



FAIR WORK  
COMMISSION

31 July 2013

Mr Dick Guit  
President  
Master Builders Association Northern Territory  
Lot 1450 Winnellie Road  
Winnellie NT 0821

Via post and email: [Dick.Guit@sitzler.com.au](mailto:Dick.Guit@sitzler.com.au) and [gmo@mbant.com.au](mailto:gmo@mbant.com.au)

Dear Mr Guit,

**RE: Financial accounts and statements - Master Builders Association Northern Territory - for year ending 30 June 2012 (FR2012/452)**

Thank you for your letter of today's date in relation to the above. I note your undertakings and have filed the documents.

I have also written to the General Manager, Mr Jeff Colver, setting out advice in respect of the form or content of particular disclosures to be made in future reports, and attach a copy of that letter for your information.

Yours faithfully,

Stephen Kellett  
Regulatory Compliance Branch

**From:** [KELLETT, Stephen](#)  
**To:** ["Dick Guit"](#)  
**Subject:** RE: financial report 30 june 2012 - filing  
**Date:** Wednesday, 31 July 2013 5:19:20 PM  
**Attachments:** [MBANT\\_FR2012\\_452 \(final\).pdf](#)  
[MBANT\\_FR2012\\_452 \(final\)\(to GM\).pdf](#)

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Dear Mr Guit,

Please see my correspondence in relation to the above.

Yours sincerely

Stephen Kellett  
**Fair Work Commission**

80 William Street  
East Sydney NSW 2011

(ph) 02 6723 7237



FAIR WORK  
COMMISSION

31 July 2013

Mr Jeff Colver  
General Manager Operations  
Master Builders Association Northern Territory  
Lot 1450 Winnellie Road  
Winnellie NT 0821

Via post and email: [gmo@mbant.com.au](mailto:gmo@mbant.com.au) and [Dick.Guit@sitzler.com.au](mailto:Dick.Guit@sitzler.com.au)

Dear Mr Colver,

**RE: Financial accounts and statements - Master Builders Association Northern Territory - for year ending 30 June 2012 (FR2012/452)**

I refer to the letter of today's date from the President, Mr Dick Guit, which I received today. I have noted the undertakings and have filed the documents.

I wish to bring to your attention particular disclosures to be made in future reports, as follows.

1. Regulation 159(b) of the Fair Work (Registered Organisations) Act 2009 requires the Operating Report to disclose the number of employees at the end of the financial year as measured on a *full-time equivalent basis*.
2. Regulation 159(c) requires the Operating Report to disclose the period for which each member of the committee of management held their position. The phrase "*during the relevant financial year*" found in last year's Operating Report is not specific. If all persons listed held their office for the entire year, a simple statement that 'all persons listed held their office for the entire year, unless otherwise stated' will satisfy the requirement.
3. Subsection 254(2)(a) requires the Operating Report to contain, with the review of principal activities, a review of the results of those activities. The kind of results the Act has in mind, correctly interpreted, are not financial as the result disclosed as a "net profit" suggests, but of a kind reflective of the principal activities listed. The form of results is not otherwise prescribed but if the Association considers its activities have been generally successful in their objectives, a statement to that effect will meet the requirement, or alternatively, any significant success or development may be highlighted.
4. The Committee of Management Statement identified the date of the passing of the resolution in respect of the financial report in its opening paragraph but was itself not dated. As a question of correct form, and to comply with paragraph 42(d) of the new Reporting Guidelines (see attached), the Statement should be dated on the date it is signed.
5. Sub-paragraphs 17(f) and (g) require, in the Statement of Financial Performance or in the Notes, disclosure of employee benefits paid to holders of office separately from employee benefits paid to employees who are not also holders of office.

On 26 June 2013, new Reporting Guidelines were issued by the General Manager of the Fair Work Commission. I attach a copy and recommend that you read these carefully and bring them to the attention of your accountant and auditor. There are a number of changes and additional requirements not previously included. I draw your particular attention to paragraphs 36 to 39 concerning the Operating Report, and to paragraph 8 concerning the application of Tier 1 reporting standards.

If you wish to discuss any of the reporting requirements at any time, please contact me on (02) 6723 7237.

Yours faithfully,

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Stephen Kellett  
Regulatory Compliance Branch

**From:** [KELLETT, Stephen](#)  
**To:** ["Jeff Colver"](#)  
**Subject:** financial return - 30 June 2012 - filing  
**Date:** Wednesday, 31 July 2013 5:21:11 PM  
**Attachments:** [MBANT\\_FR2012\\_452 \(final\)\(to GM\).pdf](#)  
[fr\\_guidelines\\_253\\_2013.pdf](#)

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Dear Mr Colver,

Please see my letters in relation to the above, with attachment.

Yours sincerely

STEPHEN KELLETT  
Senior Adviser, Regulatory Compliance Branch  
**Fair Work Commission**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237  
(mobile) 0429 462 979  
(email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

[www.fwc.gov.au](http://www.fwc.gov.au)

31 July 2013

Mr. Stephen Kellett  
Regulatory Compliance Branch  
Fair Work Commission  
80 William Street  
Sydney NSW 2011

Email: [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Dear Mr. Kellett

**Re: Process for Providing Members with Audited and Signed Financial Statements**

I have been informed that there are differing requirements in relation to this process between the Fair Work (Registered Organisations) Act 2009 and the Master Builders Association's Constitution which have contributed to poor compliance on our part with Section 265(5) of the Act. On the one hand the Act provides for 21 days' notice prior to the AGM whereas the Constitution provides for 14 days.

Our General Manager Operations has provided me with the background dialogue which has been going on for almost twelve months over our breach of notice protocol and I have been requested to provide assurances to the Commission that the Executive and Council of the Association are now aware of the situation and agree with your proposed remedies.

I therefore provide you with the following undertakings:-

- ✓ That the fully signed Audited Financial Statements are currently available to Members and the General Public via our Web Site.
- ✓ That the Constitution (which is in the process of a full re-write) will be altered in respect of the Notice Provisions for the AGM to fall in line with the provisions of s.265 (5) of the Act, and further that the Association will provide FWC a final draft of the Constitution before the Executive and Council resolves to adopt the new format.
- ✓ That future reports (including Auditors reports) will be signed at a meeting of the Executive set down to consider the audited financial statements and then returned to the Auditor for final signature.
- ✓ That upon the final signatures being provided by each of the Presiding Member, the Treasurer and the Auditor, the Operating Report and the Statement by the Committee of Management together with the Audited Financial Statements will be provided to Members.

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11/396 Stuart Highway  
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PO Box 37121  
Winnellie NT 0821  
Telephone: 08 8922 9666  
Facsimile: 08 8922 9600  
Website: [www.mbant.com.au](http://www.mbant.com.au)  
Email: [info@mbant.com.au](mailto:info@mbant.com.au)

- ✓ That the provision of the above documents will be timely enough to ensure that 21 days clear notice will have elapsed between the receipt of the statutory information by the Members and the Annual General Meeting.

I would like to take the opportunity of expressing the Association's appreciation for the considerable patience and diligence you have provided to assist our staff in resolving these issues.

Yours faithfully



Dick Guit  
President

**From:** [Dick Guit](#)  
**To:** [KELLETT, Stephen](#); [Jeff Colver](#)  
**Cc:** [Dick Guit](#)  
**Subject:** FWC-Confirmation of Public Notification Issues - 31 July 2013  
**Date:** Wednesday, 31 July 2013 1:09:30 PM  
**Attachments:** [FWC-Confirmation of Public Notification Issues re 2011-2012 Annual Financial Statements-31 July 2013.pdf](#)

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Good afternoon,

Please find attached correspondence from Master Builders NT.

Regards,

Dick Guit  
General Manager

Phone: 08 8922 4000 | Direct: 08 8922 4011 | Fax: 08 8922 4044



Ph: 08 8922 4000 | Fax: 08 8922 4044 | 100 Pruen Road Berrimah NT 0828 | P.O. Box 39062 Winnellie NT 0821 | [www.sitzler.com.au](http://www.sitzler.com.au)

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**From:** [KELLETT, Stephen](mailto:KELLETT, Stephen)  
**To:** [KELLETT, Stephen](mailto:KELLETT, Stephen)  
**Subject:** FW: Provision of Signed Financial Statements to Members 2011-2012  
**Date:** Wednesday, 24 July 2013 11:10:30 AM  
**Attachments:** [image002.png](#)  
[image004.png](#)  
[image010.png](#)  
[image011.png](#)

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**From:** Jeff Colver [mailto:[gmo@mbant.com.au](mailto:gmo@mbant.com.au)]  
**Sent:** Wednesday, 24 July 2013 11:13 AM  
**To:** KELLETT, Stephen  
**Cc:** [dick.guit@sitzler.com.au](mailto:dick.guit@sitzler.com.au); Graham Kemp  
**Subject:** RE: Provision of Signed Financial Statements to Members 2011-2012

Hi again Stephen

Your action requests arising from my disclosures are clear and concise.

I will brief the President at my first opportunity but would prefer to brief both he and my Executive Director at the same meeting. The ED is in Adelaide until next Monday.

I appreciate your frankness and quick response and I guarantee that we will be able to comply with your requests in the very near future. Further, we will approach the 2012-2013 reporting season with greater clarity.

Cheers

Jeff Colver | General Manager Operations

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Important note: Disclaimer

Master Builders NT is committed to providing useful, reliable information to help you understand your rights and obligations under workplace laws.

There are a number of factors that might affect the applicability of the information written here. These include:

- whether you have provided us with all the relevant and correct information about your situation;
- changes in your circumstances; and
- changes in the law.

It is your responsibility to comply with workplace laws that apply to you.

MBANT's information is not legal advice and MBANT does not accept legal liability arising from or connected to the accuracy, reliability, currency or completeness of this information. Therefore, you may wish to seek independent professional advice to ensure all the factors relevant to your circumstances have been properly considered.

**From:** [KELLETT, Stephen](#)  
**To:** "Jeff Colver"  
**Subject:** RE: Provision of Signed Financial Statements to Members 2011-2012  
**Date:** Wednesday, 24 July 2013 11:04:25 AM

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Dear Jeff,

Thanks for your email with attachments.

I just have two comments. Firstly, I note the "no sooner than 14 days or later than 28 days" provision in the rules. It certainly gives rise to potential for contravening the "21 days" provision in section 265(5). In that sense, the provision is less than desirable and were it to be proposed now would not be certified. It is of course still possible for the organisation to observe both the rule and s265(5) by simply ensuring it holds the Annual General Meeting no earlier than 21 days after. But the variance is certainly there. The Act does not place an outside limit on the period equivalent to the "no later than 28 days" of the rule, but in the normal course of events, your organisation desires Annual General Meetings ('second meetings') to be held by 30 September and the Act requires second meetings to be held within 6 months, so in a sense your rule provides for a tighter time frame than the Act at the 'other end'.

Secondly, I note that your constitution is undergoing a re-write and will reflect the provisions of section 265. When you have produced a final draft version of the new Constitution, I invite you, if you so wish, to forward it to FWC for brief preliminary feedback before you take it to the Board for resolution. That way, if anything else might usefully be clarified and modified, it can be identified.

Now, what is required now, for the 2012 report?

Apart from the issue of the timing of the Annual General Meeting – the second meeting for presentation under s266 purposes - it is clear, at least on the face of the documents, from the Committee Statement and the dating of the Auditor's report and the operating report on the 18 September, that the organisation held its first meeting and signed off on the report after it apparently "provided" them to the members. This is a significant defect in the final reporting sequence in the sense that it is only the signatures of the Committee and the auditor that validate the documents provided to members. This is why reports and financial statements must only be provided to members in their final form i.e. after they have been signed at or soon after the first meeting of the Committee.

What I will require from the organisation is a letter from the President or prescribed officer confirming that members currently have access to the final signed version of the 2012 financial statements and an undertaking that (1) future reports (including auditor's reports) will be signed at or after the first meeting; (2) that the first meeting and the signing of the documents will take place before they are subsequently provided to members and (3), that the second meeting, being the Annual General Meeting, will not take place until at least 21 days have elapsed following the provision to members.

Please ring me if you need to clarify anything further.

Yours sincerely

Stephen Kellett  
Fair Work Commission

**From:** [Jeff Colver](#)  
**To:** [KELLETT, Stephen](#)  
**Cc:** [Casmel.Taziwa@bdo.com.au](#); [charles.wright@gsservices.com.au](#)  
**Subject:** Provision of Signed Financial Statements to Members 2011-2012  
**Date:** Monday, 22 July 2013 10:46:26 AM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[Stephen Kellett-Fair Work Commission-Reporting Requirements-22 July 2013.doc](#)  
[Variance between s265.5.a of FWRO Act and Rule 16 of MBANT Constitution..docx](#)

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Good Morning Stephen

Letter and explanatory note attached.

Cheers

Jeff Colver | General Manager Operations

11/396 Stuart Hwy, Winnellie NT 0820 | PO Box 37121, Winnellie NT 0820

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Email: [info@mbant.com.au](mailto:info@mbant.com.au)

22 July 2013

Mr. Stephen Kellett  
Regulatory Compliance Branch  
Fair Work Commission  
80 William Street  
East Sydney NSW 2011

Email: [Stephen.KELLETT@fwc.gov.au](mailto:Stephen.KELLETT@fwc.gov.au)

Dear Stephen

**Re: Master Builders Northern Territory (FR2012/452)**

I refer to your correspondence of 20 June 2013 in relation to this matter and apologise for such a lengthy delay in response. I have recently returned from Annual Leave.

I have carefully researched the issues surrounding the dates of providing signed financial statements to members in relation to the 2011-2012 financial year. This has been made difficult because of my loss of email archives for the corresponding period.

I have also discovered that there is a variance between the relevant section of the Fair Work Act (265) in particular 265(5) (a) and the terms of the MBANT Constitution.

s.265 (5) (a) requires the provision of a minimum period of notice to members of 21 days whereas Clause 18 of the MBANT Constitution provides a requirement of only 14 days. I can advise that the Constitution is in the process of a complete re-write and I have advised the authors that they need (amongst other things) to align the new Constitution with the s.265 provisions.

I would appreciate your advice on how to proceed to satisfy your requirements in light of this information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jeff Colver', with a stylized flourish at the end.

Jeff Colver  
General Manager Operations

## EXTRACT FROM MASTER BUILDERS ASSOCIATION OF THE NORTHERN TERRITORY'S CONSTITUTION

### 18. ANNUAL MEETING.

- (a) An Annual Meeting of members shall take place not later than on 30 September of each year:  

Provided that such Annual Meeting shall take place not sooner than 14 days nor later than 28 days after the date on which the financial statements of the Association have been forwarded to members pursuant to Rule 3 1. At this meeting, the audited Balance Sheets and Revenue Statement shall be presented, together with a Presidential Report. The declaration of the result of the election of Councillors for the ensuing year shall be made by the CEO.
- (b) Such other business as the Council may refer to this meeting shall also be dealt with at the Annual Meeting. Provided, however, that only that business which is clearly set forth on the notice of meeting shall be dealt with.
- (c) At least seven days prior to the date of the Annual Meeting, the CEO shall forward a circular to each member of the Association. Such circular shall request the member's attendance at the meeting and shall clearly set forth the business to be transacted.
- (d) Ten (10) Full Members shall form a quorum at the Annual Meeting.

## EXTRACT FROM THE FAIR WORK REGISTERED ORGANISATIONS ACT

### Division 5—Reporting requirements

#### 265 Copies of full report or concise report to be provided to members

- (1) A reporting unit must provide free of charge to its members either:
  - (a) a full report consisting of:
    - (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
    - (ii) a copy of the general purpose financial report to which the report relates; and
    - (iii) a copy of the operating report to which the report relates; or
  - (b) a concise report for the financial year that complies with subsection (3).

Note: This subsection is a civil penalty provision (see section 305).

- (2) A concise report may only be provided if, under the rules of the reporting unit, the committee of management of the reporting unit resolves that a concise report is to be provided.
- (3) A concise report for a financial year consists of:
  - (a) a concise financial report for the year drawn up in accordance with the regulations; and
  - (b) the operating report for the year; and
  - (c) a statement by the auditor:
    - (i) that the concise financial report has been audited; and
    - (ii) whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and

(d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and

(e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

(4) If a member requests a copy of the full report and auditor's report, as mentioned in paragraph (3) (e), the reporting unit must send those reports to the person within 28 days of the request being made.

Note: This subsection is a civil penalty provision (see section 305).

(5) The copies referred to in subsection (1) must be provided within:

(a) if a general meeting of members of the reporting unit to consider the reports is held within 6 months after the end of the financial year—the period starting at the end of the financial year and ending 21 days before that meeting; or

(b) in any other case—the period of 5 months starting at the end of the financial year.

The General Manager may, upon application by the reporting unit, extend the period during which the meeting referred to in paragraph (a) may be held, or the period set out in paragraph (b), by no more than one month.

Note: This subsection is a civil penalty provision (see section 305).

(6) Where a reporting unit publishes a journal of the reporting unit that is available to the members of the reporting unit free of charge, the reporting unit may comply with subsection (1):

(a) by publishing in the journal the full report; or

(b) by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.

(7) Where a reporting unit consists of 2 or more branches of an organisation and one of those branches publishes a journal of the branch that is available to the members of the branch free of charge, the reporting unit may comply with subsection (1) in relation to those members:

(a) by publishing in the journal the full report; or

(b) by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.





FAIR WORK  
COMMISSION

20 June 2013

Mr C J Sciacca  
Audit Partner  
BDO Australia  
GPO Box 4640  
DARWIN NT 0801

Dear Mr Sciacca,

**RE: Financial accounts and statements - Master Builders Association Northern Territory - for year ending 30 June 2012 (FR2012/452)**

Please see enclosed a copy of correspondence in relation to the above, for your record.

If you have any queries regarding this letter, please don't hesitate to contact me on (02) 6723 7237 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours faithfully,

Stephen Kellett  
Regulatory Compliance Branch



FAIR WORK  
COMMISSION

20 June 2013

Mr Jeff Colver  
General Manager Operations  
Master Builders Association Northern Territory  
Lot 1450 Winnellie Road  
Winnellie NT 0821

Via post and email: [gmo@mbant.com.au](mailto:gmo@mbant.com.au)

Dear Mr Colver,

**RE: Financial accounts and statements - Master Builders Association Northern Territory - for year ending 30 June 2012 (FR2012/452)**

I refer to the above financial accounts and statements which were lodged with the Fair Work Commission on 24 January 2013.

The documents included a Designated Officer's Certificate signed by the President, Mr Dick Guit, on 22 October 2012 (see copy attached). The certificate certified that the report was provided to the members on 13 September 2012, which was 5 days before the date on which key documents, including the Auditor's Report, the Committee of Management Statement and the Operating Report, were signed. Since these documents form part of the full report which must be provided to the members, pursuant to subsection 265(1) of the Act, a question immediately arises as to how the organisation complied with this provision, and I have not received further advice confirming whether members received or have access to the fully signed documents comprising the report.

The certificate also certified that the report was presented to the Annual General Meeting on 28 September 2012, which was a date only 15 days after the date on which the said report was provided to members. Since paragraph 265(5)(a) requires reports to be provided to members 21 days prior to presentation to a general meeting, it appears clear that the organisation has not complied with this provision.

The certificate was signed and dated on 22 October 2012. It referred to lodgement of the documents on 19 October 2012, some 21 days after the meeting at which the report was presented. FWC's record of the lodgement of the report was not until 24 January 2013; however, even if the financial report was lodged on the earlier date the organisation did not comply with section 268 which requires the report to be lodged, with the certificate, within 14 days of the meeting at which the report was presented.

I note that the correspondence by FWC in relation to the previous year's financial return identified not dissimilar issues (see copy enclosed). The provision of all financial documents to members prior to presentation at a general meeting in the correct sequence goes directly to the legislative object of "*high standards of accountability of organisations to their members*"<sup>1</sup> and the dating of

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<sup>1</sup> See subsection 5(3) of the *Fair Work (Registered Organisations) Act 2009* for all the objects.

the key documents and the certificate of prescribed designated officer is the principal statement of compliance.

All the statements and documents comprising the full report must be signed and dated before being provided to the members and presentation at a general meeting must not occur until the prescribed provision period has elapsed.

Before filing the report for the year ended 30 June 2012, however, I request written confirmation by the organisation that the members have or have had either electronic access to, or have physically received, the full report including the signed Auditor's report, Committee of Management Statement and Operating Report which were dated 18 September 2012.

If your records show that any of the statements on the prescribed designated officer's certificate previously lodged are incorrect, and/or that the organisation has in fact complied with subsections 265(1) and 265(5), I would ask that an amended certificate be lodged. Otherwise, this is not necessary.

If you have any queries regarding this letter, please don't hesitate to contact me on (02) 6723 7237 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours faithfully,

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Stephen Kellett  
Regulatory Compliance Branch

cc: C J Sciacca  
Audit Partner  
BDO  
GPO Box 4640  
Darwin NT 0801

**From:** Jeff Colver [gmo@mbant.com.au]  
**Sent:** Friday, 25 January 2013 11:14 AM  
**To:** Research Fax  
**Subject:** On CMS (1of2 emails)- FR2012/452 - MBANT SYDNEY - rec'd 25/1/2013  
**Attachments:** MBANT Audit Report 2012-BDO Audit Opinion..pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Good Morning Fair Work Commission

Yesterday I emailed our audited financial statements for the year ended 30 June 2012. I omitted to include the Audit Opinion from our Auditors BDO.


Please find the Opinion attached for your records.

Cheers



**Jeff Colver** | General Manager Operations

11/396 Stuart Hwy, Winnellie NT 0820 | PO Box 37121, Winnellie NT 0820

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- changes in the law.

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**From:** [Jeff Colver](#)  
**To:** [Research Fax](#)  
**Subject:** On CMS (2of2 emails)- FR2012/452 - MBANT SYDNEY - rec"d 24/01/2013  
**Date:** Thursday, 24 January 2013 6:02:06 PM  
**Attachments:** [image001.jpg](#)  
[image002.png](#)  
[image004.png](#)  
[image006.jpg](#)  
[image007.jpg](#)  
[image008.jpg](#)  
[image009.png](#)  
[image010.png](#)  
[Annual Return of Information for FWA for 2012-26 October 2012.pdf](#)  
[Signed Copy of 11-12 Audit.pdf](#)

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Good afternoon Fair Work Commission

Following on from my email of 26 October 2012 in which I attached our Annual Return of Information and I have attached a copy of the Audited Financial Statements.

Cheers

**Jeff Colver** | General Manager Operations

11/396 Stuart Hwy, Winnellie NT 0820 | *PO Box 37121, Winnellie NT 0820*

: **T** (08) 8922 9666 | **F** (08) 8922 9600 | **M** 0427 096 879

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### Designated Officer's Certificate

#### *Section 268 Fair Work (Registered Organisations) Act 2009\**

I, Dick Guit being the President of the Master Builders Association of the Northern Territory Incorporated trading as Master Builders Northern Territory certify:

- i. That the financial documents for year ended 2011-2012 lodged with Fair Work Australia on 19 October 2012 are copies of the full financial report referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009;  
and
- ii) that the full financial report was provide to members on 13 September 2012;  
and
- iii) that the full financial report was presented to the Annual General Meeting on 28 September 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009

Signed by elected officer

  
.....

Name and title of elected officer      Dick Guit

Date      22 October 2012

\*Section 268 of the Fair Work (Registered Organisations) Act 2009 provides as follows:-

268 Reports etc.to be lodged with FWA

A reporting unit must, within 14 days (or such longer period as the General Manager allows) after the general meeting referred to in section 266, lodge with FWA:-

- a) A copy of the full report;      and
- b) If a concise report was provided to members-a copy of the concise report;  
and
- c) A certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

Note: This a civil penalty provision (see section 305)

**MASTER BUILDERS ASSOCIATION NORTHERN  
TERRITORY INCORPORATED**

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2012**

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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# MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

## OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2012

The Association, being the Committee of Management for the purposes of the Fair Work (Registered Organisation) Act 2009, presents its operating report of the Master Builders Association Northern Territory Incorporated for the financial year ended 30 June 2012.

### Committee of Management

The names of each committee member of the Association during the relevant financial year were:

Andrea Moriarty	Matt Sharp
Charles Wright	Paul Nowland
Danny Jansen	Phil Storey
Dick Guit	Ray Somerville
Graham Kemp	Riarna McCarthy
Greg McLaughlin	Richard McElwee
James Taylor	Richard Riedel
John Brears	Roger Pearson
Kevin Page	Russell Lutzke
Kevin Peters	Sandy Kirsopp
Leanne Kison	Simon Lance
Maria Savvas	

### Principal Activities

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

To promote the interests of the building and construction industry in the Northern Territory;

To safeguard the interests of its members against injustice in their regular business and such activities as are ancillary to the building and construction industry;

To protect its members against injustice or oppression in the fair and proper execution of such works as they may undertake from time to time to carry out;

To establish a code of ethics and good business practice amongst members;

To take an active part in assisting or opposing such public movements as may appear likely to affect its members' interests in the carrying on of their business;

To secure to its members all the advantages of unity of action in any lawful manner whatsoever;

To maintain and improve conditions of contracts, forms of agreement, conditions of tendering and the like and to enter into agreements with the Royal Australian Institute of Architects or similar bodies, public authorities the Commonwealth and Northern Territory authorities and lending institutions.

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED****OPERATING REPORT  
FOR THE YEAR ENDED  
30 JUNE 2012****Results of Activities**

The net profit of the Association for the financial period was \$413,996.

**Significant Changes in Nature of Activities or Financial Affairs**

No significant change in the nature of the activity occurred during the period.

**Membership of the Association**

The number of members of the Association at the end of the financial year was 273.

**Employees of the Branch**

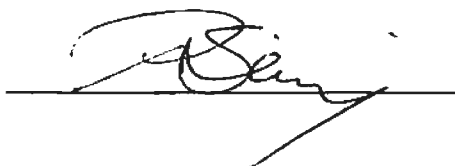
The number of persons employed by the Association during the financial year at one time was 7.

**Rights of Members to Resign**

Members retain their right to resign from the Master Builders Association Northern Territory Incorporated in accordance with section 10 of the Federal Rules and Section 174 of chapter 6 of Fair Work (Registered Organisations) Act 2009. In accordance with Section 174 Schedule 1 of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

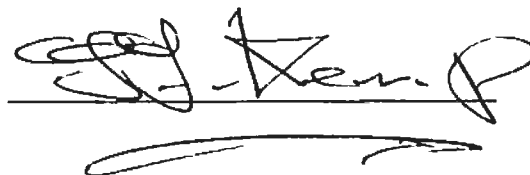
**Superannuation Trustees**

No officer or member of the organisation is a trustee of a superannuation entity.



**President –Phil Storey**

18 September 2012



**Treasurer-Graham Kemp**

18 September 2012

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**  
**STATEMENT BY THE COMMITTEE OF MANAGEMENT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2012**


On the 18<sup>th</sup> of September 2012 the Committee of Management of the Master Builders Association of the Northern Territory Incorporated passed the following resolution in relation to the general purpose financial statements (GPFS) for the year ended 30 June 2012 as follows:

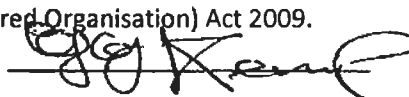
In our opinion -

- 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 Industrial Registrar;
- c) the accompanying financial statements as set out on the following pages, being a general purposes financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2012 and the results of the Association for the year ended in the date;
- d) the accounts of the Association have been properly prepared in accordance with the books of account of the Association; and
- e) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

During the financial year ended 30 June 2012 and since the end of the financial year:

- a) meetings of the Committee of Management of the Association were held in accordance with the rules of the Association.
- d) the financial affairs of the Association have been managed in accordance with the rules of the Association.
- c) The financial records have been kept and maintained in accordance with Part 8 (records and Accounts) the Fair Work (Registered Organisation) Act 2009 and;
- e) The Association only consists of one reporting unit therefore the issue of consistency of financial reporting between the branches of an Association does not arise.
- f) No information has been sought in any request of a member of the Association or a register duly made Fair Work (Registered Organisation) Act 2009; and
- g) No orders for inspection of financial statements have been made by the Fair Work Australia under section 273 of Fair Work (Registered Organisation) Act 2009.

  
\_\_\_\_\_  
**President-Phil Storey**

  
\_\_\_\_\_  
**Treasurer-Graham Kemp**



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Darwin NT 0800  
GPO Box 4640 Darwin NT 0801  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Master Builders Association Northern Territory Incorporated.

### Report on the Financial Statements

We have audited the accompanying financial statements of Master Builders Association Northern Territory Incorporated, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the statement of management committee.

---

### Management Committee's Responsibility for the Financial Report

The Management Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, *Northern Territory Associations Act* and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Management Committee determine is necessary to enable the preparation and fair presentation 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, 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.

**Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of Master Builders Association Northern Territory Incorporated as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, *Northern Territory Associations Act* and the *Fair Work (Registered Organisations) Act 2009*.



BDO Audit (NT)



C J Sciacca  
Audit Partner

Darwin: 18 September 2012

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

	Note	2012 \$	2011 \$
<b>Revenues</b>	<b>2</b>	<b>1,779,929</b>	<b>1,253,947</b>
<b>Expenses</b>			
Affiliations		82,212	76,763
Audit fees	3	6,000	6,747
Depreciation		7,059	9,137
Financial Services		22,002	41,589
Impairment		-	45,040
Marketing, functions and events costs		213,442	182,054
Office administration		86,070	131,121
Product and services		51,453	56,178
Property costs		100,892	55,070
Sundry expenses		13,414	1,090
Training and projects costs		145,850	132,363
Travel and accommodation		47,779	31,984
Wages and salaries		589,760	538,761
Total Expenses		<u>1,365,933</u>	<u>1,307,897</u>
<b>Surplus / (Deficit) For The Year</b>		<b>413,996</b>	<b>(53,950)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income/(Loss)</b>		<u><u>413,996</u></u>	<u><u>(53,950)</u></u>

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes*

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	498,531	182,821
Trade and other receivables	5	74,406	170,778
Inventory	6	18,444	8,073
Other assets	7	120,000	74,960
<b>Total Current Assets</b>		<u>711,381</u>	<u>436,632</u>
<b>Non-Current Assets</b>			
Property and equipment	8	56,965	22,594
<b>Total Non-Current Assets</b>		<u>56,965</u>	<u>22,594</u>
<b>Total Assets</b>		<u>768,346</u>	<u>459,226</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	40,642	190,619
Grant liabilities	10	68,665	50,431
Provisions	11	57,240	30,373
<b>Total Current Liabilities</b>		<u>166,547</u>	<u>271,423</u>
<b>Total Liabilities</b>		<u>166,547</u>	<u>271,423</u>
<b>NET ASSETS</b>		<u>601,799</u>	<u>187,803</u>
<b>EQUITY</b>			
Accumulated funds	12	601,799	187,803
<b>Total Equity</b>		<u>601,799</u>	<u>187,803</u>

*The Statement of Financial Position should be read in conjunction with the accompanying notes*

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

	Accumulated Funds \$	Reserves \$	Total \$
<b>Accumulated Funds</b>			
Balance at 30 June 2010	241,753	-	241,753
Surplus/(Deficit) for the year	(53,950)	-	(53,950)
Other Comprehensive Income for the year	-	-	-
<b>Balance at 30 June 2011</b>	<u>187,803</u>	<u>-</u>	<u>187,803</u>
Surplus/(Deficit) for the year	413,996	-	413,996
Other Comprehensive Income for the year	-	-	-
<b>Balance at 30 June 2012</b>	<u><u>601,799</u></u>	<u><u>-</u></u>	<u><u>601,799</u></u>

*The Statement of Changes in Equity should be read in conjunction with the accompanying notes*



**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

	Note	2012 \$	2011 \$
<b>Cash flow from operating activities</b>			
Cash receipts in the course of operations		1,789,494	1,422,368
Cash payments in the course of operations		(1,336,426)	(1,455,247)
<b>Net cash provided by / (used in) operating activities</b>	13(b)	<u>453,068</u>	<u>(32,879)</u>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(41,430)	-
<b>Net cash outflow from investing activities</b>		<u>(41,430)</u>	<u>-</u>
<b>Cash flow from financing activities</b>			
Payment for purchase of shares		-	(30,235)
<b>Net cash outflow from financing activities</b>		<u>-</u>	<u>(30,235)</u>
Net increase / (decrease) in cash held		411,638	(63,114)
Cash and cash equivalents at the beginning of the financial year		86,893	150,007
<b>Cash and cash equivalents at the end of the financial year</b>	13(a)	<u>498,531</u>	<u>86,893</u>

*The Statement of Cash Flows should be read in conjunction with the accompanying notes*

# MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

### 1 SUMMARY OF ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are a general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and complies with the *Fair Work (Registered Organisations) Act 2009*.

The financial statements have also been prepared on a historical basis and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other event is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) **Going Concern Basis**

The financial statements are prepared on a going concern basis.

(b) **New, revised or amending Accounting Standards and Interpretations adopted**

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Association from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

The following Accounting Standards and Interpretations are most relevant to the Association:

#### *AASB 2010-5 Amendments to Australian Accounting Standards*

The Association has applied AASB 2010-5 amendments from 1 July 2011. The amendments made numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

## MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

#### *AASB 124 Related Party Disclosures (December 2009)*

The Standards amend the requirements of the previous version of AASB 124 to clarify the definition of a related party, provide a partial exemption from related party disclosure requirements for government-related entities and include an explicit requirement to disclose commitments involving related parties. This Standards does not impact the financial statements.

#### *AASB 1054 Australian Additional Disclosures*

The Association has applied AASB 1054 from 1 July 2011. The standard sets out the Australian-specific disclosures as a result of Phase I of the Trans-Tasman Convergence Project, which are in addition to International Financial Reporting Standards, for entities that have adopted Australian Accounting Standards.

#### *AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*

The Association has applied AASB 2011-1 amendments from 1 July 2011. These amendments made changes to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to International Financial Reporting Standards ('IFRSs') and harmonisation between Australian and New Zealand Standards. The amendments removed certain guidance and definitions from Australian Accounting Standards for conformity of drafting with IFRSs but without any intention to change requirements.

#### *AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]*

The Standard amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7). The Standard does not impact the financial statements.

#### **(c) Payables**

Trade payables and other accounts payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

#### **(d) Goods and Services Tax**

Revenues, expenses and assets are recognised net of Goods and Service Tax (GST) except where 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.

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.

#### **(e) Income Tax**

The Association is exempt from Income Tax under section 50-5 of the Income Tax Assessment Act 1997.

# MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

### (f) Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Association will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 60 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

### (g) Property and Equipment

All property and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

Depreciation on other assets is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Motor vehicles	5 years
Office equipment	3-8 years
Furniture and fittings	3-8 years

### (h) Employee Benefit Provisions

#### *Wages and Salaries and Annual Leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of balance sheet date are recognised in respect of employees' services rendered up to balance sheet date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual leave are included as part of Provisions for Employee Entitlements.

### (i) Revenue Recognition

#### (i) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Association will comply with all the attached conditions. Grants relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate.

#### (ii) Subscriptions

Revenue from subscriptions is recognised in the period to which it relates.

### (j) Financial Instruments

#### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

## MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

#### (j) Financial Instruments - continued...

##### *Financial Assets*

##### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### *Financial Liabilities*

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### *Derecognition of financial assets*

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

##### *Impairment*

At the end of each reporting period the Association assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### (k) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies.

##### **Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

## MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

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

#### (k) Critical Accounting Estimates and Judgements - continued ...

##### *Impairment of non-financial assets*

The Association assess impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment has been recognised in respect of property, plant and equipment for the year ended 30 June 2012.

##### *Estimation of useful lives of assets*

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### (l) Accounting Standards Issued But Not Yet Effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Committee Members' assessment of the impact of these new standards, amendments and interpretations are set out below.

##### *(i) AASB 9 Financial Instruments, Amends the requirements for classification and measurement of financial assets.*

Effective for annual reporting period beginning on or after 1 January 2015.

This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. The incorporated association will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the association.

##### *(ii) AASB 13 Fair Value Measurement*

Effective for annual reporting period beginning on or after 1 January 2013.

The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the association from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

*(iii) AASB 119 Employee Benefits*

Effective for annual reporting period beginning on or after 1 January 2013.

The Association currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to AASB 119 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012. Leave liabilities for any employees with significant balances of leave outstanding who are not expected to take their leave within 12 months will be discounted, which may result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

*(iv) AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the association's presentation of its statement of comprehensive income.

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

	2012	2011
	\$	\$
<b>2 Revenue</b>		
Training and projects	244,622	444,545
Membership and subscriptions	301,104	264,782
Marketing, functions and events	198,404	169,558
Government grants	742,400	225,000
MBANT services	60,275	59,805
Commission MBAIS	47,377	30,235
Interest and finance	18,967	19,395
HR/IR	67,837	13,269
MBA Insurance Service	38,096	25,657
Miscellaneous income	60,847	1,701
<b>Total Revenue</b>	<u>1,779,929</u>	<u>1,253,947</u>
<b>3 Auditors' Remuneration</b>		
Audit services	6,000	6,747
Accounting services	-	-
	<u>6,000</u>	<u>6,747</u>
<b>4 Cash and cash equivalents</b>		
Cash deposits with banks	498,031	182,321
Cash on hand	500	500
<b>Total cash and cash equivalents</b>	<u>498,531</u>	<u>182,821</u>
<b>5 Trade and other receivables</b>		
Trade receivables	53,337	161,287
Provision for doubtful debts	-	-
	<u>53,337</u>	<u>161,287</u>
Goods and services tax	21,069	9,491
<b>Total receivables</b>	<u>74,406</u>	<u>170,778</u>

Age analysis of trade and other receivables that are past due but not impaired at the end of the reporting period.

Past due [0-30] days	28,176	138,475
Past due [31-60] days	7,320	5,593
Past due [61-90] days	1,840	907
Past due [>91] days	16,001	16,312
	<u>53,337</u>	<u>161,287</u>

**Analysis of allowance account**

Opening Balance	-	740
Provisions for doubtful receivables	-	(740)
Receivables written off during the year	-	-
<b>Closing balance</b>	<u>-</u>	<u>-</u>



**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

	2012	2011
	\$	\$
<b>6</b>		
<b>Inventory</b>		
Standards and contracts	18,444	8,073
<b>Total inventory</b>	<u>18,444</u>	<u>8,073</u>
<b>7</b>		
<b>Other assets</b>		
Shares in MBA Insurance Services Pty Ltd		
Shares at cost	120,000	120,000
Less: impairment	-	(45,040)
<b>Total other assets</b>	<u>120,000</u>	<u>74,960</u>
The investment in MBA Insurance Services Pty Ltd has been impaired to reflect the net asset value of MBA Insurance Services Pty Ltd.		
<b>8</b>		
<b>Property and equipment</b>		
Motor vehicles	40,314	24,663
Less accumulated depreciation	(14,266)	(10,800)
<b>Total motor vehicles</b>	<u>26,048</u>	<u>13,863</u>
Furniture and fixtures	29,951	22,322
Less accumulated depreciation	(18,100)	(16,895)
<b>Total furniture and fixtures</b>	<u>11,851</u>	<u>5,427</u>
Office machines	44,224	26,074
Less accumulated depreciation	(25,158)	(22,770)
<b>Total office machines</b>	<u>19,066</u>	<u>3,304</u>
<b>Total property and equipment</b>	<u>56,965</u>	<u>22,594</u>
<b>Reconciliation</b>		
Carrying value at beginning of the year	22,594	31,731
Additions	41,430	-
Disposals	-	-
Depreciation	(7,059)	(9,137)
Carrying value at end of year	<u>56,965</u>	<u>22,594</u>
<b>9</b>		
<b>Trade and other payables</b>		
Trade creditors	24,879	39,802
Bank overdrafts	-	95,928
Other payables	15,763	15,124
Loan from MBA Insurance Services Pty Ltd	-	39,765
<b>Trade and other payables</b>	<u>40,642</u>	<u>190,619</u>

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

		2012	2011
		\$	\$
<b>10</b>	<b>Grant liabilities</b>		
	Northern Territory Government OHS Subbies Pack	-	10,431
	Northern Territory Government OHS	-	40,000
	Northern Territory Government Workforce Planning Needs	8,665	-
	Northern Territory Government Construction Apprenticeship Mentoring Scheme	60,000	-
	<b>Total grant liabilities</b>	<u>68,665</u>	<u>50,431</u>
<b>11</b>	<b>Provisions</b>		
	Provision for annual leave	57,240	30,373
	<b>Total provision for annual leave</b>	<u>57,240</u>	<u>30,373</u>
<b>12</b>	<b>Accumulated funds</b>		
	Balance at the beginning of the financial year	187,803	241,753
	Total comprehensive income (loss)	413,996	(53,950)
	<b>Balance at the end of the financial year</b>	<u>601,799</u>	<u>187,803</u>
<b>13</b>	<b>Reconciliation of cash and cash equivalents</b>		
	Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
	<b>(a) Reconciliation of cash and cash equivalents</b>		
	Cash deposits with banks	498,031	182,321
	Cash on hand	500	500
	Bank overdrafts	-	(95,928)
	<b>Balance at the end of the year</b>	<u>498,531</u>	<u>86,893</u>

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

**13 Reconciliation of cash and cash equivalents - continued ...**

	2012	2011
	\$	\$
<b>(b) Reconciliation of profit from ordinary activities to net cash provided by operating activities</b>		
Profit from ordinary activities	413,996	(53,950)
Add / (less) non-cash items		
Depreciation	7,059	9,137
Impairment	(45,040)	45,040
Net cash provided by operating activities before change in assets and liabilities	376,015	227
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	96,371	122,149
(Increase) / decrease in inventories	(10,371)	1,232
(Decrease) / increase in trade and other payables	(54,049)	(274)
(Decrease) / increase in provisions	26,867	(1,213)
(Decrease) / increase in unexpended grants	18,235	(155,000)
Net cash provided by / (used in) operating activities	453,068	(32,879)

**14 Related Party Disclosures**

**(a) Transactions with Related Parties**

The following persons held positions Committee during the reporting period:

*Committee Members*

Andrea Moriarty	Matt Sharp
Charles Wright	Paul Nowland
Danny Jansen	Phil Storey
Dick Guit	Ray Somerville
Graham Kemp	Riarna McCarthy
Greg McLaughlin	Richard McElwee
James Taylor	Richard Riedel
John Brears	Roger Pearson
Kevin Page	Russell Lutzke
Kevin Peters	Sandy Kirsopp
Leanne Kison	Simon Lance
Maria Savvas	

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

**14 Related Party Disclosures - continued ...**

	2012	2011
	\$	\$
<b>(b) Balances with Related Parties</b>		
<b>(i) Amounts Payable to Related Parties</b>		
<b>Key Management Personnel</b>		
Graham Kemp	-	-
	<u>-</u>	<u>-</u>
<b>Other Branches - Current</b>		
Master Builders Association of NSW Pty Ltd	220	911
Master Builders Association Victoria	545	-
Master Builders Australia Incorporated	-	14,071
MBA Insurance Services Pty Ltd	-	-
North Australian Insurance Brokers	-	8,417
	<u>765</u>	<u>23,399</u>

Outstanding payables are non interest bearing and are normally on a 30 day terms.

**(ii) Amounts Receivable from Related Parties**

<b>Other Branches - Current</b>		
MBA Insurance Services Pty Ltd	2,400	7,632
	<u>2,400</u>	<u>7,632</u>

Outstanding receivables are unsecured, interest free, settlement occurs in cash and generally have 30 day terms.

	2012	2011
	\$	\$

The following transactions took place with related parties during the reporting period:

<b>Key Management Personnel</b>		
Graham Kemp	-	20,292
	<u>-</u>	<u>20,292</u>
<b>Other Branches</b>		
Master Builders - Newcastle	-	-
Master Builders - NSW	-	152,745
Master Builders Association of WA	-	845
Master Builders Association (Qld)	-	6,195
Master Builders Association of NSW Pty Ltd	-	5,887
Master Builders Association Victoria	-	-
Master Builders Australia Incorporated	-	75,841
MBA Insurance Services Pty Ltd	-	36,692
	<u>-</u>	<u>278,205</u>

**MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED**

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

**14 Related Party Disclosures - continued ...**

	2012	2011
	\$	\$
<b>Key Management Personnel Compensation</b>		
<i>Key Management Compensation Information</i>		
Short term employee benefits	279,179	250,429
Other benefits	<u>37,718</u>	<u>22,539</u>
	<u>316,897</u>	<u>272,968</u>

*Other Transactions with Key Management Personnel*

The General Manager Operations purchased a vehicle from the association that was on an operating lease, for \$6,000.

**15 Compliance with Fair Work (Registered Organisations) Act 2009**

**272 Information to be provided to members or General Manager**

- (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).

**16 CONTINGENT LIABILITIES**

	-	-
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**17 EVENTS SUBSEQUENT TO END OF REPORTING DATE**

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of the Association in subsequent financial years.

The carrying amount of assets and liabilities as recorded in the financial statements and the realisation and settlement amounts of assets and liabilities have not changed materially since end of reporting date.

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
30 JUNE 2012

18 FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

In common with all other businesses, the Association is exposed to risks that arise from its use of financial instruments. This note describes the Association's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Association hold the following financial instruments:

	2012	2011
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	498,531	182,821
Trade and other receivables	74,406	170,778
	<u>572,937</u>	<u>353,599</u>
<b>Financial liabilities</b>		
Trade and other payables	40,642	190,619
Unexpended grants	68,665	50,431
	<u>109,307</u>	<u>241,050</u>

The Committee Members has overall responsibility for the determination of risk management objectives and polices and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The Association's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Association where such impacts may be material. The Committee Members receives monthly reports from management through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Committee Members is to set polices that seek to reduce risk as far as possible without unduly affecting the Association's flexibility. Further details regarding these policies are set out below:

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
30 JUNE 2012

18 FINANCIAL RISK MANAGEMENT - continued...

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Association incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Association's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2012	2011
	\$	\$
Cash and cash equivalents	498,531	182,821
Trade and other receivables	74,406	170,778
	<u>572,937</u>	<u>353,599</u>

(c) Liquidity risk

Maturity Analysis - 2012

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	40,642	40,642	40,642	-	-	-
Grant Liabilities	68,665	68,665	68,665	-	-	-
<b>TOTAL</b>	<u>109,307</u>	<u>109,307</u>	<u>109,307</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	53,337	53,337	53,337	-	-	-
Other receivables	21,069	21,069	21,069	-	-	-
<b>TOTAL</b>	<u>74,406</u>	<u>74,406</u>	<u>74,406</u>	<u>-</u>	<u>-</u>	<u>-</u>

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
30 JUNE 2012

18 FINANCIAL RISK MANAGEMENT - continued...

(c) Liquidity risk

Maturity Analysis - 2011

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	190,619	190,619	190,619	-	-	-
Grant Liabilities	50,431	50,431	50,431	-	-	-
<b>TOTAL</b>	<b>241,050</b>	<b>241,050</b>	<b>241,050</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	161,287	161,287	161,287	-	-	-
Other receivables	9,491	9,491	9,491	-	-	-
<b>TOTAL</b>	<b>170,778</b>	<b>170,778</b>	<b>170,778</b>	<b>-</b>	<b>-</b>	<b>-</b>





FAIR WORK  
AUSTRALIA

15 August 2012

Phillip Storey  
President  
Master Builders Association of the Northern Territory trading as Master Builders Northern Territory  
By email: [ed@mbant.com.au](mailto:ed@mbant.com.au)

Dear Mr Storey,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/452]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Master Builders Association of the Northern Territory trading as Master Builders Northern Territory (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at [www.fwa.gov.au](http://www.fwa.gov.au) – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at [orgs@fwa.gov.au](mailto:orgs@fwa.gov.au). Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7817 or by email at [robert.pfeiffer@fwa.gov.au](mailto:robert.pfeiffer@fwa.gov.au) if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Robert Pfeiffer  
Organisations, Research & Advice  
Fair Work Australia

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /
------------------------------------	-----

Prepare financial statements and Operating Report.
--

(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

*As soon as practicable after end of financial year*

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
---	-----

*Within a reasonable time of having received the GPFR  
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /
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*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,*  
  
*or*  
*(b) in any other case including where the report is presented to a Committee of Management meeting\*, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

*Within 6 months of end of financial year*

*Within 6 months of end of financial year*

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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*Within 14 days of meeting*

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.



FAIR WORK  
AUSTRALIA

1 August 2012

Mr Jeff Colver  
General Manager Operations  
Master Builders Association of the Northern Territory trading as Master Builders Northern Territory  
[ed@mbant.com.au](mailto:ed@mbant.com.au)

Dear Mr Colver,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/452]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Master Builders Association of the Northern Territory trading as Master Builders Northern Territory (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

Failure to comply with these obligations is subject to a civil penalty provision - see s305 of the RO Act.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at [www.fwa.gov.au](http://www.fwa.gov.au) – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at [orgs@fwa.gov.au](mailto:orgs@fwa.gov.au). Alternatively, you can forward the documents by fax to (03) 9655 0410. Please do not hesitate to contact me on (03) 86617787 or by email at [Andrea.O'HALLORAN@fwa.gov.au](mailto:Andrea.O'HALLORAN@fwa.gov.au) if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Andrea O'HALLORAN  
Organisations, Research & Advice  
Fair Work Australia

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /
------------------------------------	-----

Prepare financial statements and Operating Report.
--

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*As soon as practicable after end of financial year*

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*or*  
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Present full report to:	
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

*Within 6 months of end of financial year*

*Within 6 months of end of financial year*

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
--	-----

*Within 14 days of meeting*

\* *the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.*

# *The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.*

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