



Australian Government
Australian Industrial Registry

11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410
Email: cynthia.lobooth@airc.gov.au

Mr David Newnham
President
Master Builders' Association of Victoria
GPO Box 544
MELBOURNE VIC 3001

By email: mhudson@mbav.com.au

Dear Mr Newnham

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial Reports for year ended 30 June 2008 – FR2008/285**

I acknowledge receipt of the financial report for the Master Builders' Association of Victoria for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 1 December 2008.

The documents have been filed. Their compliance with the RAO Schedule and the improvements made since the last report has been noted and is much appreciated.

However, I have one minor point to make in relation to the concise report. Sub-regulation 161(f) of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations) require the concise financial report to include a notice drawing attention to subsections 272(1), (2) and (3) and setting those subsections out in the notes of the concise financial report. This notice was included in the concise report for the previous year but was perhaps inadvertently omitted in the concise report for the year ended 30 June 2008. Please ensure the notice is incorporated in future concise reports.

I also encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may lodge your documents at orgs@airc.gov.au. Please note the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see sub-rule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

Should you require any information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 (Weds to Fri) or by email at cynthia.lobooth@airc.gov.au

Yours sincerely,

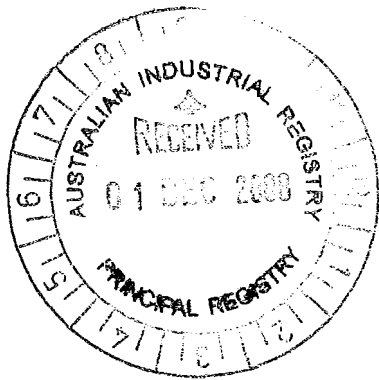
A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth'.

Cynthia Lo-Booth
Statutory Services Branch

9 January 2009

Cc: Mr Brian Welch
Executive Director
Master Builders' Association of Victoria

Mr Robert Collie
Partner
Deloitte Touche Tohmatsu
GPO Box 78
MELBOURNE VIC 3000



**Master
Builders™**

ASSOCIATION

MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria

ABN: 38 004 255 654

332 Albert Street

East Melbourne, VIC 3002

GPO Box 544

Melbourne, VIC 3001

Tel: 03 9411 4555

Fax: 03 9411 4591

www.mbav.com.au

Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B Workplace Relations Act 1996

I, David Newnham 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 31/10/2008; and

That the full report was presented to a general meeting of members of the reporting unit on 25/11/2008; in accordance with section 266 of the RAO Schedule.

I, David Newnham 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.

Signature

Date: 25 November, 2008

Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

**2007/2008 Annual Report
for presentation to the
Annual General Meeting
of Members**



**Master
Builders**

ASSOCIATION

General purpose financial report for the financial year ended 30 June 2008

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Council of Management operating report

In accordance with section 254 of the Workplace Relations Act 1996, the Council of Management present the operating report for the year ended 30 June 2008.

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 \$1,093,997 (2007: \$1,110,911). The company is exempt from paying income tax.

Review of Operations

The favorable result represents another successful year for the Association and reflects the relatively buoyant conditions that prevailed in the industry during the year. Some of the highlights were as follows:

- Membership is at the highest level on record
- All departments performed ahead of budget
- Highest level of training provided to members
- Launch of AdvantageCard loyalty program

The Association is well placed to meet the challenges the new year could bring.

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

Rights of members to resign (cont'd)

- (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.

Prescribed Information

- (1) Number of members of the organisation at 30/06/2008: 6,976 (2007: 6,685)
- (2) Employees of the reporting unit as at 30/06/2008: 83 equivalent full time staff. (2007: 78)
- (3) Members of the Council of Management during the financial year ended 30/06/2008:

Brick, C (retired 27/11/07)	McNamara, G (retired 27/11/07)
Davis, H	McPherson, A (appointed 27/11/07)
Drummond, L (appointed 27/11/07)	Milne, D
Evans, T	Newnham, D
Farrell, T (retired 27/11/07)	Nixon, D (retired 27/11/07)
Fasham, M (appointed 28/08/07)	Noonan, B
Fowler, C (appointed 27/11/07)	Noonan, J
Gnauck, D	Pateras, N
Grenfell, N (appointed 27/11/07)	Picking, P
Hawkey, I	Ravida, D
Johnson, T	Robinson, P
Kent, S	Sweeney, S (appointed 27/11/07)
Liddle, B	Zuccala, G
McCaffrey, J (retired 27/11/07)	

For and on behalf of Council of Management



Hedley Davis

Treasurer

23rd September 2008

Directors' report

The directors of Master Builders Association of Victoria submit herewith the annual financial report of the company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

Board of Management (Committee of Directors)

Davis, H	Nixon, D (retired 27/11/07)
Evans, T	Noonan, B
Grenfell, N (appointed 27/11/07)	Ravida, D
Liddle, B	Sweeney, S (appointed 27/11/07)
McCaffrey, J (retired 27/11/07)	Zuccala, G
Newnham, D	

Council of Management (Directors)

Brick, C (retired 27/11/07)	McNamara, G (retired 27/11/07)
Davis, H	McPherson, A (appointed 27/11/07)
Drummond, L (appointed 27/11/07)	Milne, D
Evans, T	Newnham, D
Farrell, T (retired 27/11/07)	Nixon, D (retired 27/11/07)
Fasham, M (appointed 28/08/07)	Noonan, B
Fowler, C (appointed 27/11/07)	Noonan, J
Gnauck, D	Pateras, N
Grenfell, N (appointed 27/11/07)	Picking, P
Hawkey, I	Ravida, D
Johnson, T	Robinson, P
Kent, S	Sweeney, S (appointed 27/11/07)
Liddle, B	Zuccala, G
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The surplus from operating activities for the year was \$1,093,997 (2007: \$1,110,911). The company is exempt from paying income tax.

Review of Operations

The favorable result represents another successful year for the Association and reflects the relatively buoyant conditions that prevailed in the industry during the year. Some of the highlights were as follows:

- Membership is at the highest level on record
- All departments performed ahead of budget
- Highest level of training provided to members
- Launch of AdvantageCard loyalty program

The Association is well placed to meet the challenges the new year could bring.

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.

Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

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, with the exception of the following matter:

During the financial year the company has paid a total premium of \$42,180 to insure each of the above 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 willful breach of duty in relation to the company.

The terms of the policy preclude disclosure as to the level of the coverage, or the name of the insurer.

Information on Directors

Name: Davis Hedley
Age: 53
Qualifications: Director
Council Meetings Attended: 4

Name: Drummond Luke
Age: (appointed 27/11/07) 36
Qualifications: Director
Council Meetings Attended: 2

Name: Evans Trevor
Age: 55
Qualifications: Director
Council Meetings Attended: 3

Name: Fasham Melanie
Age: (appointed 28/08/07) 35
Qualifications: Director
Council Meetings Attended: 3

Name: Fowler Craig
Age: (appointed 27/11/07) 45
Qualifications: Director
Council Meetings Attended: 2

Name: Gnauck Derek
Age: 47
Qualifications: Director
Council Meetings Attended: 4

Name: Grenfell Neil
Age: (appointed 27/11/07) 57
Qualifications: Director
Council Meetings Attended: 2

Name: Hawkey Ian
Age: 55
Qualifications: Director
Council Meetings Attended: 4

Name: Johnson Tony
Age: 37
Qualifications: Director
Council Meetings Attended: 3

Information on Directors (cont'd)

Name:	Kent	Stuart
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
Name:	Liddle	Brendan
Age:		44
Qualifications:		Director
Council Meetings Attended:		2
Name:	McPherson	Andrew
Age:	(appointed 27/11/07)	46
Qualifications:		Director
Council Meetings Attended:		2
Name:	Milne	Darren
Age:		41
Qualifications:		Director
Council Meetings Attended:		4
Name:	Newnham	David
Age:		59
Qualifications:		Director
Council Meetings Attended:		4
Name:	Noonan	Bede
Age:		39
Qualifications:		Director
Council Meetings Attended:		2
Name:	Noonan	Justin
Age:		43
Qualifications:		Director
Council Meetings Attended:		0
Name:	Pateras	Nick
Age:		47
Qualifications:		Director
Council Meetings Attended:		3
Name:	Picking	Peter
Age:		52
Qualifications:		Director
Council Meetings Attended:		4

Information on Directors (cont'd)

Name:	Ravida	Don
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Robinson	Phillip
Age:		61
Qualifications:		Director
Council Meetings Attended:		4
Name:	Sweeney	Steven
Age:	(appointed 27/11/07)	48
Qualifications:		Director
Council Meetings Attended:		2
Name:	Zuccala	Greg
Age:		53
Qualifications:		Director
Council Meetings Attended:		4
Name:	Brick	Christopher
Age:	(retired 27/11/07)	45
Qualifications:		Director
Council Meetings Attended:		1
Name:	Farrell	Tony
Age:	(retired 27/11/07)	45
Qualifications:		Director
Council Meetings Attended:		1
Name:	McCaffrey	Jim
Age:	(retired 27/11/07)	57
Qualifications:		Director
Council Meetings Attended:		2
Name:	McNamara	Geoff
Age:	(retired 27/11/07)	64
Qualifications:		Director
Council Meetings Attended:		0

Information on Directors (cont'd)

Name:	Nixon	Darren
Age:	(retired 27/11/07)	40
Qualifications:		Director
Council Meetings Attended:		1

Information on company secretary

Name:	Welch	Brian
Age:		54
Qualifications:		Director
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.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 14 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Trevor Evans
Director



Hedley Davis
Director

East Melbourne, 23rd September 2008


Declaration by members of the Board

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company and the consolidated entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Trevor Evans
Director



Hedley Davis
Director

East Melbourne, 23rd September 2008

Statement by Council of Management

On 23 September 2008 the Board of Management of the Master Builders Association of Victoria, following a circular resolution by the Council of Management, thereby delegating the authority to the Board, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008.

The Board 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 council 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

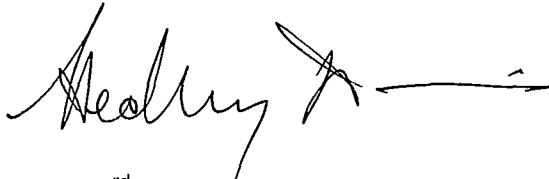
Statement by Council of management (cont'd)

- (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 Board of Management: Hedley Davis

Title of Office held: Treasurer

Signature:

A handwritten signature in black ink, appearing to read 'Hedley Davis', with a horizontal line extending to the right from the end of the signature.

Date:

23rd September 2008

The Board of Directors
Master Builders Association of Victoria
332 Albert Street
EAST MELBOURNE, VIC 3002

23rd September 2008

Dear Board Members,

Master Builders Association of Victoria

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Master Builders Association of Victoria.

As the lead audit partner for the audit of the financial statements of Master Builders Association of Victoria for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief that there have been no contraventions of:

- i. the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Master Builders Association of Victoria

We have audited the accompanying financial report of Master Builders Association of Victoria, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 11 to 13 and pages 17 to 44.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Report Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Master Builders Association of Victoria is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2; and
- (c) the financial report is presented fairly in accordance with the requirements of Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 23rd September 2008

Balance sheet as at 30 June 2008

	Note	Consolidated Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	6	3,277,934	2,585,571	3,036,480	2,447,368
Trade and other receivables	7	1,326,206	1,354,822	1,298,734	1,201,289
Other financial assets	8	1,398,006	330,988	1,333,494	284,643
Inventories	9	121,662	228,300	121,662	228,300
Other	10	86,436	121,566	86,436	99,947
Total current assets		6,210,244	4,621,247	5,876,806	4,261,547
Non current assets					
Property, plant and equipment	11	11,167,528	11,645,712	11,167,528	11,645,712
Other financial assets	8	120,000	120,000	120,002	120,002
Total non current assets		11,287,528	11,765,712	11,287,530	11,765,714
Total assets		17,497,772	16,386,959	17,164,336	16,027,261
Current liabilities					
Trade and other payables	12	5,213,858	4,477,283	4,960,640	4,211,475
Provisions	13	623,975	527,163	556,279	440,738
Total current liabilities		5,837,833	5,004,446	5,516,919	4,652,213
Non current liabilities					
Borrowings	14	2,000,000	2,800,000	2,000,000	2,800,000
Provisions	13	48,724	65,295	36,202	57,830
Total non current liabilities		2,048,724	2,865,295	2,036,202	2,857,830
Total liabilities		7,886,557	7,869,741	7,553,121	7,510,043
Net assets		9,611,215	8,517,218	9,611,215	8,517,218
Equity					
Retained earnings	15	9,063,064	7,969,067	9,063,064	7,969,067
Reserves	16	548,151	548,151	548,151	548,151
Total equity		9,611,215	8,517,218	9,611,215	8,517,218

Notes to the financial statements are included on pages 21 to 44.

Income statement for the financial year ended 30 June 2008

	Note	Consolidated Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenue	4	15,450,013	13,918,393	13,118,476	11,885,098
Employee benefits expenses		(6,625,967)	(6,050,742)	(5,129,028)	(4,728,304)
Depreciation & amortisation expenses		(582,219)	(424,679)	(582,219)	(424,679)
Premises expenses		(404,240)	(351,261)	(379,629)	(330,194)
Travel, accommodation & motor vehicles		(892,320)	(773,974)	(627,223)	(547,845)
Telephone & postage		(445,392)	(397,814)	(395,898)	(354,496)
Administration expenses		(4,349,877)	(3,729,281)	(3,859,670)	(3,314,233)
Cost of goods sold-document sales		(381,762)	(303,410)	(381,762)	(303,410)
Promotional activity expenses		(535,024)	(675,163)	(529,835)	(669,868)
Finance costs		(139,215)	(101,158)	(139,215)	(101,158)
Profit before tax	5	1,093,997	1,110,911	1,093,997	1,110,911
Income tax expense	2(e)	-	-	-	-
Profit for the year		1,093,997	1,110,911	1,093,997	1,110,911

Notes to the financial statements are included on pages 21 to 44.

Statement of changes in equity for the financial year ended 30 June 2008

Consolidated entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2006	6,858,156	548,151	7,406,307
Surplus for the year	1,110,911	-	1,110,911
Balance at 30 June 2007	7,969,067	548,151	8,517,218
Surplus/ (deficit) for the year	1,093,997	-	1,093,997
Balance at 30 June 2008	9,063,064	548,151	9,611,215

Parent entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2006	6,858,156	548,151	7,406,307
Surplus for the year	1,110,911	-	1,110,911
Balance at 30 June 2007	7,969,067	548,151	8,517,218
Surplus/ (deficit) for the year	1,093,997	-	1,093,997
Balance at 30 June 2008	9,063,064	548,151	9,611,215

Notes to the financial statements are included on pages 21 to 44.

Cash flow statement for the financial year ended 30 June 2008

	Note	Consolidated Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Receipts from members		5,027,332	4,287,096	5,027,332	4,287,096
Receipts from other activities		10,247,066	9,436,779	7,801,255	9,606,291
Payments to suppliers and employees		(12,591,334)	(12,575,433)	(10,255,153)	(12,707,986)
Interest and finance costs paid		(139,215)	(101,158)	(139,215)	(101,158)
Interest received		132,807	95,277	121,019	85,477
Net cash provided by operating activities	21(b)	2,676,656	1,142,561	2,555,238	1,169,720
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		11,817	-	11,817	-
Payments for property, plant and equipment		(129,092)	(6,273,003)	(129,092)	(6,273,003)
Net cash provided by investing activities		(117,275)	(6,273,003)	(117,275)	(6,273,003)
Cash flows from financing activities					
Proceeds from borrowings		-	2,800,000	-	2,800,000
Repayment of borrowings		(800,000)	-	(800,000)	-
Net cash (used in)/provided by financing activities		(800,000)	2,800,000	(800,000)	2,800,000
Net increase / (decrease) in cash and cash equivalents		1,759,381	(2,330,442)	1,637,963	(2,303,283)
Cash and cash equivalents at the beginning of the financial year		2,916,559	5,247,001	2,732,011	5,035,294
Cash and cash equivalents at the end of the financial year	21(a)	4,675,940	2,916,559	4,369,974	2,732,011

Notes to the financial statements are included on pages 21 to 44.

1. General information

Master Builders Association of Victoria is a company limited by guarantee, incorporated and operating in Australia.

Master Builders Association of Victoria's registered office and its principal place of business are as follows:

Registered office

332 Albert Street
EAST MELBOURNE VIC 3002

Principal place of business

332 Albert Street
EAST MELBOURNE VIC 3002

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

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. 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 2008 the number of members was 6,976 (2007: 6,685).

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 23rd September 2008.

Basis of preparation

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. All amounts are presented in Australian dollars, unless otherwise noted.

2. Significant accounting policies (cont'd)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details in relation to estimates and judgments made are disclosed in the accounting policy notes below.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- AASB 101 'Presentation of Financial Statements (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'

The following significant accounting policies have been adopted in the preparation and presentation 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 23 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.

2. Significant accounting policies (cont'd)

(b) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at cost.

Plant and equipment

Plant and equipment are carried at cost.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated over their useful lives commencing from the time the asset is 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%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

(c) Inventories

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

2. 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) Cash and cash equivalents

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

(g) Revenue

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

Government grant revenue is recognised when the economic entity gains control over the funds. Revenue from the rendering of a service is recognised upon the delivery of the service to the residents.

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

Revenue on sale of a non-current asset is recognised when an unconditional sale contract is signed and the risks and rewards of ownership have transferred to the purchaser.

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

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

2. Significant accounting policies (cont'd)

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Financial instruments

Recognition

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

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

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

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

2. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(j) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of the individual asset, the association estimates the recoverable amount of the cash generating unit to which the asset belongs.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

2. Significant accounting policies (cont'd)

(m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(n) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective:

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the company's financial report:

Standards	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<ul style="list-style-type: none"> AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101' 	1 January 2009	30 June 2010
<ul style="list-style-type: none"> AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8' 	1 January 2009	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<ul style="list-style-type: none"> AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123' 	1 January 2009	30 June 2010
<ul style="list-style-type: none"> AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127' 	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
<ul style="list-style-type: none"> AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations' 	1 January 2009	30 June 2010

2. Significant accounting policies (cont'd)

(n) Standards and Interpretations issued not yet effective (cont'd)

- | | | |
|---|----------------|--------------|
| • AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation' | 1 January 2009 | 30 June 2010 |
| • AASB Interpretation 12 'Service Concession Arrangements', AASB Interpretation 4 'Determining whether an Arrangement contains a Lease' (revised), AASB Interpretation 129 'Service Concession Arrangements: Disclosure' (revised), AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12' | 1 January 2008 | 30 June 2009 |
| • AASB Interpretation 13 'Customer Loyalty Programmes' | 1 July 2008 | 30 June 2009 |
| • AASB Interpretation 14 'AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' | 1 January 2008 | 30 June 2009 |

The initial application of the expected issue of an Australian equivalent accounting standard to the following standard is not expected to have a material impact on the financial report of the Group and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• Improvements to IFRSs (2008)	1 January 2009	30 June 2010
• Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IAS 27 'Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009	30 June 2010
• IFRIC 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
• IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010

3. 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)

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
4. Revenue				
Operating activities				
Membership fees	5,027,332	4,287,096	5,027,332	4,287,096
Insurance commission	541,239	532,457	541,239	532,457
Sale of documents	685,665	529,301	685,665	529,301
Sundry income	1,068,451	1,202,192	1,260,732	1,409,838
Rental income	145,372	144,530	145,372	144,530
Planning and building services	2,664,828	2,492,884	152,798	261,743
Training division	4,298,729	4,054,220	4,298,729	4,054,220
Commercial income	885,590	580,436	885,590	580,436
	<u>15,317,206</u>	<u>13,823,116</u>	<u>12,997,457</u>	<u>11,799,621</u>
Non-operating activities				
Interest received	132,807	95,277	121,019	85,477
Total revenue	<u>15,450,013</u>	<u>13,918,393</u>	<u>13,118,476</u>	<u>11,885,098</u>
5. Profit for the year before tax				
(a) Gains and losses				
Profit for the year has been arrived at after charging the following losses:				
Loss on sale of assets	13,240	113,572	13,240	113,572
(b) Other expenses				
Profit for the year includes the following expenses:				
Increase/(decrease) in doubtful debts provision	(41,274)	25,749	(40,756)	8,029
Remuneration of auditor				
- audit services	22,600	22,600	17,500	17,500
- other services (grant acquittal statements)	2,500	2,500	2,500	2,500
- taxation services	8,600	34,871	7,600	30,571
	<u>33,700</u>	<u>59,971</u>	<u>27,600</u>	<u>50,571</u>

Consolidated Entity		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

5. Profit for the year before tax (cont'd)

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

Legal fees	58,025	19,179	57,450	18,388
Fees and periodic subscriptions	553,114	466,643	543,802	461,811
Grants and donations	111,194	4,976	111,194	4,976
Meeting expenses	6,637	11,533	6,637	11,533

6. Cash and cash equivalents

Cash at bank	3,273,832	2,581,871	3,033,380	2,444,468
Cash on hand	4,102	3,700	3,100	2,900
	<u>3,277,934</u>	<u>2,585,571</u>	<u>3,036,480</u>	<u>2,447,368</u>

7. Trade and other receivables

Trade debtors	923,318	1,201,367	590,861	857,026
Provision for doubtful debts	(89,281)	(130,555)	(64,799)	(105,555)
	<u>834,037</u>	<u>1,070,812</u>	<u>526,062</u>	<u>751,471</u>
Other debtors	34,447	85,798	34,447	85,798
Inter-company loan – controlled entity	-	-	280,503	165,808
Inter-company loan – related company	457,722	198,212	457,722	198,212
	<u>1,326,206</u>	<u>1,354,822</u>	<u>1,298,734</u>	<u>1,201,289</u>

Consolidated Entity		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

7. Trade and other receivables (cont'd)

- (i) The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. The Group has provided fully for all receivables over 90 days because historical experience is such that receivables that are past due beyond 90 days are generally not recoverable.

Ageing of past due but not impaired

60 - 90 days	11,891	26,104	4,126	6,683
90+ days	26,053	52,260	12,074	34,347
Total	37,944	78,364	16,200	41,030

Movement in the allowance for doubtful debts

Balance at the beginning of the year	130,555	104,806	105,555	97,306
Additional allowance	-	25,749	-	8,249
Amounts reversed	(41,274)	-	(40,756)	-
Balance at the end of the year	89,281	130,555	64,799	105,555

Ageing of impaired trade receivables

60 - 90 days	-	-	-	-
90+ days	-	25,749	-	8,249
Total	-	25,749	-	8,249

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
8. Other financial assets				
Current				
Term Deposit	1,398,006	330,988	1,333,494	284,643
Non Current				
Investments at cost				
- Shares in controlled entity	-	-	2	2
- Shares in related entities	120,000	120,000	120,000	120,000
	120,000	120,000	120,002	120,002
9. Inventories				
Stock on hand	121,662	228,300	121,662	228,300
10. Other				
Prepayments	86,436	121,566	86,436	99,947
11. Property Plant and Equipment				
Freehold land and buildings				
At Cost	10,715,573	10,636,556	10,715,573	10,636,556
Provision for depreciation	(1,112,178)	(900,000)	(1,112,178)	(900,000)
Written down value	9,603,395	9,736,556	9,603,395	9,736,556
Plant and equipment				
At Cost	2,563,516	2,555,444	2,563,516	2,555,444
Provision for depreciation	(999,383)	(646,288)	(999,383)	(646,288)
Written down value	1,564,133	1,909,156	1,564,133	1,909,156
Net Book Value	11,167,528	11,645,712	11,167,528	11,645,712

11. Property Plant and Equipment (cont'd)

(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
	\$	\$	\$
2008			
Consolidated Entity:			
Balance at the beginning of year	9,736,556	1,909,156	11,645,712
Additions	79,017	50,075	129,092
Depreciation expense	(212,178)	(370,041)	(582,219)
Disposals	-	(25,057)	(25,057)
Carrying amount at the end of the year	<u>9,603,395</u>	<u>1,564,133</u>	<u>11,167,528</u>
Parent Entity:			
Balance at the beginning of year	9,736,556	1,909,156	11,645,712
Additions	79,017	50,075	129,092
Depreciation expense	(212,178)	(370,041)	(582,219)
Disposals	-	(25,057)	(25,057)
Carrying amount at the end of the year	<u>9,603,395</u>	<u>1,564,133</u>	<u>11,167,528</u>
2007			
Consolidated Entity:			
Balance at the beginning of year	5,175,210	735,750	5,910,960
Additions	4,711,346	1,561,657	6,273,003
Depreciation expense	(150,000)	(274,679)	(424,679)
Disposals	-	(113,572)	(113,572)
Carrying amount at the end of the year	<u>9,736,556</u>	<u>1,909,156</u>	<u>11,645,712</u>
Parent Entity:			
Balance at the beginning of year	5,175,210	735,750	5,910,960
Additions	4,711,346	1,561,657	6,273,003
Depreciation expense	(150,000)	(274,679)	(424,679)
Disposals	-	(113,572)	(113,572)
Carrying amount at the end of the year	<u>9,736,556</u>	<u>1,909,156</u>	<u>11,645,712</u>

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
12. Trade and other payables				
Arbitration deposit account	10,537	17,997	10,537	17,997
Trade creditors	611,704	619,711	582,667	544,277
Sundry creditors and accrued expenses	4,591,617	3,839,575	4,367,436	3,649,201
	<u>5,213,858</u>	<u>4,477,283</u>	<u>4,960,640</u>	<u>4,211,475</u>

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

13. Provisions

Current

Employee entitlements:

Long service leave	249,217	177,442	246,218	161,017
Annual leave	374,758	349,721	310,061	279,721
	<u>623,975</u>	<u>527,163</u>	<u>556,279</u>	<u>440,738</u>

Non current

Employee entitlements:

Long service leave	48,724	65,295	36,202	57,830
Aggregate employee entitlement liability	<u>672,699</u>	<u>592,458</u>	<u>592,481</u>	<u>498,568</u>

Number of employees at year end	<u>88</u>	<u>84</u>	<u>62</u>	<u>60</u>
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14. Borrowings

Non current

Commercial bill (i)	2,000,000	2,800,000	2,000,000	2,800,000
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Summary of borrowing arrangements:

- (i) Bills of exchange with a variable interest rate were issued in June 2008. The current weighted average interest rate on the bills is 6.7%p.a. (2007: 6.69%p.a.).

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
15. Retained earnings				
Retained earnings at the beginning of the financial year	7,969,067	6,858,156	7,969,067	6,858,156
Net profit attributable to members of the association	1,093,997	1,110,911	1,093,997	1,110,911
Retained earnings as at the end of the financial year	9,063,064	7,969,067	9,063,064	7,969,067

16. Reserves

Asset revaluation reserve	548,151	548,151	548,151	548,151
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The asset revaluation reserve records revaluations of non current assets. There has been no movement in the reserve during the current or preceding year.

17. Commitments for expenditure

(a) Operating leases of plant and equipment

Not longer than 1 year	413,116	498,873	413,116	498,873
Longer than 1 but not later than 5 years	496,745	396,450	496,745	396,450
	909,861	895,323	909,861	895,323

18. Segment Reporting

The operations are limited to one operating activity and geographic segment.

19. Related Party Transactions

(i) Directors

The following people held office of Director during the year ended 30 June 2008

Board of Management (Committee of Directors)

Davis, H	Nixon, D (retired 27/11/07)
Evans, T	Noonan, B
Grenfell, N (appointed 27/11/07)	Ravida, D
Liddle, B	Sweeney, S (appointed 27/11/07)
McCaffrey, J (retired 27/11/07)	Zuccala, G

19. Related Party Transactions (cont'd)

Council of Management (Directors)

Brick, C (retired 27/11/07)	McNamara, G (retired 27/11/07)
Davis, H	McPherson, A (appointed 27/11/07)
Drummond, L (appointed 27/11/07)	Milne, D
Evans, T	Newnham, D
Farrell, T (retired 27/11/07)	Nixon, D (retired 27/11/07)
Fasham, M (appointed 28/08/07)	Noonan, B
Fowler, C (appointed 27/11/07)	Noonan, J
Gnauck, D	Pateras, N
Grenfell, N (appointed 27/11/07)	Picking, P
Hawkey, I	Ravida, D
Johnson, T	Robinson, P
Kent, S	Sweeney, S (appointed 27/11/07)
Liddle, B	Zuccala, G
McCaffrey, J (retired 27/11/07)	

(ii) Remuneration of Directors	2008	2007
Amounts received or due and receivable by Directors of Master Builders Association Of Victoria	\$ Nil	\$ Nil
Number of Directors whose remuneration was within the following bands:		
\$ 0 - \$ 9,999	22	21

The services of the Directors are provided on a voluntary basis only.

(iii) Transactions	Consolidated Entity 2008 \$	Consolidated Entity 2007 \$	Parent Entity 2008 \$	Parent Entity 2007 \$
Rent income from MBA Insurance Services Pty Ltd	80,280	80,280	80,280	80,280
Accounting Services provided to MBA Insurance Services Pty Ltd	50,000	50,000	50,000	50,000
Commissions received from MBA Insurance Services Pty Ltd	541,238	532,457	541,238	532,457

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
20. Superannuation	825,132	689,401	705,041	572,452

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.

21. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	3,277,934	2,585,570	3,036,480	2,447,368
Cash deposits	1,398,006	330,989	1,333,494	284,643
	<u>4,675,940</u>	<u>2,916,559</u>	<u>4,369,974</u>	<u>2,732,011</u>

(b) Reconciliation of profit for the period to net cash flows from operating activities

Operating profit after income tax	1,093,997	1,110,911	1,093,997	1,110,911
Non-cash flows in operating profit				
Movement in doubtful debts	(41,274)	25,749	(40,756)	8,249
Depreciation	582,219	424,679	582,219	424,679
Loss on sale of fixed assets	13,240	113,572	13,240	113,572
Changes in assets and liabilities				
(Increase)\decrease in assets:				
Trade and other receivables	69,890	(238,562)	(56,689)	(61,350)
Inventories	106,638	(118,725)	106,638	(118,725)
Other	35,130		13,511	-
Increase/(decrease) in liabilities				
Trade and other payables	736,575	(275,792)	749,165	(388,368)
Provisions	80,241	100,729	93,913	80,752
Net cash from operating activities	<u>2,676,656</u>	<u>1,142,561</u>	<u>2,555,238</u>	<u>1,169,720</u>

21. Notes to the cash flow statement (cont'd)

(c) Financing Facilities

Master Builders Association of Victoria has a commercial bill facility for \$5,500,000 as at 30-Jun-07. \$4,500,000 matures 1 July 2011 and \$1,000,000 is a cash facility with no maturity date but is subject annual reviews. As at 30-Jun-08, \$2,000,000 of the total bill facility was used.

There is a registered mortgage by the Commonwealth Bank of Australia over freehold property at 332 Albert St East Melbourne. The Registered Equitable Mortgage by Commonwealth Bank of Australia is over all its assets and undertakings including uncalled capital.

(d) Non Cash Financing and Investing Activities

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

22. 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:

Recognised Financial Instruments	Balance Sheet Note	Accounting Policy	Terms and Conditions
i) Financial Assets			
Loans & Receivables	7	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.
Cash & Cash equivalents	8	Represents funds on term deposit with a financial institution	Interest of 7.91% is earned on an average term of 30 days.
ii) Financial Liabilities			
Loans & Receivables	12	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Current loan to be repaid by 2011.

22. Financial Instruments (cont'd)

(b) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates. The company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

The consolidated and parent entity's sensitivity to interest rates has decreased during the current period mainly due to the decrease of variable rate borrowings and increase of cash held in term deposits.

(c) Credit risk

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

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

22. Financial Instruments (cont'd)

(e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 21 is a listing of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

Liquidity and interest table

Prudent liquidity risk management is carried out by maintaining sufficient cash including working capital and unused bank debt.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate	Less than 12 months \$	1 - 5 years \$	5+ years \$
2008				
Financial Liabilities:				
Loans & Receivables	6.7%	-	2,000,000	-

2007				
Financial Liabilities:				
Loans & Receivables	6.69%	800,000	2,000,000	-

The following table details the company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in different period.

	Weighted Average Effective Interest Rate	Less than 12 months \$	1 - 5 years \$	5+ years \$
2008				
Financial Assets				
Cash & cash equivalents	5.45%	4,650,940	-	-

22. Financial Instruments (cont'd)

2007				
Financial Assets				
Cash & cash equivalents	4.92%	2,891,558	-	-

(f) 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.

23. Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2008	2007
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	14.3%	14.3%

Consolidated Entity		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

24. Key Management Personnel Compensation

Short-term employee benefits	1,162,724	1,130,670	1,039,724	1,010,358
Post-employment benefits	287,428	259,292	272,708	250,003
	<u>1,450,152</u>	<u>1,389,962</u>	<u>1,312,432</u>	<u>1,260,361</u>

Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

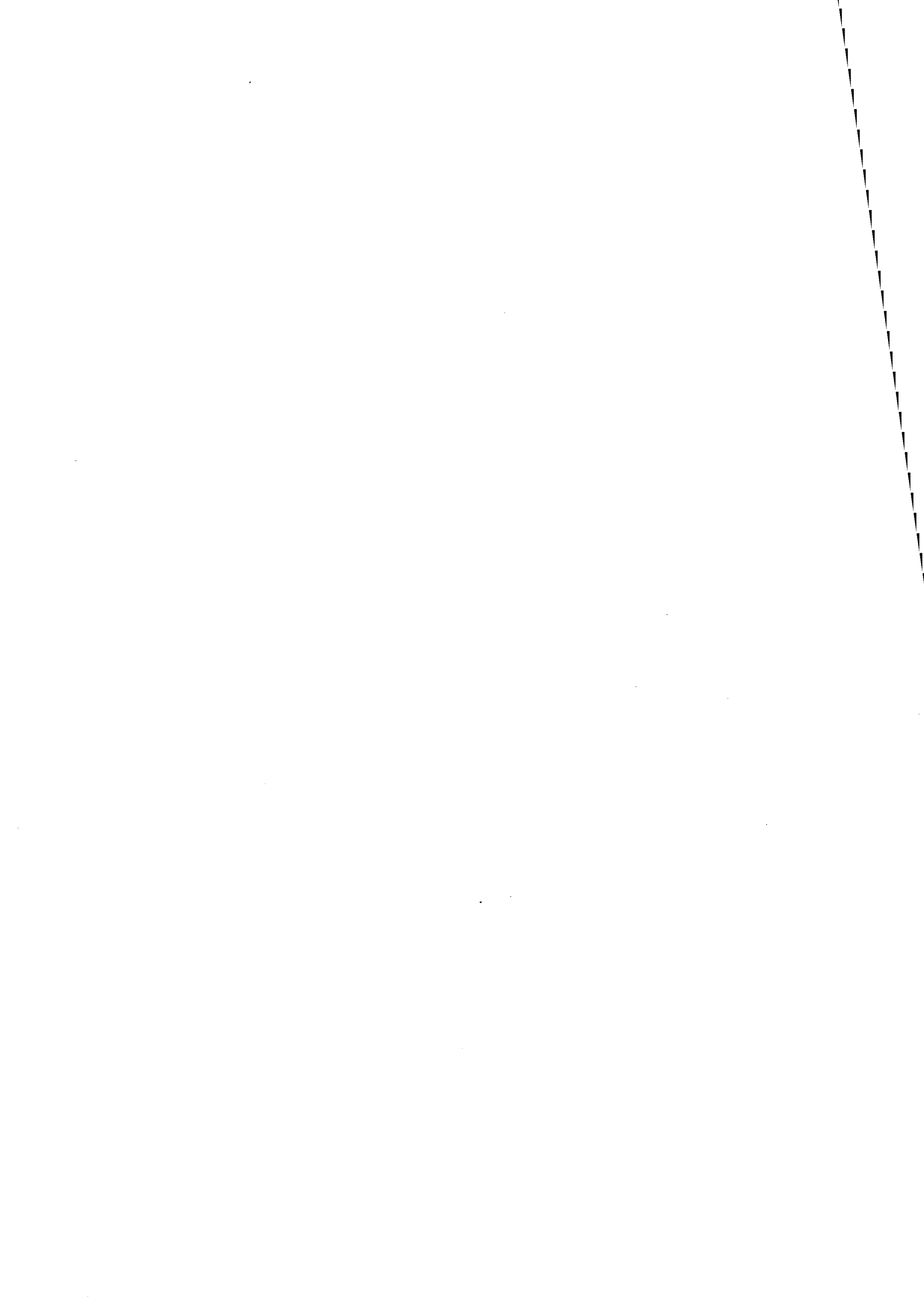
2007/2008 Concise Report for presentation to the Annual General Meeting of Members

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 ROD COLE AT THE ASSOCIATION AND A COPY WILL BE SENT TO
YOU **FREE OF CHARGE.**



**Master
Builders**

ASSOCIATION



ANNUAL GENERAL MEETING

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

TUESDAY 25 NOVEMBER 2008 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 27 November 2007.
2. To receive the Statement of Financial Position and Statement of Financial Performance as at 30 June 2008.
3. To receive the President's Report from Mr Trevor Evans.
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 of results of election for the positions of –
 - President
 - Deputy President
 - Treasurer
 - 6.2 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 – 2007-08

2007-08 has been a period of high achievement and largely buoyant times for the building sector. During my two years as Association President, Master Builders has performed strongly on members' behalf, growing in size, effectiveness and stature.

Building activity in Victoria has soared since 2006, growing from \$16.7 billion to \$20.4 billion in 07-08. Productivity, on-site safety and wages for our workforce have also improved, with industrial unrest at historic lows, and worker incomes and safety standards at record highs.

One of the greatest challenges during my tenure has been the defense and retention of the Australian Building and Construction Commission (ABCC). During the course of 2007, Master Builders led the fight nationally to convince the ALP to retain the ABCC and the important powers it has in delivering law and order on building sites. Our lobbying efforts, coupled with our advertising campaign, were successful in securing bi-partisan support for retaining a 'strong cop on the beat' until 2010. While the future of the ABCC is now assured for the short term, a key challenge for the Master Builder movement across Australia will be to secure its retention post 2010. I'm sure my successor will continue to give this matter their undivided attention.

Amongst the backdrop of our Industrial Relations activity has been our pursuit of a more flexible EBA. Negotiations with the CFMEU have been forthright, with some key improvements made to the CFMEU 'rollover' Agreement. For those builders (including myself), who require greater flexibility in their EBA's, I can only encourage you to remember that the days of a single sector-wide Agreement are gone - 'one size does not fit all' and other Agreement options currently exist which can be integrated into their business operations.

Managing the introduction of new 'harmonised' OHS regulations from July 1, 2008, has been a serious challenge for the domestic building sector. Master Builders campaigned successfully for these regulations to be simplified, and have provided training for thousands of builders since these reforms were announced.

Master Builders government relations and media strategies have also evolved since 2006. The introduction of membership surveys to complement our media and lobbying activities have secured improved results for members. The most recent examples include the \$422 million reduction in Stamp Duty, \$170 million reduction on Pay Roll Tax, \$88 million cut in WorkCover Premiums and a boost in First Home Bonus for Regional Victorians - all announced in this year's State Budget.

Improvements in Victoria's planning system have returned to centre stage since the 2006 Election with the Government accepting Master Builders recommendation for a Minister solely devoted to Planning. Since this change, 90,000 blocks within the Urban Growth Boundary has been rezoned and new Development Assessment Committee's (DAC's) have been announced. These new DAC's are designed to ensure that important development projects in Principle Activity Centres are given top priority treatment without being bogged down, as is often the case, in messy local council politics.

Meeting our sustainability responsibilities head on has been a top priority during my term. The early development of our Sustainability Policy, 'Housing Sustainability for all Victorians', has ensured that our objectives have remained at the forefront of government thinking and policy development. Securing a fair and affordable outcome on energy efficiency for future building stock will be a key challenge for our sector for many years to come. Our new Green Living Master Builder training program has been set up to ensure we are well placed to meet this challenge going forward.

Growing the size of our Association without compromising standards has been an achievement I am most proud of as President. Master Builders now represents over 7,000 builders, subcontractors,

manufacturers and suppliers in Victoria. Providing quality services and value for money to all our members remains central to our ethos as 'Masters of our Industry'. To that end, the hosting of Industry Breakfasts, Tomorrow's Leaders Cocktail functions and regular Trade Nights across the State rest at the heart of that effort complementing the high level of service available on core member issues, such as technical and legal advice, IR and OHS.

Our strong membership growth has allowed us to secure our financial future as well as improve our overall service provision to members. The \$7.5 million refurbishment of Master Builders House in Melbourne has delivered a 21st century resource for members and staff to work in. Moreover, our expanded training rooms and increased regional staffing numbers have ensured that Master Builders as a whole remains at the forefront of industry trends and community expectations.

Keeping service parity between city and country members remains an important priority for the Association. The reintroduction of the Regional Congress, held in Echuca in 2008, and to be held at Cape Schanck in 2009, has ensured that regional input is central to the Association's strategic planning and objectives.

As I look toward the future for the Association, I see several key challenges which we as an Association must grapple with successfully. As Victoria's population rises and ages, our management of the development of new and existing infrastructure will be pivotal. The provision of secure water and energy supplies, appropriate infrastructure, and accessible and affordable housing for our population will be critical to our State's ongoing success. Managing these important strategic challenges must be done whilst keeping an eye on the factors beyond our direct control. Issues such as material cost increases, ongoing labour shortages, the US SubPrime fallout and eventually (albeit controversially) the introduction of an Emissions Trading Scheme will require the best of our efforts.

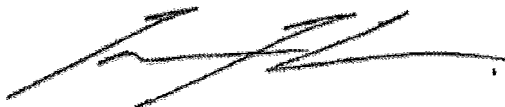
The election of the Rudd Government has brought a fresh approach to these important challenges - our industry must be an active partner in helping Victoria and the nation steer its way through the testing times ahead.

In closing, I wish to convey my gratitude to my fellow Board members, Councillors and Master Builder colleagues for their support and advice over the past two years. It has been an honour to serve as President and all co-contributors during this period should be proud of our achievements together. To my successor David Newhman, my very best wishes for your term at the helm.

I would also like to please pass on a special thanks to the professional staff at Master Builders. I truly believe we are being serviced by the best team we have ever had. Thank you very much for your support.

At the commencement of my term as President, I set the goal for the Association to remain relevant to its members needs. All of the achievements and services mentioned above clearly show that being a member of Master Builders is more valuable than ever.

Best wishes for the future.



Trevor Evans
President

Concise report for the financial year ended 30 June 2008

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Council of Management operating report

In accordance with section 254 of the Workplace Relations Act 1996, the Council of Management present the operating report for the year ended 30 June 2008.

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 \$1,093,997 (2007: \$1,110,911). The company is exempt from paying income tax.

Review of Operations

The favorable result represents another successful year for the Association and reflects the relatively buoyant conditions that prevailed in the industry during the year. Some of the highlights were as follows:

- Membership is at the highest level on record
- All departments performed ahead of budget
- Highest level of training provided to members
- Launch of AdvantageCard loyalty program

The Association is well placed to meet the challenges the new year could bring.

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

Rights of members to resign (cont'd)

- (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.

Prescribed Information

- (1) Number of members of the organisation at 30/06/2008: 6,976 (2007: 6,685)
- (2) Employees of the reporting unit as at 30/06/2008: 83 equivalent full time staff. (2007: 78)
- (3) Members of the Council of Management during the financial year ended 30/06/2008:

Brick, C (retired 27/11/07)	McNamara, G (retired 27/11/07)
Davis, H	McPherson, A (appointed 27/11/07)
Drummond, L (appointed 27/11/07)	Milne, D
Evans, T	Newnham, D
Farrell, T (retired 27/11/07)	Nixon, D (retired 27/11/07)
Fasham, M (appointed 28/08/07)	Noonan, B
Fowler, C (appointed 27/11/07)	Noonan, J
Gnauck, D	Pateras, N
Grenfell, N (appointed 27/11/07)	Picking, P
Hawkey, I	Ravida, D
Johnson, T	Robinson, P
Kent, S	Sweeney, S (appointed 27/11/07)
Liddle, B	Zuccala, G
McCaffrey, J (retired 27/11/07)	

For and on behalf of Council of Management



Hedley Davis

Treasurer

23rd September 2008

Directors' report

The directors of Master Builders Association of Victoria submit herewith the annual financial report of the company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

Board of Management (Committee of Directors)

Davis, H	Nixon, D (retired 27/11/07)
Evans, T	Noonan, B
Grenfell, N (appointed 27/11/07)	Ravida, D
Liddle, B	Sweeney, S (appointed 27/11/07)
McCaffrey, J (retired 27/11/07)	Zuccala, G
Newnham, D	

Council of Management (Directors)

Brick, C (retired 27/11/07)	McNamara, G (retired 27/11/07)
Davis, H	McPherson, A (appointed 27/11/07)
Drummond, L (appointed 27/11/07)	Milne, D
Evans, T	Newnham, D
Farrell, T (retired 27/11/07)	Nixon, D (retired 27/11/07)
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Fowler, C (appointed 27/11/07)	Noonan, J
Gnauck, D	Pateras, N
Grenfell, N (appointed 27/11/07)	Picking, P
Hawkey, I	Ravida, D
Johnson, T	Robinson, P
Kent, S	Sweeney, S (appointed 27/11/07)
Liddle, B	Zuccala, G
McCaffrey, J (retired 27/11/07)	

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The favorable result represents another successful year for the Association and reflects the relatively buoyant conditions that prevailed in the industry during the year. Some of the highlights were as follows:

- Membership is at the highest level on record
- All departments performed ahead of budget
- Highest level of training provided to members
- Launch of AdvantageCard loyalty program

The Association is well placed to meet the challenges the new year could bring.

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.

Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

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, with the exception of the following matter:

During the financial year the company has paid a total premium of \$42,180 to insure each of the above 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 willful breach of duty in relation to the company.

The terms of the policy preclude disclosure as to the level of the coverage, or the name of the insurer.

Information on Directors

Name:	Davis	Hedley
Age:		53
Qualifications:		Director
Council Meetings Attended:		4

Name:	Drummond	Luke
Age:	(appointed 27/11/07)	36
Qualifications:		Director
Council Meetings Attended:		2

Name:	Evans	Trevor
Age:		55
Qualifications:		Director
Council Meetings Attended:		3

Name:	Fasham	Melanie
Age:	(appointed 28/08/07)	35
Qualifications:		Director
Council Meetings Attended:		3

Name:	Fowler	Craig
Age:	(appointed 27/11/07)	45
Qualifications:		Director
Council Meetings Attended:		2

Name:	Gnauck	Derek
Age:		47
Qualifications:		Director
Council Meetings Attended:		4

Name:	Grenfell	Neil
Age:	(appointed 27/11/07)	57
Qualifications:		Director
Council Meetings Attended:		2

Name:	Hawkey	Ian
Age:		55
Qualifications:		Director
Council Meetings Attended:		4

Name:	Johnson	Tony
Age:		37
Qualifications:		Director
Council Meetings Attended:		3

Information on Directors (cont'd)

Name:	Kent	Stuart
Age:		54
Qualifications:		Director
Council Meetings Attended:		2

Name:	Liddle	Brendan
Age:		44
Qualifications:		Director
Council Meetings Attended:		2

Name:	McPherson	Andrew
Age:	(appointed 27/11/07)	46
Qualifications:		Director
Council Meetings Attended:		2

Name:	Milne	Darren
Age:		41
Qualifications:		Director
Council Meetings Attended:		4

Name:	Newnham	David
Age:		59
Qualifications:		Director
Council Meetings Attended:		4

Name:	Noonan	Bede
Age:		39
Qualifications:		Director
Council Meetings Attended:		2

Name:	Noonan	Justin
Age:		43
Qualifications:		Director
Council Meetings Attended:		0

Name:	Pateras	Nick
Age:		47
Qualifications:		Director
Council Meetings Attended:		3

Name:	Picking	Peter
Age:		52
Qualifications:		Director
Council Meetings Attended:		4

Information on Directors (cont'd)

Name:	Ravida	Don
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Robinson	Phillip
Age:		61
Qualifications:		Director
Council Meetings Attended:		4
Name:	Sweeney	Steven
Age:	(appointed 27/11/07)	48
Qualifications:		Director
Council Meetings Attended:		2
Name:	Zuccala	Greg
Age:		53
Qualifications:		Director
Council Meetings Attended:		4
Name:	Brick	Christopher
Age:	(retired 27/11/07)	45
Qualifications:		Director
Council Meetings Attended:		1
Name:	Farrell	Tony
Age:	(retired 27/11/07)	45
Qualifications:		Director
Council Meetings Attended:		1
Name:	McCaffrey	Jim
Age:	(retired 27/11/07)	57
Qualifications:		Director
Council Meetings Attended:		2
Name:	McNamara	Geoff
Age:	(retired 27/11/07)	64
Qualifications:		Director
Council Meetings Attended:		0

Information on Directors (cont'd)

Name:	Nixon	Darren
Age:	(retired 27/11/07)	40
Qualifications:		Director
Council Meetings Attended:		1

Information on company secretary

Name:	Welch	Brian
Age:		54
Qualifications:		Director
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.

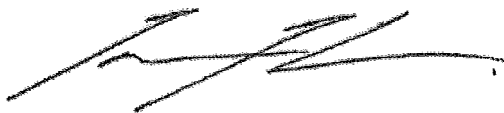
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 14 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Trevor Evans
Director



Hedley Davis
Director

East Melbourne, 23rd September 2008

Discussion and analysis of the financial statements

Information on Master Builders Association of Victoria Concise Financial Report

The concise financial report of Master Builders Association of Victoria is an extract from the financial report.

The financial statements and specific disclosures included in the concise financial report have been derived from the financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the financial report.

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 2008 financial report of the Master Builders Association of Victoria.

Income statement

The operating surplus for the year is \$1,093,997 unfavourable in comparison to the previous year.

Income statement

Balance sheet

Total assets have increased by \$1,110,813. The increase was due to an increase in cash investments.

Total liabilities have increased by \$16,816.

Statement of cash flows

There was a total net cash inflow of \$1,759,381 for the year.

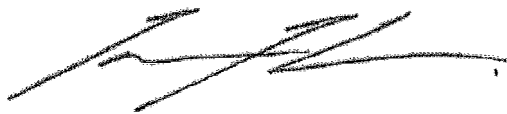
Declaration by members of the Board

The directors declare that:

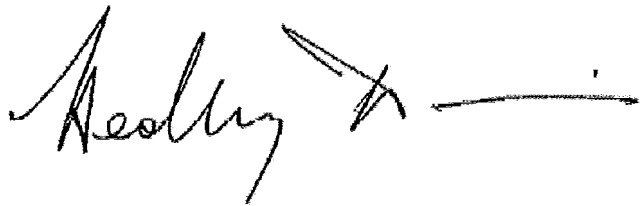
- (a) in the directors' opinion, the attached financial statements and notes thereto comply with Accounting Standards AASB 1039 "Concise Financial Reports"; and
- (b) the attached financial statements and notes thereto have been derived from the full financial report of the company.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Trevor Evans
Director



Hedley Davis
Director

East Melbourne, 23rd September 2008

Statement by Council of Management

On 23 September 2008 the Board of Management of the Master Builders Association of Victoria, following a circular resolution by the Council of Management, thereby delegating the authority to the Board, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008.

The Board 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 council 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

Statement by Council of management (cont'd)

- (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 Board of Management: Hedley Davis

Title of Office held: Treasurer

Signature:

A handwritten signature in black ink, appearing to read 'Hedley Davis', followed by a horizontal line extending to the right.

Date: 23rd September 2008

The Board of Directors
Master Builders Association of Victoria
332 Albert Street
EAST MELBOURNE, VIC 3002

23rd September 2008

Dear Board Members,

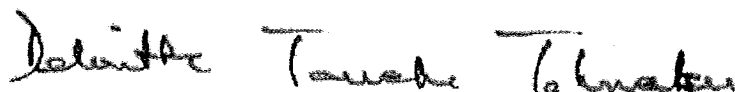
Master Builders Association of Victoria

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Master Builders Association of Victoria.

As the lead audit partner for the audit of the financial statements of Master Builders Association of Victoria for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief that there have been no contraventions of:

- i. the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Master Builders Association of Victoria

The accompanying concise financial report of Master Builders Association of Victoria comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Master Builders Association of Victoria for the year ended 30 June 2008 as set out on pages 11 to 14 and pages 18 to 24. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Master Builders Association of Victoria for the year ended 30 June 2008. Our auditor's report on the financial report for the year was signed on 23 September 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

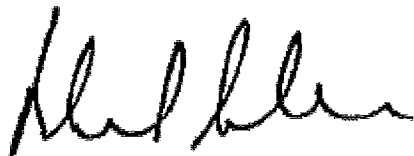
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the concise financial report, including the discussion and analysis of Master Builders' Association of Victoria for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 Concise Financial Reports.



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 23rd September 2008

Consolidated balance sheet as at 30 June 2008

Note	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	3,277,934	2,585,571	3,036,480	2,447,368
Trade and other receivables	1,326,206	1,354,822	1,298,734	1,201,289
Other financial assets	1,398,006	330,988	1,333,494	284,643
Inventories	121,662	228,300	121,662	228,300
Other	86,436	121,566	86,436	99,947
Total current assets	6,210,244	4,621,247	5,876,806	4,261,547
Non current assets				
Property, plant and equipment	11,167,528	11,645,712	11,167,528	11,645,712
Other financial assets	120,000	120,000	120,002	120,002
Total non current assets	11,287,528	11,765,712	11,287,530	11,765,714
Total assets	17,497,772	16,386,959	17,164,336	16,027,261
Current liabilities				
Trade and other payables	5,213,858	4,477,283	4,960,640	4,211,475
Provisions	623,975	527,163	556,279	440,738
Total current liabilities	5,837,833	5,004,446	5,516,919	4,652,213
Non current liabilities				
Borrowings	2,000,000	2,800,000	2,000,000	2,800,000
Provisions	48,724	65,295	36,202	57,830
Total non current liabilities	2,048,724	2,865,295	2,036,202	2,857,830
Total liabilities	7,886,557	7,869,741	7,553,121	7,510,043
Net assets	9,611,215	8,517,218	9,611,215	8,517,218
Equity				
Retained earnings	9,063,064	7,969,067	9,063,064	7,969,067
Reserves	548,151	548,151	548,151	548,151
Total equity	9,611,215	8,517,218	9,611,215	8,517,218

Notes to the financial statements are included on pages 22 to 24.

Consolidated income statement for the financial year ended 30 June 2008

	Note	Consolidated Entity 2008 \$	Consolidated Entity 2007 \$	Parent Entity 2008 \$	Parent Entity 2007 \$
Revenue	3	15,450,013	13,918,393	13,118,476	11,885,098
Employee benefits expenses		(6,625,967)	(6,050,742)	(5,129,028)	(4,728,304)
Depreciation & amortisation expenses		(582,219)	(424,679)	(582,219)	(424,679)
Premises expenses		(404,240)	(351,261)	(379,629)	(330,194)
Travel, accommodation & motor vehicles		(892,320)	(773,974)	(627,223)	(547,845)
Telephone & postage		(445,392)	(397,814)	(395,898)	(354,496)
Administration expenses		(4,349,877)	(3,729,281)	(3,859,670)	(3,314,233)
Cost of goods sold-document sales		(381,762)	(303,410)	(381,762)	(303,410)
Promotional activity expenses		(535,024)	(675,163)	(529,835)	(669,868)
Finance costs		(139,215)	(101,158)	(139,215)	(101,158)
Profit before tax		1,093,997	1,110,911	1,093,997	1,110,911
Income tax expense		-	-	-	-
Profit for the year		1,093,997	1,110,911	1,093,997	1,110,911

Consolidated statement of changes in equity for the financial year ended 30 June 2008

Consolidated entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2006	6,858,156	548,151	7,406,307
Surplus for the year	1,110,911	-	1,110,911
Balance at 30 June 2007	7,969,067	548,151	8,517,218
Surplus/ (deficit) for the year	1,093,997	-	1,093,997
Balance at 30 June 2008	9,063,064	548,151	9,611,215

Parent entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2006	6,858,156	548,151	7,406,307
Surplus for the year	1,110,911	-	1,110,911
Balance at 30 June 2007	7,969,067	548,151	8,517,218
Surplus/ (deficit) for the year	1,093,997	-	1,093,997
Balance at 30 June 2008	9,063,064	548,151	9,611,215

Consolidated cash flow statement for the financial year ended 30 June 2008

	Note	Consolidated Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Receipts from members		5,027,332	4,287,096	5,027,332	4,287,096
Receipts from other activities		10,247,066	9,436,779	7,801,255	9,606,291
Payments to suppliers and employees		(12,591,334)	(12,575,433)	(10,255,153)	(12,707,986)
Interest and finance costs paid		(139,215)	(101,158)	(139,215)	(101,158)
Interest received		132,807	95,277	121,019	85,477
Net cash provided by operating activities	21(b)	2,676,656	1,142,561	2,555,238	1,169,720
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		11,817	-	11,817	-
Payments for property, plant and equipment		(129,092)	(6,273,003)	(129,092)	(6,273,003)
Net cash provided by investing activities		(117,275)	(6,273,003)	(117,275)	(6,273,003)
Cash flows from financing activities					
Proceeds from borrowings		-	2,800,000	-	2,800,000
Repayment of borrowings		(800,000)	-	(800,000)	-
Net cash (used in)/provided by financing activities		(800,000)	2,800,000	(800,000)	2,800,000
Net increase / (decrease) in cash and cash equivalents		1,759,381	(2,330,442)	1,637,963	(2,303,283)
Cash and cash equivalents at the beginning of the financial year		2,916,559	5,247,001	2,732,011	5,035,294
Cash and cash equivalents at the end of the financial year	21(a)	4,675,940	2,916,559	4,369,974	2,732,011

1. Basis of preparation

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standards AASB 1039 'Concise Financial Reports'. The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of Master Builders Association of Victoria.

All amounts are presented in Australian dollars.

A full description of the accounting policies adopted by the Group is provided in the notes to the financial statements which form part of the full financial report.

2. Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- AASB 101 'Presentation of Financial Statements (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective:

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the company's financial report:

Standards	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
● AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
● AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the company:

Standards and Interpretations issued not yet effective (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
● AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
● AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
● AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
● AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
● AASB Interpretation 12 'Service Concession Arrangements', AASB Interpretation 4 'Determining whether an Arrangement contains a Lease' (revised), AASB Interpretation 129 'Service Concession Arrangements: Disclosure' (revised), AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12'	1 January 2008	30 June 2009
● AASB Interpretation 13 'Customer Loyalty Programmes'	1 July 2008	30 June 2009
● AASB Interpretation 14 'AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2008	30 June 2009

The initial application of the expected issue of an Australian equivalent accounting standard to the following standard is not expected to have a material impact on the financial report of the Group and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
● Improvements to IFRSs (2008)	1 January 2009	30 June 2010

Standards and Interpretations issued not yet effective (cont'd)

- | | | |
|---|----------------|--------------|
| ● Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IAS 27 'Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' | 1 January 2009 | 30 June 2010 |
| ● IFRIC 15 'Agreements for the Construction of Real Estate' | 1 January 2009 | 30 June 2010 |
| ● IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' | 1 October 2008 | 30 June 2010 |

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
3. Revenue				
Operating activities				
Membership fees	5,027,332	4,287,096	5,027,332	4,287,096
Insurance commission	541,239	532,457	541,239	532,457
Sale of documents	685,665	529,301	685,665	529,301
Sundry income	1,068,451	1,202,192	1,260,732	1,409,838
Rental income	145,372	144,530	145,372	144,530
Planning and building services	2,664,828	2,492,884	152,798	261,743
Training division	4,298,729	4,054,220	4,298,729	4,054,220
Commercial income	885,590	580,436	885,590	580,436
	<u>15,317,206</u>	<u>13,823,116</u>	<u>12,997,457</u>	<u>11,799,621</u>
Non-operating activities				
Interest received	132,807	95,277	121,019	85,477
Total revenue	<u>15,450,013</u>	<u>13,918,393</u>	<u>13,118,476</u>	<u>11,885,098</u>

4. Segment reporting

The operations are limited to one operating activity and geographic segment.