666	46,152
- Investment income	1,363	1,496
- Profit on sale of fixed assets	2,840	9,120
	<u>1,017,508</u>	<u>739,794</u>
Total Revenue	<u>2,498,207</u>	<u>2,180,726</u>

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>NOTE 4: PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities has been determined after:		
<b>Expenses:</b>		
Depreciation of property, plant and equipment	116,650	104,721
Bad and doubtful debts	(3,362)	4,760
Donations	7,508	10,655
Remuneration of auditor		
- audit or review services	6,000	4,975
- other services	9,982	-
<b>NOTE 5: CASH ASSETS</b>		
Cash on hand	200	200
Cash at bank	54,342	435,745
	54,542	435,945
<b>NOTE 6: RECEIVABLES</b>		
Accounts receivable	498,997	297,037
Less: Provision for doubtful debts	-	(24,204)
Sundry debtors	399,266	184,885
	898,263	457,718
<b>NOTE 7: INVENTORIES</b>		
Stock of publications, at cost	992	-
	992	-
<b>NOTE 8: OTHER FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Term deposits	839,750	603,777
<b>NON-CURRENT</b>		
Listed securities at cost	6,434	6,434
Loan - unsecured	400,000	400,000
Insurance – Joint Venture	22,000	-
	428,434	406,434
(a) Market value of investments in listed corporations	23,481	22,084

MASTER BUILDERS' ASSOCIATION OF THE ACT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 9: OTHER</b>		
CURRENT		
Prepayments	9,915	23,176
Work in Progress	<u>360,807</u>	<u>3,250</u>
	<u>370,722</u>	<u>26,426</u>
NON-CURRENT		
Other investments	<u>4,545</u>	<u>4,545</u>
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>		
Land and building - at valuation	1,900,000	1,900,000
Less accumulated depreciation	<u>(284,994)</u>	<u>(237,494)</u>
	<u>1,615,006</u>	<u>1,662,506</u>
Plant and equipment - at cost	255,104	242,465
Less accumulated depreciation	<u>(213,387)</u>	<u>(192,958)</u>
	<u>41,717</u>	<u>49,507</u>
Leasehold improvements - at cost	92,175	71,858
Less accumulated depreciation	<u>(67,698)</u>	<u>(57,950)</u>
	<u>24,477</u>	<u>13,908</u>
Motor vehicles - at cost	242,334	173,562
Less accumulated depreciation	<u>(46,310)</u>	<u>(37,537)</u>
	<u>196,024</u>	<u>136,025</u>
	<u>1,877,224</u>	<u>1,861,946</u>

The land and buildings are at directors' valuation, less accumulated depreciation (1998 – independent valuation). The valuation of land and buildings is based on current values.



**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT (continued)**

**(a) Movements in carrying amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Land &amp; Building \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Leasehold Improvements \$</b>	<b>Motor Vehicles \$</b>	<b>Total \$</b>
Balance at the beginning of the year	1,662,506	49,507	13,908	136,025	1,861,946
Additions	-	4,207	23,862	155,066	183,135
Disposals	-	-	-	(51,207)	(51,207)
Depreciation expense	(47,500)	(11,997)	(13,293)	(43,860)	(116,650)
Carrying amount at the end of the year	<u>1,615,006</u>	<u>41,717</u>	<u>24,477</u>	<u>196,024</u>	<u>1,877,224</u>

	<b>2004 \$</b>	<b>2003 \$</b>
<b>NOTE 11: PAYABLES</b>		
<b>CURRENT</b>		
Trade creditors and accruals	<u>305,016</u>	<u>571,350</u>
<b>NOTE 12: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	<u>145,899</u>	<u>122,950</u>
<b>NON-CURRENT</b>		
Employee benefits	<u>6,862</u>	<u>35,385</u>
Number of employees at year end	<u>20</u>	<u>13</u>

**NOTE 13: OTHER**

Unearned income	142,786	77,564
Funds held for third parties	210,019	178,975
Dunlop house loan	400,000	-
Other	787	-
	<u>753,592</u>	<u>256,539</u>

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>NOTE 14: RETAINED PROFITS</b>		
Retained profits at the beginning of the financial year	2,288,959	1,673,100
Net profit attributable to the Association	<u>452,536</u>	<u>615,859</u>
Retained profits at the end of the financial year	<u><u>2,741,495</u></u>	<u><u>2,288,959</u></u>

**NOTE 15: RESERVES**

Asset revaluation reserve	<u>521,608</u>	<u>521,608</u>
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There have been no movements in the reserve during the current or preceding year.

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

**NOTE 16: CASH FLOW INFORMATION**

**(a) Reconciliation of cash**

Cash on hand	200	200
Cash at bank	<u>54,342</u>	<u>435,745</u>
	<u><u>54,542</u></u>	<u><u>435,945</u></u>

**(b) Reconciliation of Net Cash provided by Operating Activities to Profit from Operating activities**

Profit from ordinary activities:	452,536	615,859
Non-cash flows in profit from ordinary activities:		
Depreciation	116,650	104,721
Loss/(Profit) on sale of fixed assets	(2,480)	(9,120)
(Profit) on sale of investments	-	-
Non-cash interest received	-	(3,777)
Bad and doubtful debts	3,362	4,760
Changes in assets and liabilities:		
Increase/(Decrease) in employee provisions	5,574	18,339
(Increase)/Decrease in debtors	(440,545)	170,419
(Increase)/Decrease in inventories	(992)	-
(Increase)/Decrease in other assets	(366,296)	-
Increase/(Decrease) in creditors	(266,334)	6,638
(Decrease)/Increase in income received in advance	65,222	39,851
(Decrease)/Increase in other liabilities	<u>431,831</u>	<u>-</u>
Net cash provided by operating activities	<u><u>6,018</u></u>	<u><u>947,690</u></u>

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>NOTE 16: CASH FLOW INFORMATION (continued)</b>		
(c) The Association has no credit stand-by or financing facilities in place.		
(d) Non-cash transactions not reflected fully in the Statement of Cash Flows:		
(i) Acquisition cost of motor vehicles purchased during the year.	155,066	20,000
(ii) Consideration received for motor vehicles traded-in during the year.	18,000	18,182

**NOTE 17: LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

Being for rent of computers, photocopier and phone system

Payable

- not later than 1 year	25,964	29,239
- later than 1 year but not later than 5 years	65,577	3,020
	<u>91,541</u>	<u>32,259</u>

**NOTE 18: RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

The following members of the Executive and their related companies have had financial transactions with the Association during the financial year. All monies received from the Executive or their related companies relate to subscriptions or normal trading operations of the Association. During the year \$15,525 was paid for professional indemnity and directors' and officers liability insurance.

Executive Member	Related Company	Total value of Transactions
Josip Zivko	Consolidated Builders Limited	\$6,794
Ross Barrett	Woden Contractors Pty Ltd	\$15,934
Peter Fairburn	CE Industries Pty Ltd	\$3,425
Sam Delorenzo	Integrated Construction Management Services	\$13,382
Gavan McArdle	Guideline (ACT) Pty Ltd	\$12,888
Hans Sommer	The Village Building Company	\$20,642

No other payments have been made to any members of the executive or their related companies.

**NOTE 19: SEGMENT INFORMATION**

The Association operates predominantly in one business and geographical segment, being as a representative of builders in the ACT.

**MASTER BUILDERS' ASSOCIATION OF THE ACT**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2004**

**NOTE 20: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Within 1 Year		Rate Maturing 1 to 5 Years	
	2004	2003	2004	2003	2004	2003
			\$	\$	\$	\$
<b>Financial Assets</b>						
Cash	2.95%	1.05%	54,542	435,945	-	-
Term Deposits	5.32%	4.70%	839,750	603,777	-	-
<b>TOTAL FINANCIAL ASSETS</b>			<b>894,292</b>	<b>1,039,722</b>	<b>-</b>	<b>-</b>

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

**(c) Net Fair Values**

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Association intends to hold these assets to maturity.

The aggregate net 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.

**NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE**

No events have occurred subsequent to balance date which requires disclosure in the financial statements either by a note to the financial statements or by amending the financial statements.

**NOTE 22: ASSOCIATION DETAILS**

The principal place of business of the Association is:

Master Builders' Association of the ACT  
241 Northbourne Avenue  
LYNEHAM ACT 2602



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7799  
Fax: (03) 9654 6672

Mr David Dawes  
Executive Director  
Master Builders' Construction and Housing  
Association of the Australian Capital Territory  
GPO Box 3022  
CANBERRA ACT 2601

Dear Mr Dawes,

**Re: Financial Documents for year ended 30 June 2004 - FR2004/632**  
**Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)**

I acknowledge receipt of the financial reports of the Master Builders' Construction and Housing Association of the Australian Capital Territory for the year ended 30 June 2004. The documents were lodged in the Registry on 3 December 2004.

The documents have been filed.

Although the documents have been filed, enclosed are some comments that may assist you when you next prepare financial reports. No further action is required with respect to the financial documents already lodged.

**Audit Report to refer to Workplace Relations Act 1996**

The Auditor's Report does not affirm at any point whether the general purpose financial report is presented fairly in relation to the *Workplace Relations Act 1996* as is required under s257(5) of the RAO Schedule to the Act.

In addition, it is noted that the Auditor's Report has failed to make any reference to the Workplace Relations Act for the past 4 financial years.

Accordingly, please advise the auditor that in the next financial year the audit opinion must include a reference to the *Workplace Relations Act 1996* in addition to the existing reference to the *Associations Incorporation Act 1991*.

**Disclosure of Expenditure**

An organisation is required to disclose a wide range of expenditure items in the main body of the accounts. The items of expenditure that were not disclosed in the accounts but should, if applicable, be disclosed include:

- Affiliation fees or subscriptions to political parties or industrial bodies
- Grants
- Legal costs
- Conferences - fees/allowance for attendance
- Conference Expenses
- Penalties imposed on the reporting unit under the Workplace Relations Act

Further information relating to these expenditure items is set out in the Industrial Registrar's Reporting Guidelines at Note 11 - see enclosed.

In future financial returns the organisations and its auditors should ensure that detailed expenditure information regarding the above items is provided in accordance with the Reporting Guidelines. I also note out that such information should not be provided under cover of a disclaimer.

### **Provide details regarding donations**

An organisation is required to lodge details in relation to each donation made during the financial year for an amount exceeding \$1,000 - see s237 of the RAO Schedule.

As the accounts disclosed a total for donations of \$7,508 it would be appreciated if you could complete the enclosed form to provide the relevant particulars for any individual donation(s) that may have exceeded \$1,000.

### **Operating Report**

The Operating Report is required to disclose two additional matters regarding:

- the right of members to resign from the organisation under s147 of the RAO Schedule,
- whether any officer or member of the organisation is a trustee of a superannuation entity

For further detail regarding these requirements please refer to sections 254(c) and (d) respectively of the RAO Schedule.

If you have any queries regarding any of the above matters please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz  
Statutory Services Branch

14 January 2005