



**Australian Government**

**Australian Industrial Registry**

Level 36, 80 Collins Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0401

Mr Don Ravida  
President  
Master Builders Association of Victoria  
GPO Box 544D  
Melbourne VIC 3001

Mr Ravida

**Master Builders Association of Victoria  
Financial documents for year ended 30 June 2005 – FR2005/443  
Full report and concise report**

I have received the financial documents of the Master Builders Association of Victoria for the year ended 30 June 2005. The documents were lodged in the Industrial Registry on 29 November 2005.

The documents have been filed.

The documents have been posted for public viewing on the Internet at <http://www.e-airc.gov.au/243v/financial>.

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

Principal Registry  
Australian Industrial Registry

30 March 2006

# Master Builders Association of Victoria

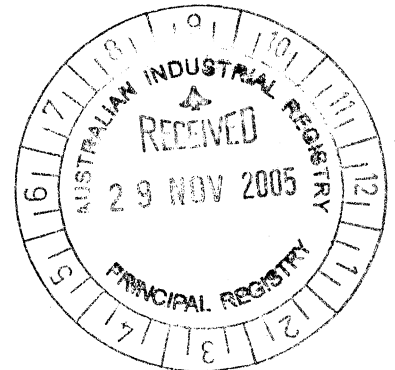
ACN 004 255 654

(A Company Limited By Guarantee)

FR 2005/443

## 2004/2005 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**





# ANNUAL GENERAL MEETING

NOTICE is given that the Annual General Meeting  
of the Master Builders Association of Victoria  
will be held on

**TUESDAY 22 NOVEMBER 2005 AT 9.00 AM**

at

The Hilton on the Park  
192 Wellington Parade, East Melbourne

## AGENDA

1. To confirm the Minutes of the Annual General Meeting held on 23 November 2004.
2. To receive the Balance Sheet and Statement of Accounts as at 30 June 2005.
3. To receive the Annual Report from the President, Mr Don Ravida.
4. Appointment of auditors for the ensuing year.
5. To deal with items of general business as may properly be put forward at such meeting.
6. Elections:
  - 6.1 Reporting/declaration of results for each of the Sector Groups in relation to Sector Group Committee members, Chairmen and Councillors.

Brian Welch  
Executive Director

## **President's Report 2004/05**

It is with great pleasure that I present the report of the Association's activities for the last financial year.

I would like to acknowledge the efforts and contributions of Immediate Past President Rob Whitwell, President from November 2002 to November 2004. I am fortunate indeed to take over the helm of such a strong organisation, thanks to the good work of those who have gone before me.

I would also like to acknowledge the Board and Council of the Association for their commitment to our ideals and their contribution in time and intellect.

It has been an extremely busy year. Within 12 months of the last Federal election a significantly different dynamic is being applied to the building industry, particularly in Victoria. With a Federal Government that now controls both houses of Parliament and is intent upon industrial relations reform, MBAV's lobbying over the last five years will now pay dividends.

New legislation has already been introduced into Parliament in the form of the Building and Construction Industry Improvement Bill and the Better Bargaining Bill, with the prospect of amendment to the Workplace Relations Act early next year.

These reforms clearly put building unions on notice that conduct such as stand over tactics and intimidation will not be accepted and the law will punish those found guilty of these offences. Employers will also be subject to new and stringent laws, and the powerful dynamic that fear of the law will supercede the fear of the union.

At the time of writing this report, the National Code of Practice for the building industry is being revised and MBAV is able to offer options to members other than a pattern agreement from the CFMEU. In the lead up to this point MBAV has taken a strong stance, urging members to look at their own business and

what best suits them - including a half page advertisement in the Herald Sun to get this message across to all employers.

Also at a State level, MBAV has been very busy on lobbying activities. The first review of the Occupational Health and Safety Act in 20 years was a two-step approach, with a report provided by Christopher Maxwell QC. This laid the foundations for the review of the Act. MBAV's lobbying helped amend the worst aspects of this revision, removing onerous and unfair obligations on employers.

The success of this lobbying can be seen given the ACT had already introduced industrial manslaughter (the most draconian legislation in the country) as part of its OH&S review and NSW seemed intent to reverse onus of proof and apply higher penalties than Victoria. Despite right of entry for union officials into work places being condoned within the legislation, MBAV's lobbying has curtailed activities of union officials in this capacity.

Continuing the lobbying theme, MBAV has worked closely with the Building Commission on a review of Security of Payment legislation which has only been in place for a little over a year, looking to introduce fairer access to legal protection by both sub-contractors and builders. This legislation is still awaiting introduction to Parliament. Of key concern to housing members is the lack of policing of the Victorian building industry, where non-registered practitioners and owner builder work abound.

Despite owner builder legislation being introduced, very high levels of this work continue in Victoria. Efforts continue to make the Victorian Government accept its responsibility for policing the industry and our lobbying efforts this year have been focused through the Victorian Competition and Efficiency Commission (VCEC) as an independent voice to make the concerns of the industry known.

MBAV's submission to VCEC covers 36 separate recommendations; the most important being changes to the builders registration system - including

tougher enforcement procedures, the need to reduce inconsistencies in local Council by-laws, making compliance with 5 star energy efficiency and water saving measures easier for builders and removing the prohibition on builders fitting metal roofs.

MBAV's submission seems to be carrying significant weight and it is expected the final report from VCEC will be presented to the Government in November 2005 with a six-month consultation period.

MBAV has continued its busy schedule of trade nights and member meetings across the State. A key theme this year based upon research of members' needs and wants was the "Building Your Business" program, held in 12 locations across Victoria, 8 regional and 4 metropolitan. The challenge for 280 members and their business partners was to reflect on their business structures, how they could be improved and the development of a business plan.

In a year which has been kind to the industry, MBAV has not forgotten its corporate responsibilities and was involved in three charitable events, including support for Kids Under Cover as a patron, continued support of the EJ Whitten Foundation Brownlow Medal Dinner function which raised \$25,000 for prostate cancer and our role on behalf of MBA Inc to lead a delegation to Sri Lanka to assist those left homeless after the Boxing day tsunami. We are still waiting for a formal announcement by the State Government about funding to rebuild houses utilising technology from Australian manufacturers, leading to more cost efficient and less resource hungry houses.

We continue to strive to increase accessibility to members through a new innovation called "Master Builder Week". Amalgamating in one week the MBAV Apprentice of the Year Awards, a careers expo attracting thousands of young people to investigate a career in our industry, our first ever Building and Home Improvement Show, the obligatory golf tournament, dinners, a trade night and a women in building luncheon. A busy week and something we look forward to continuing.

I look forward to continuing to lead the Board and Council of Management to improve the Association's results, which in the next twelve months will see the commencement and completion of the refurbishment of MBAV offices - something which is now overdue.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)  
COMMITTEE OF MANAGEMENT  
OPERATING REPORT  
YEAR ENDED 30 JUNE 2005**

In accordance with section 254 of the Workplace Relations Act 1996, the Committee of Management present the operating report for the year ended 30 June 2005.

**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 \$602,376 (2004 surplus \$506,859). The company is exempt from paying income tax.

**Review of Operations**

The result represents a favourable variance of \$95,517 in comparison to last year. The result for the year was considered satisfactory and was due primarily to the favourable results in Training, OH&S & Marketing activities. The high level of building activity which continued during the year impacted favourably on most areas of operation.

**Significant Changes**

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

**Rights of members to resign**

- (1) A member may resign from membership by written notice addressed and delivered to the Executive Director.
- (2) A notice of resignation from membership takes effect:
  - (a) Where the member ceases to be eligible to become a member;
    - (i) On the day on which the notice is received by the Association, or
    - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

Whichever is later, or



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)  
COMMITTEE OF MANAGEMENT  
OPERATING REPORT  
YEAR ENDED 30 JUNE 2005**

- (b) In any other case:
- (i) At the end of 2 weeks after the notice is received by the association, or
  - (ii) On the day specified in the notice;
- Whichever is later;
- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association in a court of competent jurisdiction, as a debt due to the Association.
- (4) A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

**To the best of our knowledge and belief,**

no officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of Victoria is;

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)  
COMMITTEE OF MANAGEMENT  
OPERATING REPORT  
YEAR ENDED 30 JUNE 2005**

**Prescribed Information**

- (1) Number of members of the organisation at 30/06/2005: 5711 (2004: 5526)
- (2) Employees of the reporting unit as at 30/06/2005: 72 equivalent full time staff. (2004: 84)
- (3) Members of the Committee of Management during the financial year ended 30/06/2005:

Basedow, H  
Davis, H (Appointed 23/11/04)  
De La Coeur (Retired 23/11/04)  
Evans, T  
Falloon, S (Retired 23/11/04)  
Farrell, T (Appointed 23/11/04)  
Gnauck, D  
Gordon, N  
Gulenc, T (Retired 23/11/04)  
Hipwell, S (Retired 23/11/04)  
Hovey, C  
Kent, S  
McCaffrey, J (Appointed 23/11/04)  
Moverley, P (Appointed 23/11/04)  
Newnham, D  
Nicholson, R (Retired 23/11/04)

Noonan, B  
Pateras, N (Appointed 23/11/04)  
Pope, M (Appointed 23/11/04)  
Ravida, D  
Renwick, M (Retired 23/11/04)  
Rigg, M (Retired 23/11/04)  
Robinson, P (Retired 23/11/04)  
Seidler, C (Retired 23/11/04)  
Smith, G  
Smithett, M (Appointed 23/11/04)  
Stevens, D (Appointed 23/11/04)  
Sutton, P (Retired 23/11/04)  
Sweeney, S (Retired 23/11/04)  
Whitwell, R  
Zuccala, G (Appointed 23/11/04)

For and on behalf of Committee of Management



David Newnham

Treasurer

13/09/2005

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

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2005**

The board of directors presents the audited accounts of the company for the year ended 30 June 2005.

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

**Board of Management**

Basedow, H	Ravida, D
Evans, T	Smith, G
Newnham, D A	Whitwell, R
Noonan, B	Zucalla, G

**Council of Management**

Basedow, H	Gordon, N	Newnham, D	Smith, G
Davis, H	Hovey, C	Noonan, B	Smithett, M
Evans, T	Kent, S	Pateras, N	Stevens, D
Farrell, T	McCaffrey, J	Pope, M	Whitwell, R
Gnauck, D	Moverley, P	Ravida, D	Zuccala, G

**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 \$602,376 (2004 surplus \$506,859). The company is exempt from paying income tax.

**Review of Operations**

The results were considered satisfactory and was due primarily to the favourable results in Training, OH&S & Marketing 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 2005**

**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 2005 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 2005**

**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 \$10,700 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	Noonan, B
Davis, H (Appointed 23/11/04)	Pateras, N (Appointed 23/11/04)
De La Coeur (Retired 23/11/04)	Pope, M (Appointed 23/11/04)
Evans, T	Ravida, D
Falloon, S (Retired 23/11/04)	Renwick, M (Retired 23/11/04)
Farrell, T (Appointed 23/11/04)	Rigg, M (Retired 23/11/04)
Gnauck, D	Robinson, P (Retired 23/11/04)
Gordon, N	Seidler, C (Retired 23/11/04)
Gulenc, T (Retired 23/11/04)	Smith, G
Hipwell, S (Retired 23/11/04)	Smithett, M (Appointed 23/11/04)
Hovey, C	Stevens, D (Appointed 23/11/04)
Kent, S	Sutton, P (Retired 23/11/04)
McCaffrey, J (Appointed 23/11/04)	Sweeney, S (Retired 23/11/04)
Moverley, P (Appointed 23/11/04)	Whitwell, R
Newnham, D	Zuccala, G (Appointed 23/11/04)
Nicholson, R (Retired 23/11/04)	

**Information on Directors**

Name:	Basedow	Heini
Age:		61
Qualifications:		Director
Council Meetings Attended:		3

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

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2005**

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

Name:	Davis	Hedley
Age:		50
Qualifications:		Director
Council Meetings Attended:		2
Name:	Evans	Trevor
Age:		52
Qualifications:		Director
Council Meetings Attended:		2
Name:	Farrell	Tony
Age:		42
Qualifications:		Director
Council Meetings Attended:		2
Name:	Gnauck	Derek
Age:		44
Qualifications:		Director
Council Meetings Attended:		2
Name:	Gordon	Neale
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Hovey	Chris
Age:		29
Qualifications:		Director
Council Meetings Attended:		2
Name:	Kent	Stuart
Age:		51
Qualifications:		Director
Council Meetings Attended:		4
Name:	McCaffrey	Jim
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
Name:	Moverley	Peter
Age:		62
Qualifications:		Director
Council Meetings Attended:		1

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

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2005**

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

Name:	Newnham	David
Age:		56
Qualifications:		Director
Council Meetings Attended:		4
Name:	Noonan	Bede
Age:		36
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pateras	Nick
Age:		44
Qualifications:		Director
Council Meetings Attended:		2
Name:	Pope	Michael
Age:		44
Qualifications:		Director
Council Meetings Attended:		1
Name:	Ravida	Don
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
Name:	Smith	Gary
Age:		38
Qualifications:		Director
Council Meetings Attended:		2
Name:	Smithett	Michael
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
Name:	Stevens	Dean
Age:		41
Qualifications:		Director
Council Meetings Attended:		2
Name:	Whitwell	Robert
Age:		54
Qualifications:		Director
Council Meetings Attended:		4

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

**DIRECTORS REPORT  
YEAR ENDED 30 JUNE 2005**

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

Name:	Zuccala	Greg
Age:		50
Qualifications:		Director
Council Meetings Attended:		2

**Information on company secretary**

Name:	Welch	Brian
Age:		51
Qualifications:		Secretary
Council Meetings Attended:		4

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

Director



Director



Dated at East Melbourne this 13<sup>th</sup> day of September 2005



**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 2005 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 2005 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 \$95,517 favourable in comparison to the previous year's surplus.

**Statement of Financial Position**

Net Assets have increased by \$602,376

Total assets have decreased by \$1,621,437. This decrease was due mainly to the following:-

- Decrease in cash holdings and Insurance debtors due to transfer of Insurance operations.

Total liabilities have decreased by \$2,223,813. This decrease was mainly due to the following:-

- Decrease in Insurance Premiums payable due to the transfer of the Insurance operations.

**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 \$648,695

This was due to a decrease in cash and Insurance Premiums payable due to the transfer of the Insurance operations.

In accordance with a resolution of the Board.

Director



Director



Dated at East Melbourne this 13<sup>th</sup> day of September 2005

**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 13<sup>th</sup> day of September 2005

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

**STATEMENT BY COMMITTEE OF MANAGEMENT**

On 13/09/2005 the Committee of Management of the Master Builders Association of Victoria passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30/06/2005.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due & payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: David Newnham

Title of Office held: Treasurer

Signature:



Date: 13/09/2005

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

**Scope**

We have audited the concise financial report of the Master Builders Association of Victoria for the year ended 30 June 2005, 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 2005. Our audit report on the full financial report was signed on 13 September 2005 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: 13 September 2005

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

**STATEMENT OF FINANCIAL POSITION  
YEAR ENDED 30 JUNE 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash assets	1,418,778	2,619,976	1,057,893	2,440,607
Receivables	1,587,004	1,965,047	1,747,525	2,040,280
Other financial assets	1,475,388	922,885	1,475,388	922,885
Inventories	90,002	71,373	90,002	71,373
Other	113,513	266,011	108,513	213,759
<b>Total Current Assets</b>	<b>4,684,685</b>	<b>5,845,292</b>	<b>4,479,321</b>	<b>5,688,904</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	5,217,736	5,708,566	5,217,736	5,708,566
Other financial assets	30,000	-	30,002	2
Receivables	80,115	80,115	80,115	80,115
<b>Total Non Current Assets</b>	<b>5,327,851</b>	<b>5,788,681</b>	<b>5,327,853</b>	<b>5,788,683</b>
<b>Total Assets</b>	<b>10,012,536</b>	<b>11,633,973</b>	<b>9,807,174</b>	<b>11,477,587</b>
<b>Current Liabilities</b>				
Payables	3,191,472	5,445,645	3,050,396	5,349,131
Provisions	416,900	362,278	362,162	302,406
<b>Total Current Liabilities</b>	<b>3,608,372</b>	<b>5,807,923</b>	<b>3,412,558</b>	<b>5,651,537</b>
<b>Non Current Liabilities</b>				
Provisions	53,082	77,344	43,534	77,344
<b>Total Non Current Liabilities</b>	<b>53,082</b>	<b>77,344</b>	<b>43,534</b>	<b>77,344</b>
<b>Total Liabilities</b>	<b>3,661,454</b>	<b>5,885,267</b>	<b>3,456,092</b>	<b>5,728,881</b>
<b>NET ASSETS</b>	<b>6,351,082</b>	<b>5,748,706</b>	<b>6,351,082</b>	<b>5,748,706</b>
<b>Equity</b>				
Retained funds	5,802,931	5,200,555	5,802,931	5,200,555
Reserve	548,151	548,151	548,151	548,151
<b>TOTAL EQUITY</b>	<b>6,351,082</b>	<b>5,748,706</b>	<b>6,351,082</b>	<b>5,748,706</b>

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

**STATEMENT OF FINANCIAL PERFORMANCE  
YEAR ENDED 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenues from ordinary activities	2	10,839,200	10,984,761	9,510,938	9,668,583
Employee benefits expenses		(5,473,118)	(5,805,853)	(4,536,302)	(4,951,462)
Depreciation and amortisation expenses		(301,610)	(295,990)	(301,610)	(295,990)
Premises expenses		(443,220)	(302,415)	(428,799)	(290,235)
Travel, Accommodation & Motor Vehicles		(689,139)	(694,670)	(549,947)	(571,150)
Telephone & Postage		(390,515)	(460,000)	(375,997)	(396,008)
Administration expenses		(1,774,373)	(2,134,390)	(1,558,131)	(1,881,258)
Cost of Good Sold-Document sales		(169,989)	(199,846)	(169,989)	(199,846)
Promotional Activity expenses		(532,457)	(584,738)	(525,384)	(575,775)
Cost of sale of assets		(462,403)	-	(462,403)	-
<b>Profit from ordinary activities</b>		<b>602,376</b>	<b>506,859</b>	<b>602,376</b>	<b>506,859</b>
Income Tax expense relating to ordinary activities		-	-	-	-
<b>Total changes in equity of the Association</b>		<b>602,376</b>	<b>506,859</b>	<b>602,376</b>	<b>506,859</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>Cash Flow from Operating Activities</b>					
Receipts from members – Subscriptions		3,488,592	3,361,816	3,488,592	3,361,816
Receipts from - Other activities		7,121,321	7,026,273	5,667,333	5,699,522
Payments to suppliers and employees		(11,679,445)	(10,414,342)	(10,400,159)	(9,262,050)
Interest received		94,164	21,720	87,350	16,810
Net cash provided by operating activities	20(a)	(975,368)	(4,533)	(1,156,884)	(183,902)
<b>Cash Flow from Investing Activities</b>					
Purchase of shares in unlisted company		(30,000)	-	(30,000)	-
Proceeds on disposal of fixed assets		629,856	16,392	629,856	16,392
Capital expenditure on fixed assets		(273,183)	(362,549)	(273,183)	(362,549)
Net cash generated by / (used in ) investing activities		326,673	(346,157)	326,673	(346,157)
<b>Cash flow from financing Activities</b>					
Repayment of lease and hire purchase liabilities		-	(23,539)	-	(23,539)
Net cash (used in) financing activities		-	(23,539)	-	(23,539)
Net (decrease) in cash held		(648,695)	(374,229)	(830,211)	(553,598)
Opening Cash at 1 July 2004		3,542,861	3,917,090	3,363,492	3,917,090
Closing Cash at 30 June 2005	20(b)	2,894,166	3,542,861	2,533,281	3,363,492



**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 2005**

**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.

**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 2005**

**NOTE 2: OPERATING REVENUE**

**Operating Activities**

Membership Fees	3,488,592	3,361,816	3,488,592	3,361,816
Insurance Commission	1,519,406	2,238,134	1,519,406	2,238,134
Sale of Forms	294,426	323,526	294,426	323,526
Sundry Income	912,109	823,162	912,109	1,115,927
Rental Income	259,038	209,162	259,038	209,162
Housing Division	1,480,280	1,775,230	158,832	171,197
Training Division	1,708,543	1,812,888	1708,543	1,812,888
Commercial Industrial Income	452,786	402,261	452,786	402,261
	<u>10,115,180</u>	<u>10,946,179</u>	<u>8,793,732</u>	<u>9,634,911</u>

**Non-Operating Activities**

Interest Received	94,164	21,720	87,350	16,810
Proceeds on sale of assets	629,856	16,862	629,856	16,862
	<u>724,020</u>	<u>38,582</u>	<u>717,206</u>	<u>33,672</u>
Total Revenue	<u>10,839,200</u>	<u>10,984,761</u>	<u>9,510,938</u>	<u>9,668,583</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 2005**

**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 2005.

<b>Insurance Division</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net Commissions	1,399,784	2,085,539	1,399,784	2,085,539
Other Income	119,623	152,595	119,623	152,595
	<hr/>	<hr/>	<hr/>	<hr/>
	1,519,407	2,238,134	1,519,407	2,238,134
Less Direct expenditure	(989,661)	(1,726,120)	(989,661)	(1,726,120)
Net result	<hr/>	<hr/>	<hr/>	<hr/>
	529,746	512,014	529,746	512,014
	<hr/>	<hr/>	<hr/>	<hr/>
Insurance Assets	-	3,785,460	-	3,785,460
Insurance Liabilities	-	(2,469,140)	-	(2,469,140)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,316,320	-	1,316,320

As of 1<sup>st</sup> of February 2005 these insurance activities are undertaken by MBA Insurance Services Pty Ltd. Master Builders Association of Victoria own shares in this company

**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 272 of RAO Schedule to the Workplace Relations Act 1996, which reads as follows:-

- (1) A member of a reporting unit, or a registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**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.



MASTER BUILDERS  
ASSOCIATION OF  
VICTORIA

ACN 004 255 654  
ABN 38 004 255 654

FR 2005/443.

**Certificate of Secretary or other Authorised Officer**

S268 of Schedule 1B Workplace Relations Act 1996

I Don Ravida being the President of the Master Builders Association of Victoria certify:

That the documents lodged herewith are copies of the full report, and the concise report referred to in s268 of the RAO Schedule; and

That the concise report was provided to members on 31/10/2005; and

That the full report was presented to a general meeting of members of the reporting unit on 22/11/2005; in accordance with section 266 of the RAO Schedule.

I, Don Ravida 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.*

Signature

Date:

22.11.2005



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

# **Master Builders Association of Victoria**

ACN 004 255 654

(A Company Limited By Guarantee)

**2004/2005 Annual Report  
for presentation to the  
Annual General Meeting  
of Members**



**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)  
COMMITTEE OF MANAGEMENT  
OPERATING REPORT  
YEAR ENDED 30 JUNE 2005**

In accordance with section 254 of the Workplace Relations Act 1996, the Committee of Management present the operating report for the year ended 30 June 2005.

**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 \$602,376 (2004 surplus \$506,859). The company is exempt from paying income tax.

**Review of Operations**

The result represents a favourable variance of \$95,517 In comparison to last year. The result for the year was considered satisfactory and was due primarily to the favourable results in Training, OH&S & Marketing activities. The high level of building activity which continued during the year impacted favourably on most areas of operation.

**Significant Changes**

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

**Rights of members to resign**

- (1) A member may resign from membership by written notice addressed and delivered to the Executive Director.
- (2) A notice of resignation from membership takes effect:
  - (a) Where the member ceases to be eligible to become a member;
    - (i) On the day on which the notice is received by the Association, or
    - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

Whichever is later, or

**MASTER BUILDERS ASSOCIATION OF VICTORIA**  
**(A.C.N. 004 255 654)**  
**COMMITTEE OF MANAGEMENT**  
**OPERATING REPORT (Cont')**  
**YEAR ENDED 30 JUNE 2005**

- (b) In any other case:
- (i) At the end of 2 weeks after the notice is received by the association, or
  - (ii) On the day specified in the notice;
- Whichever is later,
- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association in a court of competent jurisdiction, as a debt due to the Association.
- (4) A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

**To the best of our knowledge and belief,**

no officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of Victoria is;

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
(A.C.N. 004 255 654)  
COMMITTEE OF MANAGEMENT  
OPERATING REPORT (Cont')  
YEAR ENDED 30 JUNE 2005**

**Prescribed Information**

- (1) Number of members of the organisation at 30/06/2005: 5711 (2004: 5526)
- (2) Employees of the reporting unit as at 30/06/2005: 72 equivalent full time staff. (2004: 84)
- (3) Members of the Committee of Management during the financial year ended 30/06/2005:

Basedow, H  
Davis, H (Appointed 23/11/04)  
De La Coeur (Retired 23/11/04)  
Evans, T  
Falloon, S (Retired 23/11/04)  
Farrell, T (Appointed 23/11/04)  
Gnauck, D  
Gordon, N  
Gulenc, T (Retired 23/11/04)  
Hipwell, S (Retired 23/11/04)  
Hovey, C  
Kent, S  
McCaffrey, J (Appointed 23/11/04)  
Moverley, P (Appointed 23/11/04)  
Newnham, D  
Nicholson, R (Retired 23/11/04)

Noonan, B  
Pateras, N (Appointed 23/11/04)  
Pope, M (Appointed 23/11/04)  
Ravida, D  
Renwick, M (Retired 23/11/04)  
Rigg, M (Retired 23/11/04)  
Robinson, P (Retired 23/11/04)  
Seidler, C (Retired 23/11/04)  
Smith, G  
Smithett, M (Appointed 23/11/04)  
Stevens, D (Appointed 23/11/04)  
Sutton, P (Retired 23/11/04)  
Sweeney, S (Retired 23/11/04)  
Whitwell, R  
Zuccala, G (Appointed 23/11/04)

For and on behalf of Committee of Management



David Newnham

Treasurer

13/09/2005



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

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2005**

The board of directors presents the audited accounts of the company for the year ended 30 June 2005.

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

**Board of Management**

Basedow, H	Ravida, D
Evans, T	Smith, G
Newnham, D A	Whitwell, R
Noonan, B	Zucalla, G

**Council of Management**

Basedow, H	Gordon, N	Newnham, D	Smith, G
Davis, H	Hovey, C	Noonan, B	Smithett, M
Evans, T	Kent, S	Pateras, N	Stevens, D
Farrell, T	McCaffrey, J	Pope, M	Whitwell, R
Gnauck, D	Moverley, P	Ravida, D	Zuccala, G

**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 \$602,376 (2004 surplus \$506,859). The company is exempt from paying income tax.

**Review of Operations**

The result represents a favourable variance of \$95,517 in comparison to last year. The result for the year was considered satisfactory & was due primarily to the favourable results in Training, OH&S & Marketing activities. The high level of building activity which continued during the year impacted favourably on most areas of operation.

**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 2005**

**Matters Subsequent to Balance Date**

There are no matters or circumstances which have arisen since 30 June 2005 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 2005**

With the exception of the following matters:

During the financial year the company has paid a total premium of \$10,700 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  
Davis, H (Appointed 23/11/04)  
De La Coeur (Retired 23/11/04)  
Evans, T  
Falloon, S (Retired 23/11/04)  
Farrell, T (Appointed 23/11/04)  
Gnauck, D  
Gordon, N  
Gulenc, T (Retired 23/11/04)  
Hipwell, S (Retired 23/11/04)  
Hovey, C  
Kent, S  
McCaffrey, J (Appointed 23/11/04)  
Moverley, P (Appointed 23/11/04)  
Newnham, D  
Nicholson, R (Retired 23/11/04)

Noonan, B  
Pateras, N (Appointed 23/11/04)  
Pope, M (Appointed 23/11/04)  
Ravida, D  
Renwick, M (Retired 23/11/04)  
Rigg, M (Retired 23/11/04)  
Robinson, P (Retired 23/11/04)  
Seidler, C (Retired 23/11/04)  
Smith, G  
Smithett, M (Appointed 23/11/04)  
Stevens, D (Appointed 23/11/04)  
Sutton, P (Retired 23/11/04)  
Sweeney, S (Retired 23/11/04)  
Whitwell, R  
Zuccala, G (Appointed 23/11/04)

**Information on Directors**

Name:	Basedow	Heini
Age:		61
Qualifications:		Director
Council Meetings Attended:		3
Name:	Davis	Hedley
Age:		50
Qualifications:		Director
Council Meetings Attended:		2
Name:	Evans	Trevor
Age:		52
Qualifications:		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 2005**

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

Name:	Farrell	Tony
Age:		42
Qualifications:		Director
Council Meetings Attended:		2
Name:	Gnauck	Derek
Age:		44
Qualifications:		Director
Council Meetings Attended:		2
Name:	Gordon	Neale
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Hovey	Chris
Age:		29
Qualifications:		Director
Council Meetings Attended:		2
Name:	Kent	Stuart
Age:		51
Qualifications:		Director
Council Meetings Attended:		4
Name:	McCaffrey	Jim
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
Name:	Moverley	Peter
Age:		62
Qualifications:		Director
Council Meetings Attended:		1
Name:	Newnham	David
Age:		56
Qualifications:		Director
Council Meetings Attended:		4

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

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2005**

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

Name:	Noonan	Bede
Age:		36
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pateras	Nick
Age:		44
Qualifications:		Director
Council Meetings Attended:		2
Name:	Pope	Michael
Age:		44
Qualifications:		Director
Council Meetings Attended:		1
Name:	Ravida	Don
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
Name:	Smith	Gary
Age:		38
Qualifications:		Director
Council Meetings Attended:		2
Name:	Smithett	Michael
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
Name:	Stevens	Dean
Age:		41
Qualifications:		Director
Council Meetings Attended:		2
Name:	Whitwell	Robert
Age:		54
Qualifications:		Director
Council Meetings Attended:		4

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

**ANNUAL REPORT OF THE DIRECTORS  
YEAR ENDED 30 JUNE 2005**

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

Name:	Zuccala	Greg
Age:		50
Qualifications:		Director
Council Meetings Attended:		2

**Information on company secretary**

Name:	Welch	Brian
Age:		51
Qualifications:		Secretary
Council Meetings Attended:		4

**Leave of Court**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

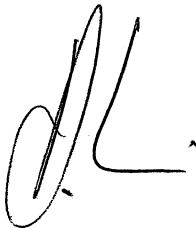
**Auditors Independence Declaration**

A copy of the auditors independence declaration as required under section 307C of the Corporations Act 201 is set out on page 10.

Dated at East Melbourne this 13<sup>th</sup> day of September 2005

In accordance with a resolution of the Board.

Director



Director



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


**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTIONS 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTOR OF THE MASTER BUILDERS ASSOCIATION OF VICTORIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*BDO*

BDO

  
CMJ Bryan

Melbourne:  
13 September 2005

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

**DECLARATION BY MEMBERS OF THE BOARD  
YEAR ENDED 30 JUNE 2005**

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 as set out on page 29, are in accordance with the Corporations Act 2001:-

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date of the company and the economic entity;

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 13<sup>th</sup> day of September 2005



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

**STATEMENT BY COMMITTEE OF MANAGEMENT**

On 13/09/2005 the Committee of Management of the Master Builders Association of Victoria passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30/06/2005:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due & payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For committee of Management: David Newnham

Title of Office held: Treasurer

Signature:



Date:

13 September 2005

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
MASTER BUILDERS ASSOCIATION OF VICTORIA****Scope***The Financial Report and Directors' Responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Master Builders Association of Victoria and the consolidated entity, for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

*Audit Approach*

We have conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
MASTER BUILDERS ASSOCIATION OF VICTORIA****Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Audit Opinion**

In our opinion, the financial report of Master Builders Association of Victoria is in accordance with:

- (a) the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
  - (iii) the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996; and
- (b) other mandatory financial reporting requirements in Australia.

*BDO*

**BDO**  
Chartered Accountants



**C M J Bryan**  
Partner

**Melbourne: 13 September, 2005**

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash assets	5	1,418,778	2,619,976	1,057,893	2,440,607
Receivables	6	1,587,004	1,965,047	1,747,525	2,040,280
Other financial assets	7	1,475,388	922,885	1,475,388	922,885
Inventories	8	90,002	71,373	90,002	71,373
Other	9	113,513	266,011	108,513	213,759
Total Current Assets		<u>4,684,685</u>	<u>5,845,292</u>	<u>4,479,321</u>	<u>5,688,904</u>
<b>Non-Current Assets</b>					
Property, plant and equipment	10	5,217,736	5,708,566	5,217,736	5,708,566
Other financial assets	7	30,000	-	30,002	2
Receivables	6	80,115	80,115	80,115	80,115
Total Non Current Assets		<u>5,327,851</u>	<u>5,788,681</u>	<u>5,327,853</u>	<u>5,788,683</u>
<b>Total Assets</b>		<u>10,012,536</u>	<u>11,633,973</u>	<u>9,807,174</u>	<u>11,477,587</u>
<b>Current Liabilities</b>					
Payables	11	3,191,472	5,445,645	3,050,396	5,349,131
Provisions	12	416,900	362,278	362,162	302,406
Total Current Liabilities		<u>3,608,372</u>	<u>5,807,923</u>	<u>3,412,558</u>	<u>5,651,537</u>
<b>Non Current Liabilities</b>					
Provisions	12	53,082	77,344	43,534	77,344
Total Non Current Liabilities		<u>53,082</u>	<u>77,344</u>	<u>43,534</u>	<u>77,344</u>
<b>Total Liabilities</b>		<u>3,661,454</u>	<u>5,885,267</u>	<u>3,456,092</u>	<u>5,728,881</u>
<b>NET ASSETS</b>		<u>6,351,082</u>	<u>5,748,706</u>	<u>6,351,082</u>	<u>5,748,706</u>
<b>Equity</b>					
Retained funds	13	5,802,931	5,200,555	5,802,931	5,200,555
Reserve	14	548,151	548,151	548,151	548,151
<b>TOTAL EQUITY</b>		<u>6,351,082</u>	<u>5,748,706</u>	<u>6,351,082</u>	<u>5,748,706</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  
AS AT 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
Revenues from ordinary activities	3	10,839,200	10,984,761	9,510,938	9,668,583
Employee benefits expenses		(5,473,118)	(5,805,853)	(4,536,302)	(4,951,462)
Depreciation and amortisation expenses	4	(301,610)	(295,990)	(301,610)	(295,990)
Premises expenses		(443,220)	(302,415)	(428,799)	(290,235)
Travel, Accommodation & Motor Vehicles		(689,139)	(694,670)	(549,947)	(571,150)
Telephone & Postage		(390,515)	(460,000)	(375,997)	(396,008)
Administration expenses		(1,774,373)	(2,134,390)	(1,558,131)	(1,881,258)
Cost of Good Sold-Document sales	4	(169,989)	(199,846)	(169,989)	(199,846)
Promotional Activity expenses		(532,457)	(584,738)	(525,384)	(575,775)
Cost of sale of assets		(462,403)		(462,403)	
<b>Profit from ordinary activities</b>		<b>602,376</b>	<b>506,859</b>	<b>602,376</b>	<b>506,859</b>
Income Tax expense relating to ordinary activities	1(e)	-	-	-	-
<b>Total changes in equity of the Association</b>		<b>602,376</b>	<b>506,859</b>	<b>602,376</b>	<b>506,859</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 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>Cash Flow from Operating Activities</b>					
Receipts from members – Subscriptions		3,488,592	3,361,816	3,488,592	3,361,816
Receipts from - Other activities		7,121,321	7,026,273	5,667,333	5,699,522
Payments to suppliers and employees		(11,679,445)	(10,414,342)	(10,400,159)	(9,262,050)
Interest received		94,164	21,720	87,350	16,810
Net cash provided by operating activities	20(a)	(975,368)	(4,533)	(1,156,884)	(183,902)
<b>Cash Flow from Investing Activities</b>					
Purchase of shares in unlisted company		(30,000)	-	(30,000)	-
Proceeds on disposal of fixed assets		629,856	16,392	629,856	16,392
Capital expenditure on fixed assets		(273,183)	(362,549)	(273,183)	(362,549)
Net cash generated by / (used in ) investing activities		326,673	(346,157)	326,673	(346,157)
<b>Cash flow from financing activities</b>					
Repayment of lease and hire purchase liabilities		-	(23,539)	-	(23,539)
Net cash (used in) financing activities		-	(23,539)	-	(23,539)
Net (decrease) in cash held		(648,695)	(374,229)	(830,211)	(553,598)
Opening Cash at 1 July 2004		3,542,861	3,917,090	3,363,492	3,917,090
Closing Cash at 30 June 2005	20(b)	2,894,166	3,542,861	2,533,281	3,363,492

**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 2005**

**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 covers the economic entity of Master Builders Association of Victoria and controlled entity, and Master Builders Association of Victoria as an individual parent entity. Master Builders Association of Victoria is 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 2005 the number of members was 5,711 (2004: 5526).

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) Principles of consolidation**

A controlled entity is an entity controlled by Master Builders Association of Victoria. Control exists where Master Builders Association of Victoria has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Master Builders Association of Victoria to achieve the objectives of Master Builders Association of Victoria. A list of the controlled entity is contained in Note 21 of the financial statements,

All inter-company balances and transaction between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

**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 2005**

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

**(b) 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 2002 in accordance with the transitional provisions of AASB 1041, Revaluations of Non Current Assets. Accordingly, the written down value at 30 June 2002 was deemed to represent cost. The class of assets was previously carried at director's valuation, the most recent having been conducted in September 1992.

**Plant and equipment**

Plant and equipment are carried at cost. The cost basis was adopted at 30 June 2002 in accordance with the transitional provisions of AASB 1041, Revaluations of Non Current Assets. Accordingly, the written down values at 30 June 2002 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	20% - 40%
Motor Vehicles	15% - 22.5%
Electrical	20%

**(c) Inventories**

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



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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

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

**(d) 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.

**(e) 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.

**(f) Insurance**

The accounts have been aggregated to include the Master Builders Association of Victoria Insurance Brokerage division. The surplus from operations of the Insurance Brokerage is recorded in note 16.

**(g) Cash**

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

**(h) 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).

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

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

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

The Associations Management, along with it's auditors, are assessing the significance of the introduction of International Financial reporting standards (IFRS) and are preparing for their implementation for the year ending 30 June 2006. This includes the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004 for future comparative purposes.

The directors are of the opinion that the key differences in the company's accounting policies which will arise from the adoption of IFRS are:

**Revenue of Disposal of Assets**

Currently the association includes gross revenue received on disposal of assets as revenue. Under Australian equivalents to IFRS's gains and losses on sale of assets will be recognised on a net basis in revenue, resulting in lower revenue being recorded by the Association.

On transition the financial effect of this impact is assessed as nil.

**Non- Current Investments**

Currently the Association measures non-current investments at costs with an annual review by directors to ensure that their carrying amounts are not in excess of their recoverable amount. Under Australian equivalents to IFRS's, subsequent measurement of non-current investments depends on the classification as outlined below:

**Available-for-sale Financial Assets**

Available-for-sale financial assets will be measured at fair value under Australian equivalent IFRS's with changes in fair value being recognised directly in equity until the asset is sold, at which time the cumulative gain/loss is taken to profit.

On transition the financial effect of this impact is assessed as nil.

**Impairment of Assets**

The Association currently measures land and buildings at cost and will continue to do so under AIFRS.

AASB 136 "Impairment of Assets" will result in a change in the Association's accounting policy that determines the recoverable amount of a non current asset. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or cash generating unit.

On transition the financial effect of this impact is assessed as nil.

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

**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 272 of RAO Schedule to the Workplace Relations Act 1996, which reads as follows:-

- (1) A member of a reporting unit, or a registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>3. Revenue</b>				
<b>Operating Activities</b>				
Membership Fees	3,488,592	3,361,816	3,488,592	3,361,816
Insurance Commission	1,519,406	2,238,134	1,519,406	2,238,134
Sale of Forms	294,426	323,526	294,426	323,526
Sundry Income	912,109	823,162	912,109	1,115,927
Rental Income	259,038	209,162	259,038	209,162
Housing Division	1,480,280	1,775,230	158,832	171,197
Training Division	1,708,543	1,812,888	1,708,543	1,812,888
Commercial Industrial Income	452,786	402,261	452,786	402,261
	<u>10,115,180</u>	<u>10,946,179</u>	<u>8,793,732</u>	<u>9,634,911</u>
<b>Non-Operating Activities</b>				
Interest Received	94,164	21,720	87,350	16,810
Proceeds on sale of assets	629,856	16,862	629,856	16,862
	<u>724,020</u>	<u>38,582</u>	<u>717,206</u>	<u>33,672</u>
<b>Total Revenue</b>	<u>10,839,200</u>	<u>10,984,761</u>	<u>9,510,938</u>	<u>9,668,583</u>

**4. Profit from Ordinary Activities**

Profit from ordinary activities has been determined after:

(a) Expenses

Cost of sales- Document Sales	169,989	199,846	169,989	199,846
Depreciation of property, plant and equipment	301,610	295,990	301,610	295,990
Net loss/(profit) on sale of assets	(167,453)	470	(167,453)	470
Movement in Provisions				
Doubtful Debts	35,808	16,212	35,808	8,712

Additional information as required by section 255 of Schedule 1B of the RAO to Workplace Relations Act 1996

Legal Fees	55,768	19,996	55,556	19,996
Fees and periodic subscriptions	352,780	350,360	352,780	350,360
Grants & Donations	10,566	3,313	10,566	3,313
Meeting Expenses	10,406	10,035	10,406	10,035



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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>9. Other</b>				
Prepayments	113,513	266,011	108,513	213,759
<b>10. Property Plant and Equipment</b>				
<b>Freehold land and buildings</b>				
At Cost	5,208,761	5,522,421	5,208,761	5,522,421
Provision for depreciation	(675,000)	(600,000)	(675,000)	(600,000)
Written down value	<u>4,533,761</u>	<u>4,922,421</u>	<u>4,533,761</u>	<u>4,922,421</u>
<b>Plant and equipment</b>				
At Cost	1,915,990	1,850,796	1,915,990	1,850,796
Provision for depreciation	(1,232,015)	(1,064,651)	(1,232,015)	(1,064,651)
Written down value	<u>683,975</u>	<u>786,145</u>	<u>683,975</u>	<u>786,145</u>
<b>Net Book Value</b>	<u>5,217,736</u>	<u>5,708,566</u>	<u>5,217,736</u>	<u>5,708,566</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.

	Freehold land and buildings \$	Plant and equipment \$	Total \$
<b>Economic Entity:</b>			
Balance at the beginning of year	4,922,421	786,145	5,708,566
Additions	2,218	270,965	273,183
Depreciation expense	(75,000)	(226,610)	(301,610)
Disposals	(315,878)	(146,525)	(462,403)
Carrying amount at the end of the year	<u>4,533,761</u>	<u>683,975</u>	<u>5,217,736</u>
<b>Parent Entity:</b>			
Balance at the beginning of year	4,922,421	786,145	5,708,566
Additions	2,218	270,965	273,183
Depreciation expense	(75,000)	(226,610)	(301,610)
Disposals	(315,878)	(146,525)	(462,403)
Carrying amount at the end of the year	<u>4,533,761</u>	<u>683,975</u>	<u>5,217,736</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>11. Accounts Payable (Current)</b>				
Arbitration Deposit Account	104,370	30,034	104,370	30,034
Trade creditors	565,377	2,957,759	545,572	2,939,224
Sundry creditors and accrued expenses	2,521,725	2,457,852	2,400,454	2,379,873
	<u>3,191,472</u>	<u>5,445,645</u>	<u>3,050,396</u>	<u>5,349,131</u>
<b>12. Provisions</b>				
(Current)				
Employee entitlements:-				
Long service leave	158,100	84,606	148,062	54,606
Annual leave	258,800	277,672	214,100	247,800
	<u>416,900</u>	<u>362,278</u>	<u>362,162</u>	<u>302,406</u>
(Non Current)				
Employee entitlements:-				
Long service leave	53,082	77,344	43,534	77,344
<b>Aggregate employee entitlement liability</b>	<u>469,982</u>	<u>439,622</u>	<u>405,696</u>	<u>379,750</u>
Total number of employees	75	88	56	69
<b>13. Retained funds</b>				
Accumulated funds at the beginning of the financial year	5,200,555	4,693,696	5,200,555	4,693,696
Net profit attributable to members of the association	602,376	506,859	602,376	506,859
Accumulated funds as at the end of the financial year	<u>5,802,931</u>	<u>5,200,555</u>	<u>5,802,931</u>	<u>5,200,555</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	\$	\$	\$	\$
<b>14. Reserves</b>				
Asset Revaluation reserve	548,151	548,151	548,151	548,151

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

**15. Commitments**

**(a) Operating leases of plant and equipment**

Payable				
Not later than one year	286,294	326,283	286,294	326,283
Later than one but not later than two years	127,259	245,150	127,259	245,150
Later than two years but not later than 5 years	39,156	65,892	39,156	65,892
	452,709	637,325	452,709	637,325

**16. Segment Reporting**

The association operates in the building sector providing services to members of the association within Victoria. The Master Builders Association of Victoria Insurance Brokerage Division contributed the following surplus to the association.

<b>Insurance Division</b>	\$	\$	\$	\$
Net Commissions	1,399,784	2,085,539	1,399,784	2,085,539
Other Income	119,623	152,595	119,623	152,595
	1,519,407	2,238,134	1,519,407	2,238,134
Less Direct expenditure	(989,661)	(1,726,120)	(989,661)	(1,726,120)
Net result	529,746	512,014	529,746	512,014
Insurance Assets	-	3,785,460	-	3,785,460
Insurance Liabilities	-	(2,469,140)	-	(2,469,140)
	-	1,316,320	-	1,316,320

As of 1<sup>st</sup> of February 2005 these insurance activities are undertaken by MBA Insurance Services Pty Ltd. Master Builders Association of Victoria own shares in this company.



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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

**17. Related Party Transactions**

**(i) Directors**

The following people held office of Director during the year ended 30 June 2005

**Board of Management**

Basedow, H	Ravida, D
Evans, T	Smith, G
Newnham, D A	Whitwell, R
Noonan, B	Zuccala, G

**Council of Management**

Basedow, H	Gordon, N	Newnham, D	Smith, G
Davis, H	Hovey, C	Noonan, B	Smithett, M
Evans, T	Kent, S	Pateras, N	Stevens, D
Farrell, T	McCaffrey, J	Pope, M	Whitwell, R
Gnauck, D	Moverley, P	Ravida, D	Zuccala, G

**(ii) Remuneration of Directors**

Amounts received or due and receivable by Directors of Master Builders Association Of Victoria	\$ Nil	\$ Nil
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Number of Directors whose remuneration was within the following bands:

\$ 0 - \$ 9,999	20	20
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The services of the Directors are provided on a voluntary basis only.

**(iii) Transactions**

	2005	2004
Rent income from MBA Insurance Services Pty Ltd	52,098	-
Accounting Services provided to MBA Insurance Services Pty Ltd	12,500	-
Commissions receivable from MBA Insurance Services Pty Ltd	208,985	-

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	\$	\$	\$	\$
<b>18. Superannuation</b>				
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.				
<b>19. Cash Flow Information</b>				
<b>(a) Reconciliation of Cash Flow from Operations with Operating Profit</b>				
Operating profit after income tax	602,376	506,859	602,376	506,859
Non-cash flows in operating profit				
Doubtful debts	35,808	16,212	35,808	8,712
Depreciation	301,610	295,990	301,610	295,990
(Profit)/ Loss on sale of fixed assets	(167,453)	470	(167,453)	470
	<u>772,341</u>	<u>819,531</u>	<u>772,341</u>	<u>812,031</u>
Changes in assets and liabilities				
(Increase)\Decrease in trade and other debtors	494,733	(582,099)	362,193	(597,582)
(Increase)\Decrease in inventory	(18,629)	(2,846)	(18,629)	(2,846)
Decrease in trade creditors and accruals	(2,254,173)	(155,515)	(2,298,735)	(252,029)
Increase in provisions	30,360	(83,604)	25,946	(143,476)
	<u>(1,747,709)</u>	<u>(824,064)</u>	<u>(1,929,225)</u>	<u>(995,933)</u>
Cash Flow used in Operating Activities	<u>(975,368)</u>	<u>(4,533)</u>	<u>(1,156,884)</u>	<u>(183,902)</u>

**(b) Closing cash at 30 June 2005**

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.

Cash at the end of the year is shown in the balance sheet as:

Cash at bank and on hand	1,418,778	2,619,976	1,057,893	2,440,607
Cash deposits	1,475,388	922,885	1,475,388	922,885
	<u>2,894,166</u>	<u>3,542,861</u>	<u>2,533,281</u>	<u>3,363,492</u>

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

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

**(c) Financing Facilities**

A bank Commercial Bill facility of \$1,000,000 was available at the end of year which was unused at year end.

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

There were no material non cash financing or investing activities undertaken during the year.

**20. Financial Instruments**

- (a) The Association'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  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

**20. 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 5.26% is earned on an average term of 30 days.
<b>ii) 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.

**MASTER BUILDERS ASSOCIATION OF VICTORIA  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

**20. 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		
		2005	2004	2005	2004	2005	2004	2005	2004	
		%	%	\$	\$	\$	\$	\$	\$	
<b>Financial Assets</b>										
Cash	5		3.44	1,418,778	2,619,976	-	-	-	-	-
Other financial assets	7		5.26	1,475,388	922,885	-	-	-	-	-
Total Financial Assets				2,894,166	3,542,861	-	-	-	-	-
<b>Financial Liabilities</b>										
Bank loans	12	-		-	-	-	-	-	-	-
Lease and hire purchase liabilities	12	-		-	-	-	-	-	-	-
Total Financial Liabilities				-	-	-	-	-	-	-

**(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  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2005**

**20. 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.

**21. Controlled Entities**

	Country of Incorporation	Percentage Owned (%)	
		2005	2004
Parent Entity:			
Master Builders Association of Victoria	Australia	-	-
Subsidiaries of Master Builders Association of Victoria:-			
MBA Building Services Pty Ltd	Australia	100 %	100 %
Atf MBA Building Services Trust	Australia	100 %	100 %
Related Companies:			
MBA Insurance Services Pty Ltd	Australia	12.5 %	

**22. Association Details**

The principal place of business of the Association is:

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