



AUSTRALIAN INDUSTRIAL REGISTRY

Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 8661 7888
Fax: (03) 9654 6672

Ref: FR2003/563-[243V]

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 Reporting Obligations under
*Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 30 June 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 30 June 2003 has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (03) 8661 7775 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Ruth Hansen
E-mail: ruth.hansen@air.gov.au
21 August, 2003

LG-D lodged
- see D¹ file



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

26 November 2003

FR2003/563

Secretary's Certificate

I, Robert Whitwell being the President hereby certify that the documents so lodged for the year ended 30 June 2003 are copies of the auditor's report, accounts and statements which were presented to the Annual General Meeting of members held on the 25 November, 2003 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 25th 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 26 November 2003



Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

2002/2003 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 2003**

The board of directors presents the audited accounts of the company for the year ended 30 June 2003.

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

Board of Management

Duke, G	Ravida, D
Falloon, S	Rigg, M W
Johnson, A	Sweeney, S
Newnham, D A	Whitwell, R

Council of Management

Basedow, H	Gulenc, T	Newnham, D A	Robinson, PJ
Duke, G	Hipwell, S	Nicholson, R	Seidler, C
Evans, T	Johnson, A	Ravida, D	Sweeney, S
Fallon, S	Kent, S	Renwick, M	Tweedie, A
Gordon, N	McNamara, G	Rigg, M W	Whitwell, R

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 \$252,162 (2002 surplus \$404,797). The company is exempt from paying income tax.

Review of Operations

The results were considered satisfactory in view of continuing problems with Warranty Insurance and reduced funding for Training and OH&S activities, 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 2003**

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 2003 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 2003**

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 \$23,400 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.

Basedow, H (Appointed 26/11/2002)	Miles, D (Retired 26/11/2002)
de Kretser, J (Retired 26/11/2002)	Newnham, D A
de la Coeur, D (Retired 26/11/2002)	Nicholson, R
Duke, G	O'Shaughnessy, D (Appointed 26/11/2002)
Evans, T (Appointed 26/11/2002)	O'Shaughnessy, D (Retired 08/07/2003)
Falloon, S (Appointed 26/11/2002)	Ravida, D
Farrell, A (Retired 26/11/2002)	Renwick, M
Forster, WJ (Retired 26/11/2002)	Rigg, M W
Gordon, N	Robinson, P J
Gulenc, T (Appointed 26/11/2002)	Seidler, C
Hipwell, S (Appointed 26/11/2002)	Surace, N (Retired 26/11/2002)
Howell, G E (Retired 26/11/2002)	Sweeney, S
Johnson, A (Appointed 26/11/2002)	Tweedie, A
Kent, S (Appointed 26/11/2002)	Whitwell, R
Laidlaw, T (Retired 26/11/2002)	Watts, B (Appointed 26/11/2002)
McCaffrey, J (Retired 26/11/2002)	Watts, B (Retired 31/05/2003)
McNamara, G	

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

**DIRECTORS REPORT
YEAR ENDED 30 JUNE 2003**

Information on Directors

Name:	Basedow,	Heini
Age:		59
Qualifications:		Director
Council Meetings Attended		2
Name:	Duke,	Gavan
Age:		64
Qualifications:		Marketing Manager
Council Meetings Attended		3
Name:	Evans,	Trevor
Age:		50
Qualifications:		Director
Council Meetings Attended		2
Name:	Falloon,	Stan
Age:		54
Qualifications:		Building Consultant
Council Meetings Attended:		2
Name:	Gordon,	Neale
Age:		44
Qualifications:		Director
Council Meetings Attended		4
Name:	Gulenc,	Tarkan
Age:		32
Qualifications:		Manager
Council Meetings Attended		2
Name:	Hipwell,	Sandra
Age:		43
Qualifications:		Lawyer
Council Meetings Attended		2
Name:	Johnson,	Anthony
Age:		33
Qualifications:		Director
Council Meetings Attended:		2
Name:	Kent,	Stuart
Age:		49
Qualifications:		Manager
Council Meetings Attended		2

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

**DIRECTORS REPORT
YEAR ENDED 30 JUNE 2003**

Information on Directors

Name:	McNamara,	Geoff
Age:		60
Qualifications:		Sales Manager
Council Meetings Attended		4
Name:	Newnham,	David Arnold
Age:		54
Qualifications:		Management Consultant
Council Meetings Attended		2
Name:	Nicholson,	Richard
Age:		35
Qualifications:		Director
Council Meetings Attended		3
Name:	Ravida,	Don
Age:		41
Qualifications:		Director
Council Meetings Attended		4
Name:	Renwick,	Michael
Age:		50
Qualifications:		General Manager
Council Meetings Attended		4
Name:	Rigg,	Michael Wayne
Age:		57
Qualifications:		Director
Council Meetings Attended		4
Name:	Robinson,	Philip John
Age:		57
Qualifications:		Company Director
Council Meetings Attended		3
Name:	Seidler,	Chris
Age:		41
Qualifications:		Director
Council Meetings Attended		4

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

DIRECTORS REPORT
YEAR ENDED 30 JUNE 2003

Information on Directors

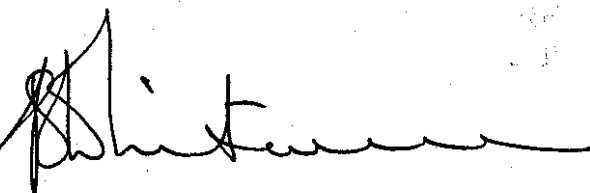
Name: Sweeney, Steven Charles
Age: 44
Qualifications: Managing Director
Council Meetings Attended 2

Name: Tweedie, Adam
Age: 32
Qualifications: Managing Director
Council Meetings Attended 3

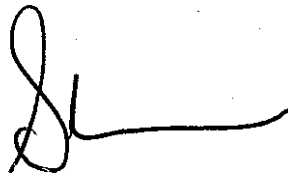
Name: Whitwell, Robert
Age: 52
Qualifications: General Manager
Council Meetings Attended 4

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

Director



Director



Dated at East Melbourne this ^{16th}..... day of September 2003

**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 2003 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 2003 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 \$152,635 less than the previous year surplus.

The result for the year was considered satisfactory given the continuing problems encountered with Warranty Insurance and reduced funding received for Training and OH&S activities. The continuing high level of building activity during the year impacted favourably on a number of areas including Membership and Technical Services.

Statement of Financial Position

Net Assets have increased by \$252,162.

Total assets have decreased by \$88,662. This decrease was due mainly to the following:-

- Decrease in cash due to retirement of debt and changes in trading terms received from insurers offset by an increase in accounts receivable due to change in Warranty Insurance policy types.

Total liabilities have decreased by \$340,824. This decrease was mainly due to the following:-

- Repayment of outstanding Commercial Bills of \$200,000, and a decrease in payables due to changes in trading terms from insurers.

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

**DISCUSSION AND ANALYSIS
OF THE FINANCIAL STATEMENTS**

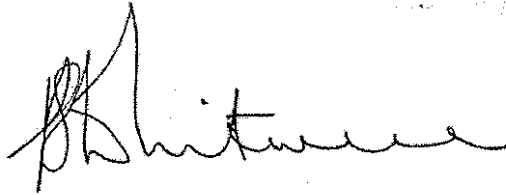
Statement of Cash Flows

Total cash flow has decreased by \$513,493.

Cash flow generated by operating activities decreased by \$1,878,672. This was due to an increase in debtors at year end which was caused by increased activity in the Insurance division and changes to policy terms in Warranty Insurance. Insurance trading terms were decreased during the year resulting in an outflow of cash to meet these new trading terms.

In accordance with a resolution of the Board.

Director



Director



Dated at East Melbourne this ^{16th}..... day of September 2003

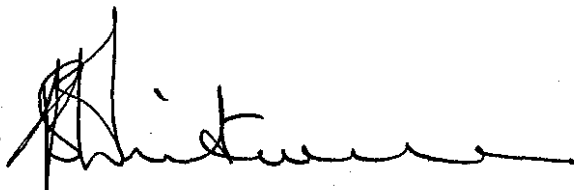
**MASTER BUILDERS ASSOCIATION OF VICTORIA
(A.C.N. 004 255 654)**

DIRECTORS' DECLARATION

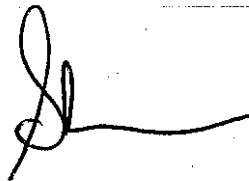
In accordance with a resolution of the Board of Master Builders Association of Victoria we declare that the concise financial report of the Association:-

- (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 ^{16th}..... day of September 2003

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 2003, 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 2003. Our audit report on the full financial report was signed on 16 September 2003 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


CMJ BRYAN
Partner

Melbourne: 26 September, 2003

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

**STATEMENT OF FINANCIAL POSITION
YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
Current Assets		
Cash assets	3,034,709	3,613,281
Receivables	1,562,337	1,146,854
Other Financial Assets	882,381	817,302
Inventories	68,527	80,565
Other	182,948	122,020
Total Current Assets	5,730,902	5,780,022
Non-Current Assets		
Property, plant and equipment	5,658,869	5,698,411
Total Non Current Assets	5,658,869	5,698,411
Total Assets	11,389,771	11,478,433
Current Liabilities		
Payable	5,601,160	5,824,217
Interest Bearing Liabilities	23,539	224,474
Provisions	432,064	366,705
Total Current Liabilities	6,056,763	6,415,396
Non Current Liabilities		
Interest Bearing Liabilities	-	23,539
Provisions	91,161	49,813
Total Non Current Liabilities	91,161	73,352
Total Liabilities	6,147,924	6,488,748
NET ASSETS	5,241,847	4,989,685
Equity		
Retained Funds	4,693,696	4,441,534
Reserve	548,151	548,151
TOTAL EQUITY FUNDS	5,241,847	4,989,685

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

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
Revenue from ordinary activities	9,224,283	8,136,842
Employee benefits expenses	(5,255,981)	(4,327,434)
Depreciation and amortisation expenses	(409,102)	(292,753)
Borrowing costs expenses	-	(14,351)
Premises expenses	(245,874)	(239,997)
Travel, Accommodation & Motor Vehicles	(618,058)	(508,522)
Telephone & Postage	(391,101)	(403,408)
Administration expenses	(1,280,696)	(1,189,094)
Cost of Good Sold-Document Sales	(182,966)	(189,985)
Cost of Sale- Fixed Assets	-	(22,333)
Promotional Activity expenses	(588,343)	(544,168)
	<hr/>	<hr/>
Profit (Loss) from ordinary activities	252,162	404,797
	<hr/>	<hr/>
Total changes in equity of the Association	252,162	404,797

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
Cash Flow from Operating Activities		
Receipts from members - Subscriptions	3,313,843	3,029,911
Receipts from - Other activities	5,894,896	5,355,178
Payments to suppliers and employees	(9,143,742)	(6,424,703)
Interest paid	15,544	(14,351)
Interest Received	-	13,178
Net cash provided by (used in) operating activities	80,541	1,959,213
Cash Flow from Investing Activities		
Proceeds on disposal of fixed assets	-	19,995
Capital expenditure on fixed assets	(369,560)	(144,126)
Net cash used in investing activities	(369,560)	(124,131)
Cash Flow from Financing Activities		
Proceeds from new borrowings	-	-
Repayment of lease and hire purchase liabilities	(24,474)	(59,578)
Repayment of borrowings	(200,000)	(700,000)
Net cash provided by (used in) financing activities	(224,474)	(759,578)
Net increase\ (decrease) in cash held	(513,493)	1,075,504
Opening Cash at 1 July 2002	4,430,583	3,355,079
Closing Cash at 30 June 2003	3,917,090	4,430,583

**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 2003**

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 policy in relation to the disclosure of revenue from the sale of insurance policies has changed. In the previous year, revenue from the sale of insurance policies was recognised on a gross basis. A resulting cost of sale was also recognised as an expense reflecting the cost of the sale transaction to insurer. In the current year, the differential between the gross sales value and the cost of sale has been recognised as net commission received to reflect the agency based nature of the transaction.

The change in accounting policy has had no affect upon the reported surplus of the entity. The prior period comparatives have been amended as required to allow for a reasonable comparison of financial results.

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

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 2003

NOTE 2: OPERATING REVENUE

	2003 \$	2002 \$
Operating Activities		
Membership Fees	3,313,843	3,029,911
Insurance Commission	1,591,893	1,285,541
Sale of Forms	294,176	345,809
Sundry Income	733,116	753,840
Premises Income	192,632	192,600
Housing Income	1,243,234	778,216
Training Income	1,340,283	1,320,001
Commercial Industrial Income	474,562	362,751
Excellence in Construction	25,000	35,000
	<hr/>	<hr/>
Total revenue from operating activities	9,208,739	8,103,669
Non-Operating Activities		
Interest Received	15,544	13,178
Proceeds on sale of assets	-	19,995
	<hr/>	<hr/>
Total revenue from non-operating activities	15,544	33,173
	<hr/>	<hr/>
Total Revenue	9,224,283	8,136,842

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 2003

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 gross surplus to the association results for the year ended 30 June 2003.

	2003	2002
	\$	\$
Insurance Division		
Net Commissions	1,591,893	1,285,541
Other Income	<u>152,023</u>	<u>132,246</u>
	1,743,916	1,417,787
Less Direct expenditure	<u>(1,241,902)</u>	<u>(906,137)</u>
Gross surplus from operations	<u>502,014</u>	<u>511,650</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) 9653 8200

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 Statements –
Workplace Relations Act 1996**

I have received your letter dated 26 November 2003 accompanied by the financial statements of the abovenamed organisation for the year ended 30 June 2003. The documents were received in this office on 28 November 2003.

The documents have been filed.

New Legislation

As you may be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation generally came into operation on 12 May 2003.

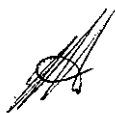
Schedule 1B establishes a Registration and Accountability of Organisations Schedule within the *Workplace Relations Act 1996*, which pertains to registered organisations. Many of the provisions relating to registered organisations are replicated in the new Schedule 1B, with some amendments. Other matters are substantially changed by the Schedule 1B particularly the financial reporting requirements.

The reporting obligations of the branch for the financial year ending 30 June 2004 will be governed by the requirements of the new of Schedule 1B (Schedule 1B and Regulations thereunder may be found at website www.airc.gov.au).

I recommend that, in preparation of the financial documents for the year commencing 1 July 2003, the new requirements be brought to the attention of the branch's auditor.

If you wish to discuss the contents of this letter I may be contacted on 86617990.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Paul Herrod', written in a cursive style.

Paul Herrod
Statutory Services Branch
22 December 2003