



MASTER BUILDERS  
ASSOCIATION OF  
VICTORIA  
ACN 004 255 654  
ABN 38 004 255 654

September 9, 2002

Australian Industrial Registry  
Level 36, Nauru House  
80 Collins Street  
Melbourne Vic 3000



Dear Sir/Madam

**1. Summary Accounts for Year Ended 30/6/2002**

We submit a copy of the summary for your consideration prior to providing a copy to our members.

We need to have the summary to our printers for printing at the latest by 27/9/2002.

Therefore it would be appreciated if you could give this matter your urgent attention and advise us accordingly.

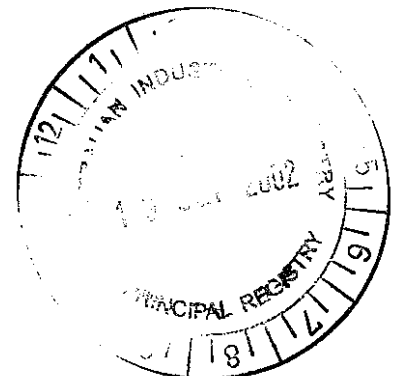
**2. Committee of Management Resolution**

I, Michael Rigg certify that in respect to the presentation of summary accounts to the members the following motion was duly passed at a Council of Management Meeting of the Association held at 332 Albert Street East Melbourne on the 25<sup>th</sup> day of August 1998.

*(that) 'The Master Builders Association of Victoria may provide to its members from this year forward a summary of the requirements of section 279 (1) of the Workplace Relations Act 1996 instead of a full report.*

Yours Faithfully

Michael Rigg  
President



332 ALBERT STREET, EAST MELBOURNE VICTORIA 3002  
GPO BOX 544D MELBOURNE 3001

PH: 03 9411 4555 FAX: 03 9411 4591 WEB SITE: <http://www.mbav.com.au>

# **Master Builders Association of Victoria**

ACN 004 255 654  
(A Company Limited By Guarantee)

## **2001/2002 Annual Report for presentation to the Annual General Meeting Of Members**

THE DIRECTORS OF THE MASTER BUILDERS ASSOCIATION OF VICTORIA HAVE RESOLVED TO ISSUE TO MEMBERS CONCISE ACCOUNTS IN ACCORDANCE WITH SECTION 314 OF THE COMPANY LAW REVIEW ACT 1998  
IF YOU DESIRE A **FULL REPORT AND AUDITOR'S REPORT** PLEASE CONTACT MR ROD COLE AT THE ASSOCIATION AND A COPY WILL BE SENT TO YOU **FREE OF CHARGE**



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2002**

The board of directors presents the audited accounts of the company for the year ended 30 June 2002.

The members of the following bodies at the date of this report are:-

**Board of Management**

Duke, G	Ravida, D	Whitwell, R
Forster, W J	Rigg, M W	
Gordon, N	Seidler, C	
Howell, G E	Sweeney, S	

**Council of Management**

de la Coeur, D	Howell, GE	Nicholson, R	Surace, N
de Kretser, J	Laidlaw, T	Ravida, D	Sweeney, S
Duke, G	McCaffrey, J	Renwick, M	Tweedie, A
Farrell, A	McNamara, G	Rigg, MW	Whitwell, R
Forster, W.J.	Miles, D	Robinson, PJ	
Gordon, N	Newnham, DA	Seidler, C	

**Principal Activities**

The principal activity of the Association was to provide a range of services to members.

**Financial Results**

The surplus for the year was \$404,797 (2001 loss \$257,130). The company is exempt from paying income tax.

**Review of Operations**

The results were considered satisfactory in view of current economic conditions and operational issues as outlined in the statement of financial performance.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2002**

**Dividends**

The company does not have a share capital and it is precluded from paying dividends.

**Significant Changes**

No significant changes in the state of affairs of the company have occurred during the financial year.

**Matters Subsequent to Balance Date**

There are no matters or circumstances which have arisen since 30 June 2002 that have significantly affected or may significantly affect:-

- (i) the operations of the company;
- (ii) the result of those operations; or
- (iii) the state of affairs of the company,

in the financial years subsequent to that financial year.

**Likely Developments in Operations**

The Association will continue to pursue the provision of services to members.

**Contracts with Directors**

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration of Directors shown in the accounts) by reason of a contract made by the company with any Director, or with a firm of which a Director is a member, or with a company in which a Director has a substantial financial interest.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2002**

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State.

**Indemnifying Officer or Auditor**

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- . indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- . paid or agreed to pay a premium in respect of a contract insuring against liability incurred as an officer for the costs or expenses to defend legal proceedings.

With the exception of the following matters

During the financial year the company has paid a total premium of \$19,300 to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Caramanico, S (Appointed 27/11/2001)  
Caramanico, S (Retired 18/06/2002)  
de Kretser, J  
de la Coeur, D  
Dixon, P (Retired 27/11/2001)  
Duke, G  
Farrell, A (Appointed 27/11/2001)  
Forster, WJ  
Gordon, N  
Howell, GE  
Laidlaw, T (Appointed 27/11/2001)  
McCaffrey, J (Appointed 27/11/2001)  
McNamara, G (Appointed 27/11/2001)  
Miles, D (Appointed 1/5/2002)

Miles, D (Retired 27/11/2001)  
Newnham, DA  
Nicholson, R (Appointed 27/11/2001)  
Ravida, D  
Renwick, M (Appointed 27/11/2001)  
Rigg, MW  
Robinson, PJ  
Seidler, C  
Stehle, (Retired 27/11/2001)  
Surace, N  
Swain, (Retired 27/11/2001)  
Sweeney, S  
Tweedie, A (Appointed 27/11/2001)  
Whitwell, R

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2002**

**Information on Directors**

Name:	de Kretser,	Julian
Age:		47
Qualifications:		Director
Council Meetings Attended:		3
Name:	de la Coeur,	David
Age:		57
Qualifications:		Director
Council Meetings Attended:		1
Name:	Duke,	Gavan
Age:		63
Qualifications:		Marketing Manager
Council Meetings Attended		4
Name:	Farrell,	Anthony
Age:		40
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	Forster	William Jonathan
Age:		55
Qualifications:		Company Director
Council Meetings Attended		2
Name:	Gordon,	Neale
Age:		43
Qualifications:		Director
Council Meetings Attended		4
Name:	Howell,	Gerald Edwin
Age:		70
Qualifications:		Managing Director
Council Meetings Attended		3
Name:	Laidlaw,	Terry
Age:		64
Qualifications:		Managing Director
Council Meetings Attended		2

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2002**

**Information on Directors (cont'd)**

Name: McCaffrey, Jim  
Age: 51  
Qualifications: Construction Manager  
Council Meetings Attended 1

Name: Miles, David  
Age: 39  
Qualifications: Director  
Council Meetings Attended 1

Name: McNamara, Geoff  
Age: 59  
Qualifications: Sales Manager  
Council Meetings Attended 1

Name: Newnham, David Arnold  
Age: 53  
Qualifications: Management Consultant  
Council Meetings Attended 3

Name: Nicholson, Richard  
Age: 34  
Qualifications: Director  
Council Meetings Attended

Name: Ravida, Don  
Age: 40  
Qualifications: Director  
Council Meetings Attended 4

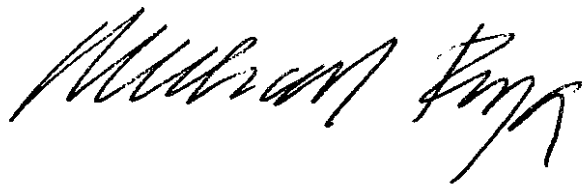
Name: Renwick, Michael  
Age: 49  
Qualifications: General Manager  
Council Meetings Attended 1

Name: Rigg, Michael Wayne  
Age: 56  
Qualifications: Director  
Council Meetings Attended 4

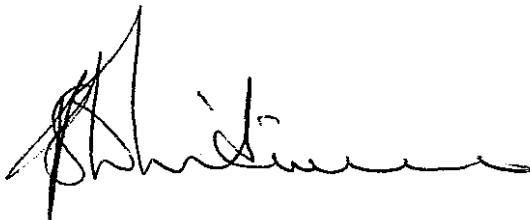
Name:	Robinson,	Philip John
Age:		56
Qualifications:		Company Director
Council Meetings Attended		4
Name:	Surace,	Natali
Age:		58
Qualifications:		Construction Manager
Council Meetings Attended		4
Name:	Sweeney,	Steven Charles
Age:		43
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	Tweedie,	Adam
Age:		31
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	Whitwell,	Robert
Age:		51
Qualifications:		General Manager
Council Meetings Attended		3

This report is made in accordance with a resolution of the Board.

Director



Director



Dated at East Melbourne this .....<sup>17<sup>th</sup></sup>..... day of September 2002



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DISCUSSION AND ANALYSIS  
OF THE FINANCIAL STATEMENTS**

**Information on Master Builders Association of Victoria Concise Financial Report**

The financial statements and disclosures in the concise financial report have been derived from the 2002 Financial Report of Master Builders Association of Victoria.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on The Master Builders Association of Victoria financial statements and the information contained in the concise financial report has been derived from the full 2002 Financial Report of The Master Builders Association of Victoria

**Statement of Financial Performance**

The operating surplus from ordinary activities attributable to members for the year is \$661,927 more than the previous year deficit.

This reversal was caused by three main factors:- the cessation of the Group Apprenticeship Scheme previously a loss making division, the impact of favourable economic conditions on Departments such as Training and Housing and the recovery of insurance operations following the collapse of a major insurance underwriter last year.

-

**Statement of Financial Position**

Total assets have increased by \$662,817. This increase was due mainly to the following:-

- Increased premium income and thus a resultant increase in debtors and cash at bank due to recovery of the insurance division from the collapse of a major insurance underwriter last financial year.

Total liabilities have increased by \$258,020. This increase was mainly due to the following:-

- Increase of premium income and thus a resultant increase in insurance premiums payable due to the recovery of the insurance division from the collapse of a major insurance underwriter last financial year.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
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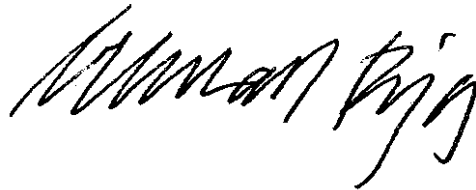
**DISCUSSION AND ANALYSIS  
OF THE FINANCIAL STATEMENTS**

**Statement of Cash Flows**

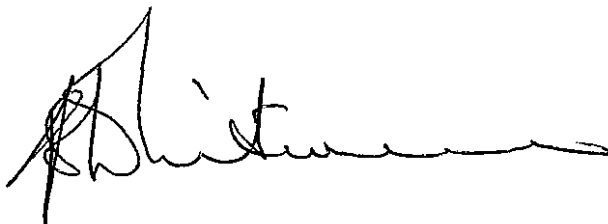
Cash flow generated by operating activities increased by \$2,730,926. The cashflow has increased as a result of decreased cash inflow offset by a greater decrease in cash outflow this financial year. This was due to the closure of the Group Apprenticeship Scheme last financial year, and the effects of the collapse of a major insurance underwriter last financial year.

In accordance with a resolution of the Board.

Director



Director



Dated at East Melbourne this <sup>17<sup>th</sup></sup>..... day of September 2002

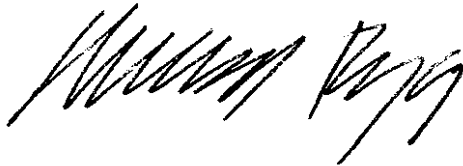
**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DIRECTORS' DECLARATION**

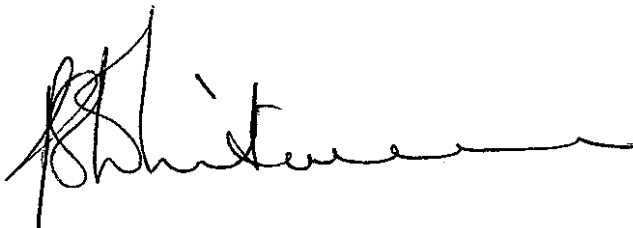
In accordance with a resolution of the Board of Master Builders Association of Victoria we declare that the concise financial report of the Association:-

- (a) complies with Accounting Standard AASB 1039 : Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Master Builders Association of Victoria.

Director



Director



Dated at East Melbourne this ....17<sup>th</sup>..... day of September 2002

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
MASTER BUILDERS ASSOCIATION OF VICTORIA  
ACN 004 255 654****Scope**

We have audited the concise financial report of the Master Builders Association of Victoria for the year ended 30 June 2002, comprising the discussion and analysis of the financial statements, statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements and directors declaration in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Master Builders Association of Victoria for the year ended 30 June 2002. Our audit report on the full financial report was signed on 17 September 2002 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 : Concise Financial Reports.

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

**Audit Opinion**

In our opinion:

- a) the concise financial report of the Master Builders Association of Victoria complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) in accordance with section 279 (2)(b) of the Workplace Relation Act 1996, it is a fair and accurate summary of the full financial report of the Master Builders Association of Victoria.

**BDO**  
**BDO**  
Chartered Accountants

  
**C M J BRYAN**  
Partner

Melbourne: 17 September, 2002

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2002**

	2002 \$	2001 \$
<b>Current Assets</b>		
Cash assets	3,613,281	2,570,483
Receivables	1,146,854	1,363,682
Other Financial Assets	817,302	784,596
Inventories	80,565	56,811
Other	122,020	170,673
Total Current Assets	<u>5,780,022</u>	<u>4,946,245</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	<u>5,698,411</u>	<u>5,869,371</u>
Total Non Current Assets	<u>5,698,411</u>	<u>5,869,371</u>
<b>Total Assets</b>	<u>11,478,433</u>	<u>10,815,616</u>
<b>Current Liabilities</b>		
Payable	5,824,217	4,864,360
Interest Bearing Liabilities	224,474	959,571
Provisions	366,705	277,710
Total Current Liabilities	<u>6,415,396</u>	<u>6,101,641</u>
<b>Non Current Liabilities</b>		
Interest Bearing Liabilities	23,539	48,020
Provisions	49,813	81,067
Total Non Current Liabilities	<u>73,352</u>	<u>129,087</u>
<b>Total Liabilities</b>	<u>6,488,748</u>	<u>6,230,728</u>
<b>NET ASSETS</b>	<u>4,989,685</u>	<u>4,584,888</u>
<b>Equity</b>		
Retained Funds	4,441,534	4,036,737
Reserve	548,151	548,151
<b>TOTAL EQUITY FUNDS</b>	<u>4,989,685</u>	<u>4,584,888</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2002**

	2002 \$	2001 \$
Revenue from ordinary activities	13,146,221	14,898,725
Employee benefits expenses	(4,327,434)	(5,663,190)
Depreciation and amortisation expenses	(292,753)	(255,535)
Cost of commissions	(5,009,379)	(5,104,166)
Borrowing costs expenses	(14,351)	(24,705)
Premises expenses	(239,997)	(186,839)
Travel, Accommodation & Motor Vehicles	(508,522)	(520,881)
Telephone & Postage	(403,408)	(382,749)
Administration expenses	(1,189,094)	(2,241,168)
Cost of Good Sold-Document Sales	(189,985)	(139,620)
Cost of Sale- Fixed Assets	(22,333)	(13,421)
Promotional Activity expenses	(544,168)	(623,581)
	<hr/>	<hr/>
Profit (Loss) from ordinary activities	404,797	(257,130)
	<hr/>	<hr/>
<b>Total changes in equity of the Association</b>	<b>404,797</b>	<b>(257,130)</b>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flow from Operating Activities</b>		
Receipts from members - Subscriptions	3,029,911	2,997,574
Receipts from - Other activities	10,364,557	12,026,428
Payments to suppliers and employees	(11,434,082)	(15,798,523)
Interest paid	(14,351)	(24,705)
Interest Received	13,178	20,822
Net cash provided by (used in) operating activities	<u>1,959,213</u>	<u>(774,408)</u>
<b>Cash Flow from Investing Activities</b>		
Proceeds on disposal of fixed assets	19,995	9,937
Capital expenditure on fixed assets	(144,126)	(313,387)
Net cash used in investing activities	<u>(124,131)</u>	<u>(303,450)</u>
<b>Cash Flow from Financing Activities</b>		
Proceeds from new borrowings	-	300,000
Repayment of lease and hire purchase liabilities	(59,578)	(52,883)
Repayment of borrowings	(700,000)	-
Net cash provided by (used in) financing activities	<u>(759,578)</u>	<u>247,117</u>
Net increase\ (decrease) in cash held	1,075,504	(834,741)
Opening Cash at 1 July 2002	<u>3,355,079</u>	<u>4,189,820</u>
Closing Cash at 30 June 2002	<u>4,430,583</u>	<u>3,355,079</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO AND FORMING PART OF THE CONCISE FINANCIAL REPORT  
YEAR ENDED 30 JUNE 2002**

**NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has been prepared in accordance with Accounting Standard AASB1039: Concise Financial Reports and the Corporations Act.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full financial report of The Master Builders Association of Victoria. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of The Master Builders Association of Victoria as the full financial report.

The accounting policies have been consistently applied and are consistent with those of the previous financial year except where noted.

**NOTE 2: OPERATING REVENUE**

	2002	2001
	\$	\$
<b>Operating Activities</b>		
Membership Fees	3,029,911	2,997,574
Insurance Commissions	6,294,920	6,441,236
Sale of Forms	345,809	267,745
Sundry Income	753,840	519,135
Premises Income	192,600	202,447
Housing Income	778,216	484,177
Training Income	1,320,001	1,129,641
Commercial Industrial Income	362,751	304,413
Excellence in Construction	35,000	25,000
Group Apprenticeship Scheme	-	2,482,783
<b>Total revenue from operating activities</b>	<u>13,113,048</u>	<u>14,854,151</u>
<b>Non-Operating Activities</b>		
Proceeds on sale of assets	19,995	23,752
Interest Received	13,178	20,822
<b>Total revenue from non-operating activities</b>	<u>33,173</u>	<u>44,574</u>
<b>Total Revenue from all activities</b>	<u>13,146,221</u>	<u>14,898,725</u>



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO AND FORMING PART OF THE CONCISE FINANCIAL REPORT  
YEAR ENDED 30 JUNE 2002**

**NOTE 3: STATEMENT OF OPERATIONS BY SEGMENTS**

The association operates in the building sector providing services to members of the association within Victoria. The MBAV Insurance Brokerage Division contributed the following surplus to the association results for the year ended 30 June 2002.

	2002	2001
	\$	\$
<b>Insurance Division</b>		
Commission	6,294,920	6,441,236
Less cost of commissions	<u>(5,009,379)</u>	<u>(5,104,166)</u>
	1,285,541	1,337,070
Other Income	<u>132,246</u>	<u>195,979</u>
	1,417,787	1,533,049
Less Direct expenditure	<u>(906,137)</u>	<u>(1,064,574)</u>
Surplus from operations	<u>511,650</u>	<u>468,475</u>

**NOTE 4: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of the sub-sections (1),(2) and (3) of Section 274 which reads as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (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 the member or the registrar in such manner and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (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.

**NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no matters or circumstances since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of these operations, or the state of affairs of the company in future years.



## AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Michael Rigg  
President  
Master Builders' Association of Victoria  
GPO Box 544D  
MELBOURNE VIC 3001

Dear Mr Rigg,

**Re: Master Builders' Association of Victoria  
Summary of financial documents for year ended 30 June 2002  
FR2002/596**

Receipt is acknowledged of the summary of the financial documents of the Master Builders' Association of Victoria for the year ended 30 June 2002. The summary was lodged in the Industrial Registry on 19 September 2002 in accordance with the requirements of subsection 279(2) of the *Workplace Relations Act 1996*.

The documents have been filed.

You are reminded that the financial documents prepared pursuant to section 273 of the Act are required to be presented to a meeting held in accordance with subsection 279(6) and that copies of those documents should be lodged in the Registry within 14 days of being so presented.

Your statement lodged pursuant to subsection 269(1) of the Act concerning loans, grants and donations made during the year ended 30 June 2002 has been dealt with under cover of a separate letter.

Yours sincerely

Ruth Hansen   
Statutory Services Branch

1 October 2002

# **Master Builders Association Of Victoria**

ACN 004 255 654

(A Company Limited By Guarantee)

**2001/2002 Annual Report  
for presentation to the  
Annual General Meeting  
Of Members**



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002**

The board of directors presents the audited accounts of the company for the year ended 30 June 2002.

The members of the following bodies at the date of this report are:-

**Board of Management**

Duke, G	Ravida, D	Whitwell, R
Forster, W J	Rigg, M W	
Gordon, N	Seidler, C	
Howell, G E	Sweeney, S	

**Council of Management**

de la Coeur, D	Howell, GE	Nicholson, R	Surace, N
de Kretser, J	Laidlaw, T	Ravida, D	Sweeney, S
Duke, G	McCaffrey, J	Renwick, M	Tweedie, A
Farrell, A	McNamara, G	Rigg, MW	Whitwell, R
Forster, W.J.	Miles, D	Robinson, PJ	
Gordon, N	Newnham, DA	Seidler, C	

**Principal Activities**

The principal activity of the Association was to provide a range of services to members.

**Financial Results**

The surplus from operating activities for the year was \$404,797 (2001 loss \$257,130). The company is exempt from paying income tax.

**Review of Operations**

The results represent a favourable reversal of \$661,927. This reversal was caused by three main factors:- the cessation of the Group Apprenticeship Scheme previously a loss making division, the impact of favourable economic conditions on Departments such as Training and Housing and the recovery of insurance operations following the collapse of a major insurance underwriter last year.

**Dividends**

The company does not have a share capital and it is precluded from paying dividends.

**Significant Changes**

No significant changes in the state of affairs of the company have occurred during the financial year.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002**

**Matters Subsequent to Balance Date**

There are no matters or circumstances which have arisen since 30 June 2002 that have significantly affected or may significantly affect:-

- (i) the operations of the company;
- (ii) the result of those operations; or
- (iii) the state of affairs of the company,

in the financial years subsequent to that financial year.

**Likely Developments in Operations**

The Association will continue to pursue the provision of services to members.

**Contracts with Directors**

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration of Directors shown in the accounts) by reason of a contract made by the company with any Director, or with a firm of which a Director is a member, or with a company in which a Director has a substantial financial interest.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State.

**Indemnifying Officer or Auditor**

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability incurred as an officer for the costs or expenses to defend legal proceedings.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002**

With the exception of the following matters:

During the financial year the company has paid a total premium of \$19,300 to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Caramanico, S (Appointed 27/11/2001)	Miles, D (Retired 27/11/2001)
Caramanico, S (Retired 18/6/2002)	Newnham, DA
de Kretser, J	Nicholson, R (Appointed 27/11/2001)
de la Coeur, D	Ravida, D
Dixon, P (Retired 27/11/2001)	Renwick, M (Appointed 27/11/2001)
Duke, G	Rigg, MW
Farrell, A (Appointed 27/11/2001)	Robinson, PJ
Forster, WJ	Seidler, C
Gordon, N	Stehle, (Retired 27/11/2001)
Howell, GE	Surace, N
Laidlaw, T (Appointed 27/11/2001)	Swain, (Retired 27/11/2001)
McCaffrey, J (Appointed 27/11/2001)	Sweeney, S
McNamara, G (Appointed 27/11/2001)	Tweedie, A (Appointed 27/11/2001)
Miles, D (Appointed 1/5/2002)	Whitwell, R

**Information on Directors**

Name:	de Kretser,	Julian
Age:		47
Qualifications:		Director
Council Meetings Attended:		3
Name:	de la Coeur,	David
Age:		57
Qualifications:		Director
Council Meetings Attended:		1
Name:	Duke,	Gavan
Age:		63
Qualifications:		Marketing Manager
Council Meetings Attended:		4

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002**

**Information on Directors (cont'd)**

Name:	Farrell,	Anthony
Age:		40
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	Forster	William Jonathan
Age:		55
Qualifications:		Company Director
Council Meetings Attended		2
Name:	Gordon,	Neale
Age:		43
Qualifications:		Director
Council Meetings Attended		4
Name:	Howell,	Gerald Edwin
Age:		70
Qualifications:		Managing Director
Council Meetings Attended		3
Name:	Laidlaw,	Terry
Age:		64
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	McCaffrey,	Jim
Age:		51
Qualifications:		Construction Manager
Council Meetings Attended		1
Name:	Miles,	David
Age:		39
Qualifications:		Director
Council Meetings Attended		1
Name:	McNamara,	Geoff
Age:		59
Qualifications:		Sales Manager
Council Meetings Attended		1

MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)

ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002

Information on Directors (cont'd)

Name: Newnham, David Arnold  
Age: 53  
Qualifications: Management Consultant  
Council Meetings Attended 3

Name: Nicholson, Richard  
Age: 34  
Qualifications: Director  
Council Meetings Attended

Name: Ravida, Don  
Age: 40  
Qualifications: Director  
Council Meetings Attended 4

Name: Renwick, Michael  
Age: 49  
Qualifications: General Manager  
Council Meetings Attended 1

Name: Rigg, Michael Wayne  
Age: 56  
Qualifications: Director  
Council Meetings Attended 4

Name: Robinson, Philip John  
Age: 56  
Qualifications: Company Director  
Council Meetings Attended 4

Name: Seidler, Chris  
Age: 40  
Qualifications: Director  
Council Meetings Attended 3

Name: Surace, Natali  
Age: 58  
Qualifications: Construction Manager  
Council Meetings Attended 4

Name: Sweeney, Steven Charles  
Age: 43  
Qualifications: Managing Director  
Council Meetings Attended 2



MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)

ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2002

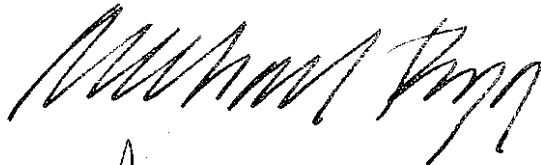
Information on Directors (cont'd)

Name:	Tweedie,	Adam
Age:		31
Qualifications:		Managing Director
Council Meetings Attended		2
Name:	Whitwell,	Robert
Age:		51
Qualifications:		General Manager
Council Meetings Attended		3

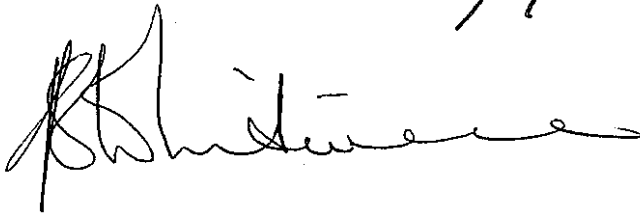
Dated at East Melbourne this <sup>17<sup>th</sup></sup>.....day of September 2002

In accordance with a resolution of the Board.

Director



Director



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**DECLARATION BY MEMBERS OF THE BOARD  
YEAR ENDED 30 JUNE 2002**

In accordance with a resolution of the Board of Master Builders Association of Victoria we declare that:-

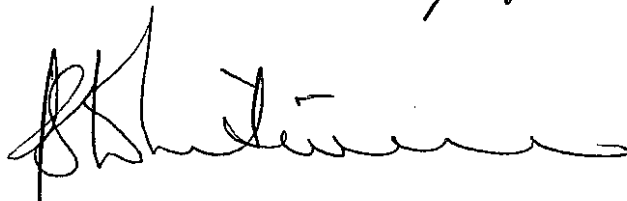
1. The financial statements and notes to the accounts:-
  - (a) comply with Accounting Standards and the Corporations Act; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members of the board.

Director



Director



Dated at East Melbourne this .....<sup>17<sup>th</sup></sup>..... day of September 2002

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

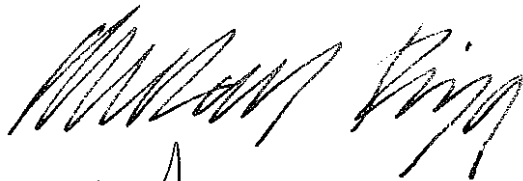
**STATEMENT BY COUNCIL OF MANAGEMENT**

We, Michael Rigg and Rob Whitwell, being two members of the Council of Management of the Master Builders' Association of Victoria, do state on behalf of the Council and in accordance with a resolution passed by Council, that:

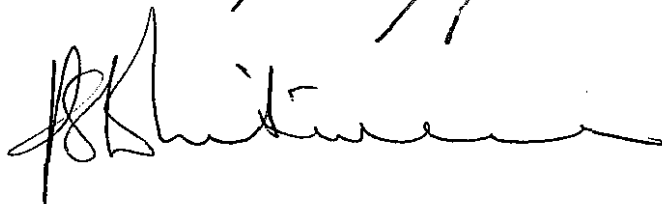
- (i) in the opinion of the Council of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2002.
- (ii) in the opinion of the Council of Management, meetings of the Council were held during the year ended 30 June 2002 in accordance with the rules of the organisation.
- (iii) to the knowledge of any member of the Council, there have been no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under Sub-Section 274 (2) of the Workplace Relations Act 1996), or copies of those records or documents or copies of the rules of the organisation, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation and;
- (iv) the organisation has complied with Sections 273 (1) and (6) of the Workplace Relations Act 1996 in relation to the financial accounts in respect of the year ended 30 June 2001 and the auditors report thereon.

On behalf of the Council

Michael Rigg



Rob Whitwell



Dated at East Melbourne this .....<sup>17<sup>th</sup></sup>.....day of September 2002

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**


**ACCOUNTING OFFICER'S CERTIFICATE**

I, Don Ravida, being the officer responsible for keeping the accounting records of the Master Builders Association of Victoria, certify as at 30 June 2002 the number of members of the organisation was 4,801 (2001: 4,672).

In my opinion,

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2002.
- (ii) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank accounts to which those monies are to be credited, in accordance with the rules of the organisation.
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such funds for purposes other than those for which the fund operated.
- (v) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the organisation, were made to persons holding office in the organisation.
- (vi) the register of the members of the organisation was maintained in accordance with the Act.

**Don Ravida**  
Treasurer



Dated at East Melbourne this .....<sup>17</sup> day of September 2002

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
MASTER BUILDERS ASSOCIATION OF VICTORIA  
A.C.N. 004 255 654****Scope**

We have audited the financial report, being the Directors' Declaration, Statement by Council of Management, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements of Master Builders Association of Victoria for the year ended 30 June 2002. The company's directors are responsible for preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of 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 whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position as represented by the results of its operations and cash flows.

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

**Audit Opinion**

- (a) In our opinion the financial report of Master Builders Association of Victoria is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date; and
  - (ii) complying with applicable Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements.
- (b) In accordance with section 276(a)(i) of the Workplace Relations Act 1996, we report that in respect of the year ended 30 June 2002, the Association kept satisfactory accounting records including:
- records of sources and nature of the income of the Association (including income of members); and
  - records of the nature and purposes of the expenditure of the Association.

- (c) The accounts and statements prepared in accordance with section 273 of the Workplace Relations Act 1996 in relation to the year ended 30 June, 2002 were properly drawn up so as to give a true and fair view of:
- the financial affairs of the Association as at 30 June, 2002; and
  - the income and expenditure, and the surplus of the Association for the year then ended.
- (d) We have received all the information and explanations requested for the purposes of our audit.

*BDO*

**BDO**  
Chartered Accountants



**CMJ BRYAN**  
Partner

Melbourne: 17<sup>th</sup> day of September 2002

**MASTER BUILDERS ASSOCIATION OF VICTORIA**  
(A.C.N. 004 255 654)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2002**

	Note	2002 \$	2001 \$
<b>Current Assets</b>			
Cash assets	5	3,613,281	2,570,483
Receivables	6	1,146,854	1,363,682
Other financial assets	7	817,302	784,596
Inventories	8	80,565	56,811
Other	9	122,020	170,673
<b>Total Current Assets</b>		<u>5,780,022</u>	<u>4,946,245</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	5,698,411	5,869,371
<b>Total Non Current Assets</b>		<u>5,698,411</u>	<u>5,869,371</u>
<b>Total Assets</b>		<u>11,478,433</u>	<u>10,815,616</u>
<b>Current Liabilities</b>			
Payables	11	5,824,217	4,864,360
Interest bearing liabilities	12	224,474	959,571
Provisions	13	366,705	277,710
<b>Total Current Liabilities</b>		<u>6,415,396</u>	<u>6,101,641</u>
<b>Non Current Liabilities</b>			
Interest bearing liabilities	12	23,539	48,020
Provisions	13	49,813	81,067
<b>Total Non Current Liabilities</b>		<u>73,352</u>	<u>129,087</u>
<b>Total Liabilities</b>		<u>6,488,748</u>	<u>6,230,728</u>
<b>NET ASSETS</b>		<u>4,989,685</u>	<u>4,584,888</u>
<b>Equity</b>			
Retained funds	14	4,441,534	4,036,737
Reserve	15	548,151	548,151
<b>TOTAL EQUITY</b>		<u>4,989,685</u>	<u>4,584,888</u>

Notes 1 to 22 forming part of the accounts are attached.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2002**

	Note	2002 \$	2001 \$
Revenues from ordinary activities	3	13,146,221	14,898,725
Employee benefits expenses		(4,327,434)	(5,663,190)
Cost of commissions		(5,009,379)	(5,104,166)
Depreciation and amortisation expenses	4	(292,753)	(255,535)
Borrowing costs expenses	4	(14,351)	(24,705)
Premises expenses		(239,997)	(186,839)
Travel, Accommodation & Motor Vehicles		(508,522)	(520,881)
Telephone & Postage		(403,408)	(382,749)
Administration expenses		(1,189,094)	(2,241,168)
Cost of Good Sold-Document sales	4	(189,985)	(139,620)
Cost of Sale- Fixed Assets		(22,333)	(13,421)
Promotional Activity expenses		(544,168)	(623,581)
		<hr/>	<hr/>
Profit (loss) from ordinary activities		404,797	(257,130)
		<hr/>	<hr/>
<b>Total changes in equity of the Association</b>		<b>404,797</b>	<b>(257,130)</b>

Notes 1 to 22 forming part of the accounts are attached.



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2002**

	Note	2002 \$	2001 \$
<b>Cash Flow from Operating Activities</b>			
Receipts from members - Subscriptions		3,029,911	2,997,574
Receipts from - Other activities		10,364,557	12,026,424
Payments to suppliers and employees		(11,434,082)	(15,798,523)
Interest received		13,178	20,822
Interest paid		<u>(14,351)</u>	<u>(24,705)</u>
Net cash provided by (used in) operating activities	20(a)	<u>1,959,213</u>	<u>(778,408)</u>
<b>Cash Flow from Investing Activities</b>			
Proceeds on disposal of fixed assets		19,995	9,937
Capital expenditure on fixed assets		<u>(144,126)</u>	<u>(313,387)</u>
Net cash used in investing activities		<u>(124,131)</u>	<u>(303,450)</u>
<b>Cash Flow from Financing Activities</b>			
Proceeds from new borrowings		-	300,000
Repayment of lease and hire purchase liabilities		(59,578)	(52,883)
Repayment of borrowings		<u>(700,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(759,578)</u>	<u>247,117</u>
Net increase/(decrease) in cash held		1,075,504	(834,741)
Opening Cash at 1 July 2001		<u>3,355,079</u>	<u>4,189,820</u>
Closing Cash at 30 June 2002	20(b)	<u>4,430,583</u>	<u>3,355,079</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2002**

**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, the Corporations Act and the requirements of the Associations Incorporations Act (Victoria). The financial report is for Master Builders Association of Victoria a company limited by guarantee, incorporated and domiciled in Australia. As Master Builders Association of Victoria is a company limited by guarantee it doesn't have a share capital. The contributions of each member to its debts and liabilities in the event of a winding up are restricted to an amount not exceeding \$2. At 30 June 2002 the number of members was 4801 (2001: 4672).

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account charging money value 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 company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are carried at cost. The cost basis was adopted at 30 June 2001 in accordance with the transitional provisions of AASB 1041, Revaluations of Non Current Assets. Accordingly, the written down value at 30 June 2001 was deemed to represent cost. The class of assets was previously carried at directors valuation, the most recent having been conducted in September 1992.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**1. Statement of Significant Accounting Policies (cont'd)**

**(a) Property, Plant and Equipment (cont'd)**

**Plant and equipment**

Plant and equipment are carried at cost. The cost basis was adopted at 30 June 2001 in accordance with the transitional provisions of AASB 1041, Revaluations of Non Current Assets. Accordingly, the written down values at 30 June 2001 were deemed to represent cost.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation is based on the straight-line and reducing balance method of calculation.

The depreciation rates used for each class of depreciable assets are:-

Buildings	2.5%
Office Furniture	13.5% - 20%
Computer Equipment	40%
Motor Vehicles	15% - 22.5%
Electrical	20%

**(b) Inventories**

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

**(c) Employee Entitlements**

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements 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 entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

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

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**1. Statement of Significant Accounting Policies (cont'd)**

**(d) Income tax**

The company is exempt from paying income tax under section 50-15 of the Income Tax Assessment Act 1997 and consequently, has not charged any income tax expense.

**(e) Insurance**

The accounts have been aggregated to include the MBAV Insurance Brokerage division. The surplus from operations of the Insurance Brokerage is recorded in note 17.

**(f) Cash**

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

**(g) Revenue**

Revenue from the sale of goods or the rendering of services is recognised upon the delivery of goods or services to customers.

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

Dividend revenue is recognised when the association has established that it has a right to receive a dividend.

All revenue is stated net of the amount of goods and services tax (GST).

**2. Information to Be Provided to Members or Registrar**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of the sub-sections (1),(2) and (3) of Section 274 which reads as follows:-

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

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**2. Information to Be Provided to Members or Registrar (cont'd)**

- (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 the member or the registrar in such manner and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (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.

3. Revenue	2002 \$	2001 \$
<b>Operating Activities</b>		
Membership Fees	3,029,911	2,997,574
Insurance Commission	6,294,920	6,441,236
Sale of Forms	345,809	267,745
Sundry Income	753,840	519,135
Premises Income	192,600	202,447
Housing Income	778,216	484,177
Training Income	1,320,001	1,129,641
Commercial Industrial Income	362,751	304,413
Excellence in Construction	35,000	25,000
Group Apprenticeship Scheme	-	2,482,783
	13,113,048	14,854,151
<b>Non-Operating Activities</b>		
Interest Received	13,178	20,822
Proceeds on sale of assets	19,995	23,752
	33,173	44,574
<b>Total Revenue</b>	<b>13,146,221</b>	<b>14,898,725</b>

**4. Profit from Ordinary Activities**

Profit from ordinary activities has been determined after:

**(a) Expenses**

Cost of sales- Document Sales	189,985	139,620
Borrowing costs	14,351	24,705
Depreciation of property, plant and equipment	268,013	245,689
Amortisation of leased plant and equipment	24,740	9,846
Net loss on sale of assets	2,338	3,076

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**4. Profit from Ordinary Activities (cont'd)**

	2002 \$	2001 \$
(b) Remuneration of auditor		
-audit services	15,000	15,000
-other services (grant acquittal statements)	24,115	12,300
-other services paid to related practices of the auditor	22,170	34,047
	61,285	61,347

**5. Cash assets**

Cash at bank	3,610,531	2,568,983
Cash on hand	2,750	1,500
	3,613,281	2,570,483

**6. Receivables**

Trade debtors	1,182,067	1,298,356
Less Provision for doubtful debts	(66,434)	(82,373)
	1,115,633	1,215,983
Other debtors	31,221	147,699
	1,146,854	1,363,682

**7. Other financial assets**

Term Deposit	817,302	784,596
	817,302	784,596

**8. Inventories**

Stock on hand	80,565	56,811
	80,565	56,811

**9. Other**

Prepayments	122,020	170,673
	122,020	170,673

**10. Property Plant and Equipment**

Freehold land and buildings

At Cost	5,509,343	5,504,730
Provision for depreciation	(450,000)	(375,000)
	5,059,343	5,129,730
Written down value	5,059,343	5,129,730

Plant and equipment

At Cost	1,396,679	1,230,316
Provision for depreciation	(805,624)	(598,266)
	591,055	632,050
Written down value	591,055	632,050

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**10. Property Plant and Equipment (cont'd)**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
Leased office equipment	82,082	140,871
Accumulated amortisation	<u>(34,069)</u>	<u>(33,280)</u>
	<u>48,013</u>	<u>107,591</u>
 Net Book Value	 <u>5,698,411</u>	 <u>5,869,371</u>

**(a) Movement in carrying amount**

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

	<b>Freehold land and buildings</b>	<b>Plant and equipment</b>	<b>Leased office equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of year	5,129,730	632,050	107,591	5,869,371
Additions	4,613	139,513	-	144,126
Disposals	-	(22,333)	-	(22,333)
Transfer of assets at written down value	-	34,838	(34,838)	-
Depreciation expense	(75,000)	(193,013)	(24,740)	(292,753)
Carrying amount at the end of the year	<u>5,059,343</u>	<u>591,055</u>	<u>48,013</u>	<u>5,698,411</u>

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>11. Accounts Payable (Current)</b>		
Arbitration Deposit Account	50,316	27,598
Trade creditors	3,738,723	2,561,488
Sundry creditors and accrued expenses	<u>2,035,178</u>	<u>2,275,274</u>
	<u>5,824,217</u>	<u>4,864,360</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

<b>12. Interest bearing liability</b>	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
(Current)		
Commercial Bills	200,000	900,000
Lease liability (Note 16)	24,474	59,571
	<hr/>	<hr/>
	224,474	959,571
	<hr/>	<hr/>
(Non Current)		
Lease liability (Note 16)	23,539	48,020
	<hr/>	<hr/>
	23,539	48,020
	<hr/>	<hr/>

The bank bills are secured by a registered first mortgage over certain freehold property.

<b>13. Provisions</b>		
(Current)		
Employee entitlements:-		
Long service leave	87,517	32,667
Annual leave	279,188	245,043
	<hr/>	<hr/>
	366,705	277,710
	<hr/>	<hr/>
(Non Current)		
Employee entitlements:-		
Long service leave	49,813	81,067
	<hr/>	<hr/>
Aggregate employee entitlement liability	416,518	358,777
	<hr/>	<hr/>
Total number of employees	73	65
	<hr/>	<hr/>

<b>14. Retained funds</b>		
Accumulated funds at the beginning of the financial year	4,036,737	4,293,867
Net profit (loss) attributable to members of company	404,797	(257,130)
	<hr/>	<hr/>
Accumulated funds as at the end of the financial year	4,441,534	4,036,737
	<hr/>	<hr/>

<b>15. Reserves</b>		
Asset Revaluation reserve	548,151	548,151
	<hr/>	<hr/>

The asset revaluation reserve records revaluations of non current assets. There has been no movement in the reserve during the current or preceding year.



**MASTER BUILDERS ASSOCIATION OF VICTORIA**  
(A.C.N. 004 255 654)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>16. Commitments</b>		
<b>(a) Finance Lease Commitments</b>		
Not later than one year	30,058	71,620
Later than one year but not later than two years	25,053	30,058
Later than two years but not later than five years	-	25,053
Minimum lease payments	<u>55,111</u>	<u>126,731</u>
Deduct future finance charges	<u>(7,098)</u>	<u>(19,140)</u>
<b>Total lease liability</b>	<u>48,013</u>	<u>107,591</u>
<b>(b) Operating leases of plant and equipment</b>		
Payable		
Not later than one year	239,020	305,325
Later than one but not later than two years	114,451	160,688
Later than two years but not later than 5 years	27,143	40,635
Later than five years	-	-
	<u>380,614</u>	<u>506,648</u>
<b>17. Segment Reporting</b>		
<p>The association operates in the building sector providing services to members of the association within Victoria. The MBAV Insurance Brokerage Division contributed the following surplus to the association.</p>		
Insurance Division		
Commission	6,294,920	6,441,236
Less cost of commissions	<u>(5,009,379)</u>	<u>(5,104,166)</u>
	1,285,541	1,337,070
Other Income	<u>132,246</u>	<u>195,979</u>
	1,417,787	1,533,049
Less Direct expenditure	<u>(906,137)</u>	<u>(1,064,574)</u>
	<u>511,650</u>	<u>468,475</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

	2002 \$	2001 \$
<b>18. Related Party Transactions</b>		
<b>(i) Directors</b>		
The following people held office of Director during the year ended 30 June 2002:		
<b>Board of Management</b>		
Duke, G	Ravida, D	Whitwell, R
Forster, W J	Rigg, M W	
Gordon, N	Seidler, C	
Howell, G E	Sweeney, S	
<b>Council of Management</b>		
Caramanico, S (Appointed 27/11/2001)	Miles, D (Retired 27/11/2001)	
Caramanico, S (Retired 18/06/2002)	Newnham, DA	
de Kretser, J	Nicholson, R (Appointed 27/11/2001)	
de la Coeur, D	Ravida, D	
Dixon, P (Retired 27/11/2001)	Renwick, M (Appointed 27/11/2001)	
Duke, G	Rigg, MW	
Farrell, A (Appointed 27/11/2001)	Robinson, PJ	
Forster, WJ	Seidler, C	
Gordon, N	Stehle, (Retired 27/11/2001)	
Howell, GE	Surace, N	
Laidlaw, T (Appointed 27/11/2001)	Swain, (Retired 27/11/2001)	
McCaffrey, J (Appointed 27/11/2001)	Sweeney, S	
McNamara, G (Appointed 27/11/2001)	Tweedie, A (Appointed 27/11/2001)	
Miles, D (Appointed 1/5/2002)	Whitwell, R	
<b>(ii) Remuneration of Directors</b>		
Amounts received or due and receivable by Directors of Master Builders Association Of Victoria	\$ Nil	\$ Nil
Number of Directors whose remuneration was within the following bands:		
\$ 0 - \$ 9,999	22	18
The services of the Directors are provided on a voluntary basis only.		

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>19. Superannuation</b>		
<p>The Association contributes to superannuation plans to provide benefits to employees on retirement, death or disability. The Association has no liability for any unfunded benefits which may exist within these plans.</p>		
<b>20. Cash Flow Information</b>		
<b>(a) Net cash provided by operating activities</b>		
Reconciliation of Cash Flow from Operations with Operating Profit		
Operating profit (loss) after income tax	404,797	(257,130)
Non-cash flows in operating profit		
Doubtful debts	(15,938)	4,433
Depreciation	292,753	255,535
Loss on sale of fixed assets	2,338	3,076
	683,950	5,914
Changes in assets and liabilities		
Decrease in trade and other debtors	281,420	193,596
(Increase)\Decrease in inventory	(23,754)	13,821
Increase\Decrease in trade creditors and accruals	986,130	(997,031)
Increase in provisions	31,467	5,292
	1,275,263	(784,322)
Cash Flow generated by Operating Activities	1,959,213	(778,408)
<b>(b) Closing cash at 30 June 2002</b>		
<p>Reconciliation of Cash for the purposes of the statement of cash flows. Cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdraft.</p>		
Cash at the end of the year is shown in the balance sheet as:		
Cash at bank and on hand	3,613,281	2,570,483
Cash deposits	817,302	784,596
	4,430,583	3,355,079

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**20. Cash Flow Information (cont'd)**

**(c) Financing Facilities**

The following facility was available at the end of the financial year:

A bank Commercial Bill facility of \$2,000,000;

\$1,800,000 of this facility was unused at year end.

**(d) Non Cash Financing and Investing Activities**

During the year the Association did not acquire any plant and equipment by means of finance lease agreements.

**21. Financial Instruments**

- (a) The company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**21. Financial Instruments (cont'd)**

Recognised Financial Instruments	Balance Sheet Note	Accounting Policy	Terms and Conditions
<b>i) Financial Assets</b>			
Receivables - Trade	6	Trade receivables are carried at nominal amounts due. A provision for doubtful debts is recognised when collection is no longer probable.	Credit terms are 30 days unless otherwise allowed.
Other Financial Assets – Investments	7	Represents funds on term deposit with a financial institution	Interest of 4.17% is earned on an average term of 30 days.
<b>Financial Liabilities</b>			
Payables	11	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Trade liabilities are normally settled on 30 day terms.
Interest Bearing Liabilities – Commercial Bills	12	Bills are discounted on draw-down and mature in 30 days.	Rate applicable to the current draw-down is 5.20%.
Interest Bearing Liabilities – Lease Liability	12	Lease liability is carried at the present value of future payments under the contract.	Average lease liability term remaining is two years from balance date with an implied interest rate of 13.80%.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**21. Financial Instruments (cont'd)**

**(b) Interest Rate Risk Exposures**

The association's exposure to interest rate risk, which is the risk that a instruments 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:

	Note	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 year 1 to 5 years			
		2002	2001	2002	2001	2002	2001	2002	2001
		%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>									
Cash	5	3.40	3.65	3,610,531	2,568,983	-	-	-	-
Other financial assets	7	4.17	4.80	<u>817,302</u>	<u>784,596</u>	-	-	-	-
<b>Total Financial Assets</b>				<u>4,427,833</u>	<u>3,353,579</u>	-	-	-	-
<b>Financial Liabilities</b>									
Bank loans	12	5.20	5.30	200,000	900,000				
Lease and hire purchase liabilities	12	13.80	13.80	-	-	24,474	59,571	23,539	48,020
<b>Total Financial Liabilities</b>				<u>200,000</u>	<u>900,000</u>	<u>24,474</u>	<u>59,571</u>	<u>25,539</u>	<u>48,020</u>

**(c) Credit Risk Exposure**

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 provision 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.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N.004 255 654)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2002**

**21. Financial Instruments (cont'd)**

**(d) Net Fair Values**

Methods and assumptions used in determining net fair value.

Assets and liabilities, net fair values approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where carrying amounts exceeds net fair values have not been written down as the company intends to hold these 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.

**22. Association Details**

The principal place of business of the Association is:

Master Builders Association of Victoria  
332 Albert Street  
East Melbourne  
Victoria 3002



MASTER BUILDERS  
ASSOCIATION OF  
VICTORIA

ACN 004 255 654  
ABN 38 004 255 654

27 November 2002

### Secretary's Certificate

I, Robert Whitwell being the President hereby certify that the documents so lodged for the year ended 30 June 2002 are copies of the auditor's report, accounts and statements which were presented to the Annual General Meeting of members held on the 26 November, 2002 and was in accordance with section 279.

I, Robert Whitwell also certify that in respect to the presentation of summary accounts to the members the following motion was duly passed at a Council of Management Meeting of the Association held at 332 Albert Street East Melbourne on the 25<sup>th</sup> day of August 1998.

*(that) 'The Master Builders Association of Victoria may provide to its members from this year forward a summary of the requirements of section 279 (1) of the Workplace Relations Act 1996 instead of a full report.*

ROBERT WHITWELL  
PRESIDENT

Dated at East Melbourne on 27 November 2002



332 ALBERT STREET, EAST MELBOURNE VICTORIA 3002  
GPO BOX 544D MELBOURNE 3001  
PH: 03 9411 4555 FAX: 03 9411 4591 WEB SITE: <http://www.mbav.com.au>

MASTERS OF OUR INDUSTRY





**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Robert Whitwell  
President  
Master Builders' Association of Victoria  
GPO Box 544D  
MELBOURNE VIC 3001

Dear Mr Whitwell

**Re: Master Builders' Association of Victoria  
Financial documents for year ended 30 June 2002 - FR2002/596**

I have received the full financial documents of the above named organisation for the year ended 30 June 2002. The documents were lodged in the Industrial Registry on 5 December 2002

The documents have been filed.

Yours sincerely

Lynette Markovski  
Statutory Services Branch

12 December 2002