



FAIR WORK
AUSTRALIA

14 February 2011

Mr Hedley Davis
President
Master Builders' Association of Victoria
GPO Box 544
Melbourne Victoria 3001

By email: mbassist@mbav.com.au

Dear Mr Davis

Attention: Mr Rod Cole, Financial Controller
Attention: Mr Brian Welch, Executive Director

**Fair Work (Registered Organisations) Act 2009 (RO Act)
Financial report for the year ended 30 June 2010 - FR 2010/2592**

I acknowledge receipt of the financial report for the Master Builders' Association of Victoria for the year ended 30 June 2010. The document was lodged with Fair Work Australia on 25 November 2011.

The documents have been filed.

Comments to assist in future financial years

The following comments will assist you when you next prepare financial reports. Please ensure that the comments are implemented in your next financial report. No action is required regarding these issues with respect to the lodged document.

1. Auditor's Report

Auditor's Opinion

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RO Act sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RO Act. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RO Act".

You should forward a copy of this letter to your auditor.

11 Exhibition Street Telephone: (03) 8661 7777
Melbourne VIC 3000 International: (613) 8661 7777
GPO Box 1994 Facsimile: (03) 9655 0401
Melbourne VIC 3001 Email: melbourne@fwa.gov.au

2. Expense Items

a. Conference expenses

The Reporting Guidelines ('RG') made by the General Manager of Fair Work Australia under s255 of the RO Act require under RG 11 that:

Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

.....

(i) fees or allowancesto persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings.

(k) expenses.....incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

In your Annual Report at page 30 you have referred to '[m]eeting expenses' totalling \$9,976 for the consolidated entity for 2010. In future can you please differentiate between meeting expenses in RG11(i) as compared to those in RG11(k).

b. Affiliation fees

On page 30 of the Annual Report there is a reference to '[f]ees and periodic subscriptions'. This expression is very vague. In future can you please provide more information on what these fees/periodic subscriptions cover as required by RG11 which states that [b]alances for the following items must be disclosed by the reporting unit.....:

*(d) fees and periodic subscriptions **in respect of** its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters.*

3. Concise Report

Under s265(3) of the RO Act a 'concise report for a financial year' consists of:

.....

(c) a statement by the auditor:

(i) that the concise financial report has been audited.

There does not appear to be any statement by the auditor in the Concise Report stating that 'the concise financial report has been audited'. Please ensure that this is included in any future concise financial reports.

You should draw this to the attention of your auditor.

If you have any queries you can contact me on (03) 8661 7921 or by email at samantha.korman@fwa.gov.au .

Yours sincerely

A handwritten signature in black ink that reads "Samantha Korman". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Samantha Korman

Tribunal Services and Organisations

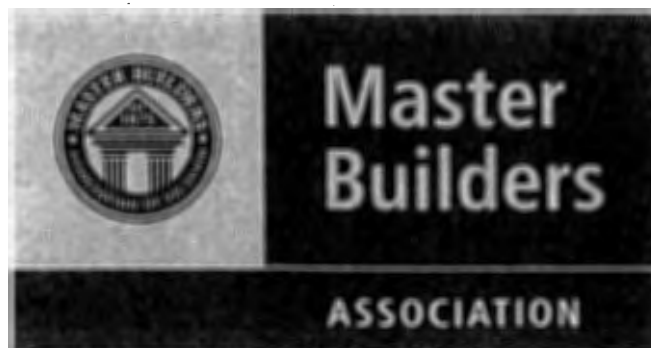
Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

2009/2010 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 REVISION 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.**



ANNUAL GENERAL MEETING

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

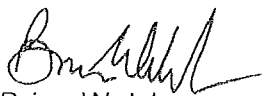
TUESDAY 23 NOVEMBER 2010 at 9:00AM

at

The Hilton on the Park
192 Wellington Parade, East Melbourne

AGENDA

1. To confirm the Minutes of the Annual General Meeting held on 24 November 2009.
2. To receive the Statement of Financial Position and Statement of Financial Performance as at 30 June 2010.
3. To receive the President's Report from Mr David Newnham.
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; and,
 - 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

Presidents Report 2009-10

The 2009-10 fiscal year has been an extremely busy one. The year began with preparation of the usual comprehensive budget submission to the State Government. With this year being an election year, it was an ideal opportunity to reiterate items that Master Builders have been lobbying for during this term of government. This year we were particularly successful. The budget retargeted the First Home Owners Scheme towards new home construction, cuts to payroll tax and WorkCover premiums and land tax exemptions for aged care facilities. There was also additional sustainability training funding and additional capital works expenditure for schools and hospitals.

Securing a fair industrial relations environment has remained a key priority for Master Builders during 2010. Our primary goal has been the retention of the Australian Building and Construction Commission (ABCC) in order to preserve industrial harmony on Victorian building sites. For the federal election a vigorous public awareness campaign was implemented in relation to the policies of the Greens political party, particularly in relation to the abolition of the ABCC. A specific website was set up and our campaign was widely reported in the press and in blogs on the internet. The ABCC is likely to continue operating in its present form until at least the middle of next year when the new Federal Senate takes office. ABCC Commissioner John Lloyd has resigned after his five year term finished in September and his successor, Leigh Johns, has been appointed for a three year term.

Planning reform has been a major concern for Master Builders in 2010, particularly in the lead up to the state election. The State Government has provided population targets to the metropolitan municipalities. Each municipality is required to respond with proposals as to how they intend to achieve those targets. We are continuing to name and shame the poorer performing councils.

In relation to the outer suburbs, Master Builders lobbied the Government and the Opposition in relation to the expansion of the Urban Growth Boundary with matching infrastructure investment. The Government and the Opposition finally agreed on a way forward during the year. We also lobbied the Government on the lack of progress on Precinct Structure Plans. The log jam appears to be easing as we go to print.

If there is one message that came out loud and clear after the federal election, it was the importance of each and every one of our votes and making them count. In the upcoming state election campaign, we will focus on the vexed issue of housing affordability. This encompasses planning reform, tax impositions, land availability and regulations.

Warranty insurance re-emerged as an issue in the residential sector with the withdrawal of all but one major insurer. This coupled with extensive lobbying from Master Builders, eventually led to the Government establishing a state backed scheme. Master Builders was also instrumental in negotiating the transition arrangements which have worked well. Other Master Builders campaigns and submissions included Housing Accessibility, Building the Education Revolution (BER) Inquiry, VCAT submission, VCEC Local

Government submission, the Victoria Climate Change Green Paper and our appearance before the Bushfire Royal Commission.

Building activity across Victoria bounced back significantly during 2009-10. Victoria recorded \$23.9 billion worth of building permits, up significantly from \$19.3 billion in 2008-09. Domestic building permits remained relatively steady. Commercial building permits remained steady overall, with falls in the industrial and retail sectors balanced out by education, health care and public building work. Overall housing starts were over 53,000 in 2009-10, compared to 41,818 during 2008-09, demonstrating the resilience of Victorian builders and the effectiveness of the targeted stimulus measures. Victoria's performance again substantially exceeded that of New South Wales and Queensland over the same period.

The remaining major issue now for residential builders is land availability both on the urban fringe and within established suburbs. For commercial builders, it is the availability of finance. At a recent industry breakfast we had a presentation from the Chief Executive Officer of the Australian Bankers Association. Australian banks still need to obtain 30 per cent of their funds from overseas which affects the cost of the funds and the prudential requirements. This situation unfortunately is not likely to ease in the short term. This has also increased reliance on mezzanine funding and in some cases, equity input from builders.

The Association itself is travelling very well with membership at its highest level ever. Financially, the Association is well placed to provide members with new products and services going forward. Properties have been purchased in Ballarat, Wodonga and a Mornington Office was recently established. For the 2009-10 financial year we even achieved a record surplus.

The Master Tradesman brand was launched this year. It has been well received by our membership and eligible trades-people.

After a lot of hard work from my predecessors, Master Builders now has in place the Master Builders Foundation. The Foundation was established for the benefit of the industry and ultimately, members. All donations are tax deductible. It is run by an independent board chaired by Alan Stockdale, a former Treasurer of Victoria. The Board includes three past presidents. All legal costs in setting up the Foundation were donated by our solicitors. Initial contributions have come primarily from Master Builders surplus.

In closing, I would like to convey my gratitude to my fellow Board members, Councillors, Master Builder colleagues and staff for their support and advice over the past two years. The challenges have continued in 2009-10, but there is cause for cautious optimism. My term as President finishes on November 23, 2010, and I wish my successor all the best for their term. Thank you.

David Newnham
President

Concise report for the financial year ended 30 June 2010

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Council of Management operating report

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, the Council of Management present the operating report for the year ended 30 June 2010.

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 \$1,527,855 (2009: \$1,345,450). The company is exempt from paying income tax.

Review of Operations

The favourable result represents a successful year for the Association despite the unstable economic 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 satisfactorily
- Increased take-up of products & services by members
- Launch of Master Tradesman Membership program
- Launch of Master Builders Foundation

The Association is well placed to meet any future challenges.

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 30/06/2010: 7,617 (2009: 7,157)
- (2) Employees of the reporting unit as at 30/06/2010: 92 equivalent full time staff. (2009: 85)
- (3) Members of the Council of Management during or since the financial year ended 30/06/2010:

Bolton, J (retired 15/03/10)	Johnson, T
Chambers, J (appointed 09/08/10)	Liddle, B
Davis, H	Newnham, D
Degotardi, M (retired 31/05/10)	Nixon, D
Dogget, D	Pateras, N (retired 24/11/09 – reappointed 02/12/09)
Drummond, L	Raunik, L (appointed 09/08/10)
Evans, T	Robinson, P
Fasham, M	Rowe, J
Fowler, C	Sanfilippo, J
Gnauck, D (retired 24/11/09)	Sweeney, S
Grenfell, N (retired 24/11/09 – reappointed 06/05/10)	Sheers, C (appointed 09/08/10)
Hawkey, I	Zuccala, G
Herkess, P (appointed 24/11/09 – retired 15/07/10)	

For and on behalf of Council of Management



Greg Zuccala

Treasurer

21st September 2010

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 2010. 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)

Bolton, J (retired 15/03/2010)	Liddle, B
Davis, H	Newnham, D
Evans, T	Nixon, D
Fasham, M	Sweeney, S
Grenfell, N (retired 24/11/09)	Zuccala, G
Hawkey, I	

Council of Management (Directors)

Bolton, J (retired 15/03/10)	Hawkey, I
Chambers, J (appointed 09/08/10)	Johnson, T
Davis, H	Liddle, B
Degotardi, M (retired 31/05/10)	Newnham, D
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	Zuccala, G

The number of members of the organisation at 30 June 2010 was 7,617 (2009: 7,157).

Principal Activities

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

Financial Results

The consolidated surplus from operating activities for the year was \$1,527,855 (2009: \$1,345,450). The company is exempt from paying income tax.

Review of Operations

The favourable result represents a successful year for the Association despite the unstable economic 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 satisfactorily
- Increased take-up of products & services by members
- Launch of Master Tradesman Membership program
- Launch of Master Builders Foundation

The Association is well placed to meet any future challenges.

The key objective of the Association is to be the lead provider of product and services to the building and construction industry.

In the short term these objectives include:

- Increasing membership levels through the provision of targeted products and services.
- Advocating for and promoting the value of the Association to various stakeholders.
- Strengthening the financial viability of the Association

Longer term objectives to be considered include:

- Opportunities for the development of new partnerships
- Increasing the provision of desired product and services to all participants in the industry.
- Enhancement of the services currently provided.

The Council of Management has approved a Business Plan which outlines the key strategies to be implemented over the next three years which will ensure the Association meets its' key objective.

These strategies include:

- Increasing advocacy of member interests with governments and the media
- Enhance value propositions to meet the needs of various customer segments
- Facilitating career pathways to support the long term growth of the industry

Review of Operations (cont'd)

The Association measures and monitors performance in a variety of ways including:

- Preparation of an annual budget and monthly review of actual performance to budget

The monthly monitoring of key performance and financial indicators by the Board of Management

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 \$8,102 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

During the year there were 4 Council meetings held.

Name:	Bolton	John
Age:	(retired 15/03/10)	60
Qualifications:		Director
Council Meetings Attended:		0

Name:	Chambers	John
Age:	(appointed 09/08/10)	51
Qualifications:		Director
Council Meetings Attended:		0

Name:	Davis	Hedley
Age:		55
Qualifications:		Director
Council Meetings Attended:		2

Name:	Degotardi	Michael
Age:	(retired 31/05/10)	49
Qualifications:		Director
Council Meetings Attended:		3

Information on Directors (cont'd)

Name: Dogget Darren
Age: 43
Qualifications: Director
Council Meetings Attended: 2

Name: Drummond Luke
Age: 38
Qualifications: Director
Council Meetings Attended: 3

Name: Evans Trevor
Age: 57
Qualifications: Director
Council Meetings Attended: 2

Name: Fasham Melanie
Age: 37
Qualifications: Director
Council Meetings Attended: 3

Name: Fowler Craig
Age: 47
Qualifications: Director
Council Meetings Attended: 2

Name: Gnauck Derek
Age: (retired 24/11/09) 49
Qualifications: Director
Council Meetings Attended: 2

Name: Grenfell Neil
Age: (retired 24/11/09) 59
Qualifications: (re-appointed 06/05/10) Director
Council Meetings Attended: 2

Name: Hawkey Ian
Age: 57
Qualifications: Director
Council Meetings Attended: 3

Name: Herkess Phillip
Age: (appointed 24/11/09) 52
Qualifications: (retired 15/07/10) Director
Council Meetings Attended: 4

Information on Directors (cont'd)

Name:	Johnson	Tony
Age:		39
Qualifications:		Director
Council Meetings Attended:		4
Name:	Liddle	Brendan
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Newnham	David
Age:		61
Qualifications:		Director
Council Meetings Attended:		4
Name:	Nixon	Darren
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pateras	Nick
Age:	(retired 24/11/09)	49
Qualifications:	(re-appointed 02/12/09)	Director
Council Meetings Attended:		2
Name:	Raunik	Lou
Age:	(appointed 09/08/10)	48
Qualifications:		Director
Council Meetings Attended:		0
Name:	Robinson	Phillip
Age:		63
Qualifications:		Director
Council Meetings Attended:		2
Name:	Rowe	John
Age:		64
Qualifications:		Director
Council Meetings Attended:		2
Name:	Sanfilippo	Jarrold
Age:		33
Qualifications:		Director
Council Meetings Attended:		3

Information on Directors (cont'd)

Name:	Sheers	Chris
Age:	(appointed 09/08/10)	48
Qualifications:		Director
Council Meetings Attended:		0

Name:	Sweeney	Steven
Age:		50
Qualifications:		Director
Council Meetings Attended:		4

Name:	Zuccala	Greg
Age:		55
Qualifications:		Director
Council Meetings Attended:		4

Information on company secretary

Name:	Welch	Brian
Age:		56
Qualifications:		Executive 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 15 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



David Newnham
Director



Greg Zuccala
Director

East Melbourne, 21st September 2010

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 2010 financial report of the Master Builders Association of Victoria.

Statement of comprehensive income

The consolidated operating surplus for the year is \$1,527,855 thus favourable in comparison to the previous year.

Statement of financial position

Total consolidated assets have increased by \$1,649,896. The increase was due to an increase in cash investments. The increase relates to net assets generated from operating activities.

Total consolidated liabilities have increased by \$122,041.

Statement of cash flows

There was a total net cash inflow of \$240,027 for the year and cashflow generated from operating activities of \$2,308,034.

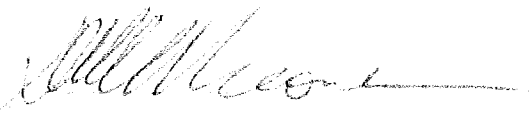
Declaration by members of the Board

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



David Newnham
Director



Greg Zuccala
Director

East Melbourne, 21st September 2010

Statement by Council of Management

On 21st September 2010 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 2010.

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: Greg Zuccala

Title of Office held: Treasurer

Signature:



Date:

21st September 2010

Deloitte.

Deloitte Touche Tommatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 75
Melbourne VIC 3001 Australia

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Tel: +61 (0) 3 9671 7000
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www.deloitte.com.au

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

21 September 2010

Dear Board Members,

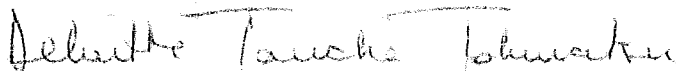
Master Builders Association of Victoria

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 2010, 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 Tommatsu



Robert 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 statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2010 and the discussion and analysis as set out on pages 12 to 14 and 18 to 25. 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 2010. Our auditor's report on the financial report for the year was signed on 21 September 2010 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

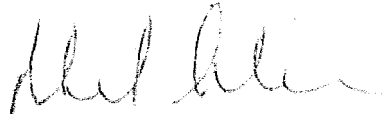
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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 2010 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



DELOITTE TOUCHE TOHMATSU



Robert Collie
Partner
Chartered Accountants
Melbourne: 21 September 2010

Consolidated statement of financial position as at 30 June 2010

	Note	Consolidated Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Current assets					
Cash and cash equivalents		4,683,687	3,675,168	4,482,145	3,522,832
Trade and other receivables		1,557,558	1,693,920	1,276,403	1,507,373
Other financial assets		3,487,097	4,255,589	3,414,846	4,186,373
Inventories		181,439	117,322	181,439	117,322
Other		125,982	121,233	108,680	121,233
Total current assets		10,035,763	9,863,232	9,463,513	9,455,133
Non current assets					
Property, plant and equipment		11,708,882	10,919,553	11,708,882	10,919,553
Other financial assets		808,036	120,000	808,038	120,002
Total non current assets		12,516,918	11,039,553	12,516,920	11,039,555
Total assets		22,552,681	20,902,785	21,980,433	20,494,688
Current liabilities					
Trade and other payables		7,080,272	7,221,315	6,655,457	6,899,799
Provisions		894,201	689,511	760,764	602,930
Total current liabilities		7,974,473	7,910,826	7,416,221	7,502,729
Non current liabilities					
Borrowings		2,000,000	2,000,000	2,000,000	2,000,000
Provisions		93,688	35,294	79,692	35,294
Total non current liabilities		2,093,688	2,035,294	2,079,692	2,035,294
Total liabilities		10,068,161	9,946,120	9,495,913	9,538,023
Net assets		12,484,520	10,956,665	12,484,520	10,956,665
Equity					
Retained earnings		11,936,369	10,408,514	11,936,369	10,408,514
Reserves		548,151	548,151	548,151	548,151
Total equity		12,484,520	10,956,665	12,484,520	10,956,665

Consolidated statement of comprehensive income for the financial year ended 30 June 2010

	Note	Consolidated Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Revenue	4	17,788,165	17,085,242	15,183,644	14,640,357
Employee benefits expenses		(7,743,822)	(6,928,779)	(6,006,446)	(5,339,386)
Depreciation & amortisation expenses		(590,640)	(572,184)	(590,640)	(572,184)
Premises expenses		(419,007)	(642,388)	(387,578)	(617,087)
Travel, accommodation & motor vehicles		(699,065)	(866,914)	(490,160)	(615,147)
Telephone & postage		(453,771)	(438,176)	(357,935)	(370,273)
Administration expenses		(5,109,638)	(4,999,579)	(4,591,083)	(4,501,021)
Cost of goods sold-document sales		(548,645)	(381,316)	(548,645)	(381,316)
Promotional activity expenses		(576,400)	(773,961)	(563,980)	(761,998)
Finance costs		(119,322)	(136,495)	(119,322)	(136,495)
Profit before tax		1,527,855	1,345,450	1,527,855	1,345,450
Income tax expense		-	-	-	-
Profit for the year		1,527,855	1,345,450	1,527,855	1,345,450
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,527,855	1,345,450	1,527,855	1,345,450

Consolidated statement of changes in equity for the financial year ended 30 June 2010

Consolidated entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2008	9,063,064	548,151	9,611,215
Surplus for the year	1,345,450	-	1,345,450
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,345,450	-	1,345,450
Balance at 30 June 2009	10,408,514	548,151	10,956,665
Surplus for the year	1,527,855	-	1,527,855
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,527,855	-	1,527,855
Balance at 30 June 2010	11,936,369	548,151	12,484,520

Parent entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2008	9,063,064	548,151	9,611,215
Surplus for the year	1,345,450	-	1,345,450
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,345,450	-	1,345,450
Balance at 30 June 2009	10,408,514	548,151	10,956,665
Surplus for the year	1,527,855	-	1,527,855
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,527,855	-	1,527,855
Balance at 30 June 2010	11,936,369	548,151	12,484,520

Statement of cash flows for the financial year ended 30 June 2010

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
Note	\$	\$	\$	\$
Cash flows from operating activities				
Receipts from members	6,247,463	5,400,955	6,247,464	5,400,955
Receipts from other activities	11,729,768	11,118,448	8,907,587	8,839,697
Payments to suppliers and employees	(15,813,890)	(13,002,007)	(13,039,502)	(10,631,783)
Interest and finance costs paid	(119,322)	(136,495)	(119,322)	(136,495)
Interest received	264,015	198,125	259,564	191,066
Net cash provided by operating activities	2,308,034	3,579,026	2,255,791	3,663,440
Cash flows from investing activities				
Payments for other financial assets	(688,038)	-	(688,036)	-
Payments for property, plant and equipment	(1,379,969)	(324,209)	(1,379,969)	(324,209)
Net cash provided by investing activities	(2,068,007)	(324,209)	(2,068,005)	(324,209)
Net increase / (decrease) in cash and cash equivalents	240,027	3,254,817	187,786	3,339,231
Cash and cash equivalents at the beginning of the financial year	7,930,757	4,675,940	7,709,205	4,369,974
Cash and cash equivalents at the end of the financial year	8,170,784	7,930,757	7,896,991	7,709,205

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

2.1 *Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)*

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

Standards affecting presentation and disclosure

AASB 101 <i>Presentation of Financial Statements</i> (as revised in September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> and AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
Amendments to AASB 107 <i>Statement of Cash Flows</i> (adopted in advance of effective date of 1 January 2010)	The amendments (part of AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the changes affecting amounts reported in the financial statements described at 2.1 above, the amendments have led to a number of changes in the detail of the Association's accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the amendments to AASB 107 described earlier in this section, the amendments have led to a number of changes in the detail of the Association's accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• <i>AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2010	30 June 2011

3. Information to Be Provided to Members or Registrar

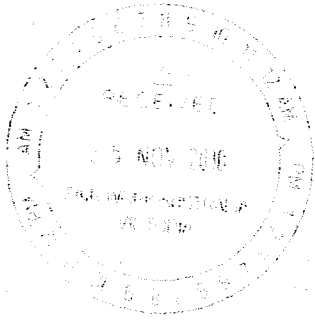
In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of the sub-sections (1),(2) and (3) of Section 272 of RAO Schedule to the Fair Work (Registered Organisations) Act 2009, which reads as follows:-

- (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	
	2010	2009	2010	2009
	\$	\$	\$	\$
4. Revenue				
Operating activities				
Membership fees	6,247,463	5,066,973	6,247,463	5,066,973
Insurance commission	253,502	472,075	253,502	472,075
Sale of documents	995,737	698,182	995,737	698,182
Sundry income	875,497	1,415,541	1,192,495	1,535,552
Rental income	246,544	145,372	246,544	145,372
Planning and building services	3,041,722	2,781,361	124,654	223,524
Training division	4,975,241	5,308,866	4,975,241	5,308,866
Commercial income	888,444	998,747	888,444	998,747
	<u>17,524,150</u>	<u>16,887,117</u>	<u>14,924,080</u>	<u>14,449,291</u>
Non-operating activities				
Interest received	264,015	198,125	259,564	191,066
Total revenue	<u>17,788,165</u>	<u>17,085,242</u>	<u>15,183,644</u>	<u>14,640,357</u>

5. Segment reporting

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



FR 2010/2592



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



Designated Officer's Certificate

S268 Fair Work (Registered Organisations) Act 2009

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 Fair Work (Registered Organisations) Act 2009

That the concise report was provided to members on 28/10/2010; and

That the full report was presented to a general meeting of members of the reporting unit on 23/11/2010; in accordance with S266 Fair Work (Registered Organisations) Act 2009.

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:

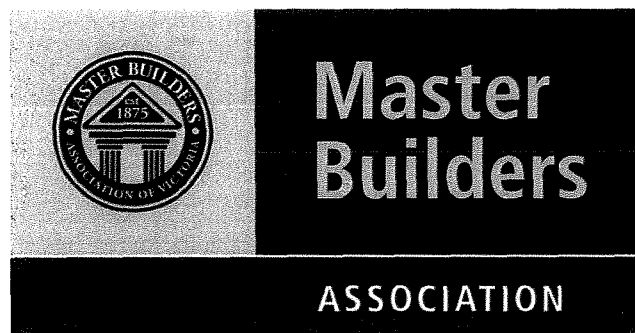
23/11/10

Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

2009/2010 Annual Report for presentation to the Annual General Meeting of Members



General purpose financial report for the financial year ended 30 June 2010

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Council of Management operating report

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, the Council of Management present the operating report for the year ended 30 June 2010.

Principal Activities

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

Financial Results

The consolidated surplus from operating activities for the year was \$1,527,855 (2009: \$1,345,450). The company is exempt from paying income tax.

Review of Operations

The favourable result represents a successful year for the Association despite the unstable economic 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 satisfactorily
- Increased take-up of products & services by members
- Launch of Master Tradesman Membership program
- Launch of Master Builders Foundation

The Association is well placed to meet any future challenges.

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)

- (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 30/06/2010: 7,617 (2009: 7,157)
- (2) Employees of the reporting unit as at 30/06/2010: 92 equivalent full time staff. (2009: 85)
- (3) Members of the Council of Management during or since the financial year ended 30/06/2010:

Bolton, J (retired 15/03/10)	Johnson, T
Chambers, J (appointed 09/08/10)	Liddle, B
Davis, H	Newnham, D
Degotardi, M (retired 31/05/10)	Nixon, D
Dogget, D	Pateras, N (retired 24/11/09 – reappointed 02/12/09)
Drummond, L	Raunik, L (appointed 09/08/10)
Evans, T	Robinson, P
Fasham, M	Rowe, J
Fowler, C	Sanfilippo, J
Gnauck, D (retired 24/11/09)	Sweeney, S
Grenfell, N (retired 24/11/09 – reappointed 06/05/10)	Sheers, C (appointed 09/08/10)
Hawkey, I	Zuccala, G
Herkess, P (appointed 24/11/09 – retired 15/07/10)	

For and on behalf of Council of Management



Greg Zuccala

Treasurer

21st September 2010

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 2010. 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)

Bolton, J (retired 15/03/2010)	Liddle, B
Davis, H	Newnham, D
Evans, T	Nixon, D
Fasham, M	Sweeney, S
Grenfell, N (retired 24/11/2009)	Zuccala, G
Hawkey, I	

Council of Management (Directors)

Bolton, J (retired 15/03/10)	Hawkey, I
Chambers, J (appointed 09/08/10)	Johnson, T
Davis, H	Liddle, B
Degotardi, M (retired 31/05/10)	Newnham, D
Dogget, D	Nixon, D
Drummond, L	Pateras, N (retired 24/11/09 – reappointed 02/12/09)
Evans, T	Raunik, L (appointed 09/08/10)
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Herkess, P (appointed 24/11/09 – retired 15/07/10)	Sweeney, S
	Zuccala, G

The number of members of the organisation at 30 June 2010 was 7,617 (2009: 7,157).

Principal Activities

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

Financial Results

The consolidated surplus from operating activities for the year was \$1,527,855 (2009: \$1,345,450). The company is exempt from paying income tax.

Review of Operations

The favourable result represents a successful year for the Association despite the unstable economic 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 satisfactorily
- Increased take-up of products & services by members
- Launch of Master Tradesman Membership program
- Launch of Master Builders Foundation

The Association is well placed to meet any future challenges.

The key objective of the Association is to be the lead provider of product and services to the building and construction industry.

In the short term these objectives include:

- Increasing membership levels through the provision of targeted products and services.
- Advocating for and promoting the value of the Association to various stakeholders.
- Strengthening the financial viability of the Association

Longer term objectives to be considered include:

- Opportunities for the development of new partnerships
- Increasing the provision of desired product and services to all participants in the industry.
- Enhancement of the services currently provided.

The Council of Management has approved a Business Plan which outlines the key strategies to be implemented over the next three years which will ensure the Association meets its' key objective.

These strategies include:

- Increasing advocacy of member interests with governments and the media
- Enhance value propositions to meet the needs of various customer segments
- Facilitating career pathways to support the long term growth of the industry

The Association measures and monitors performance in a variety of ways including:

- Preparation of an annual budget and monthly review of actual performance to budget
- The monthly monitoring of key performance and financial indicators by the Board of Management

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 \$8,102 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

During the year there were 4 Council meetings held.

Name:	Bolton	John
Age:	(retired 15/03/10)	60
Qualifications:		Director
Council Meetings Attended:		0

Name:	Chambers	John
Age:	(appointed 09/08/10)	51
Qualifications:		Director
Council Meetings Attended:		0

Name:	Davis	Hedley
Age:		55
Qualifications:		Director
Council Meetings Attended:		2

Name:	Degotardi	Michael
Age:	(retired 31/05/10)	49
Qualifications:		Director
Council Meetings Attended:		3

Information on Directors (cont)

Name: Dogget Darren
Age: 43
Qualifications: Director
Council Meetings Attended: 2

Name: Drummond Luke
Age: 38
Qualifications: Director
Council Meetings Attended: 3

Name: Evans Trevor
Age: 57
Qualifications: Director
Council Meetings Attended: 2

Name: Fasham Melanie
Age: 37
Qualifications: Director
Council Meetings Attended: 3

Name: Fowler Craig
Age: 47
Qualifications: Director
Council Meetings Attended: 2

Name: Gnauck Derek
Age: (retired 24/11/09) 49
Qualifications: Director
Council Meetings Attended: 2

Name: Grenfell Neil
Age: (retired 24/11/09) 59
Qualifications: (re-appointed 06/05/10) Director
Council Meetings Attended: 2

Name: Hawkey Ian
Age: 57
Qualifications: Director
Council Meetings Attended: 3

Name: Herkess Phillip
Age: (appointed 24/11/09) 52
Qualifications: (retired 15/07/10) Director
Council Meetings Attended: 4

Information on Directors (cont)

Name:	Johnson	Tony
Age:		39
Qualifications:		Director
Council Meetings Attended:		4
Name:	Liddle	Brendan
Age:		46
Qualifications:		Director
Council Meetings Attended:		4
Name:	Newnham	David
Age:		61
Qualifications:		Director
Council Meetings Attended:		4
Name:	Nixon	Darren
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pateras	Nick
Age:	(retired 24/11/09) (re-appointed 02/12/09)	49
Qualifications:		Director
Council Meetings Attended:		2
Name:	Raunik	Lou
Age:	(appointed 09/08/10)	48
Qualifications:		Director
Council Meetings Attended:		0
Name:	Robinson	Phillip
Age:		63
Qualifications:		Director
Council Meetings Attended:		2
Name:	Rowe	John
Age:		64
Qualifications:		Director
Council Meetings Attended:		2
Name:	Sanfilippo	Jarrold
Age:		33
Qualifications:		Director
Council Meetings Attended:		3

Information on Directors (cont)

Name:	Sheers	Chris
Age:	(appointed 09/08/10)	48
Qualifications:		Director
Council Meetings Attended:		0

Name:	Sweeney	Steven
Age:		50
Qualifications:		Director
Council Meetings Attended:		4

Name:	Zuccala	Greg
Age:		55
Qualifications:		Director
Council Meetings Attended:		4

Information on company secretary

Name:	Welch	Brian
Age:		56
Qualifications:		Executive 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



David Newnham
Director



Greg Zuccala
Director

East Melbourne, 21st September 2010

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 their 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



David Newnham
Director



Greg Zuccala
Director

East Melbourne, 21st September 2010

Statement by Council of Management

On 21st September 2010 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 2010.

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)

- (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: Greg Zuccala

Title of Office held: Treasurer

Signature:

A handwritten signature in black ink, appearing to read 'G. Zuccala', written in a cursive style.

Date: 21st September 2010

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

21 September 2010

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 2010, 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 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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of cash flows 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 42.

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 the Fair Work (Registered Organisations) Act 2009. 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 3, the Directors also state, in accordance with Accounting Standard 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 Reporting 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.

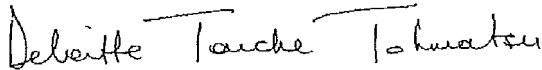
Auditor's Independence Declaration

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

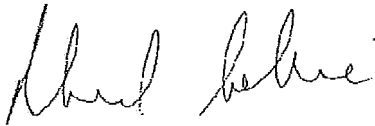
Auditor's Opinion

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 2010 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 3; and
- (c) the financial report is presented fairly in accordance with the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



Deloitte Touche Tohmatsu



Robert D D Collie
Partner
Chartered Accountants

Melbourne, 21 September 2010

Statement of financial position as at 30 June 2010

	Note	Consolidated Entity		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	7	4,683,687	3,675,168	4,482,145	3,522,832
Trade and other receivables	8	1,557,558	1,693,920	1,276,403	1,507,373
Other financial assets	9	3,487,097	4,255,589	3,414,846	4,186,373
Inventories	10	181,439	117,322	181,439	117,322
Other	11	125,982	121,233	108,680	121,233
Total current assets		10,035,763	9,863,232	9,463,513	9,455,133
Non current assets					
Property, plant and equipment	12	11,708,882	10,919,553	11,708,882	10,919,553
Other financial assets	9	808,036	120,000	808,038	120,002
Total non current assets		12,516,918	11,039,553	12,516,920	11,039,555
Total assets		22,552,681	20,902,785	21,980,433	20,494,688
Current liabilities					
Trade and other payables	13	7,080,272	7,221,315	6,655,457	6,899,799
Provisions	14	894,201	689,511	760,764	602,930
Total current liabilities		7,974,473	7,910,826	7,416,221	7,502,729
Non current liabilities					
Borrowings	15	2,000,000	2,000,000	2,000,000	2,000,000
Provisions	14	93,688	35,294	79,692	35,294
Total non current liabilities		2,093,688	2,035,294	2,079,692	2,035,294
Total liabilities		10,068,161	9,946,120	9,495,913	9,538,023
Net assets		12,484,520	10,956,665	12,484,520	10,956,665
Equity					
Retained earnings	16	11,936,369	10,408,514	11,936,369	10,408,514
Reserves	17	548,151	548,151	548,151	548,151
Total equity		12,484,520	10,956,665	12,484,520	10,956,665

Notes to the financial statements are included on pages 21 to 42.

Statement of comprehensive income for the financial year ended 30 June 2010

	Note	Consolidated Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Revenue	5	17,788,165	17,085,242	15,183,644	14,640,357
Employee benefits expenses		(7,743,822)	(6,928,779)	(6,006,446)	(5,339,386)
Depreciation & amortisation expenses	12a	(590,640)	(572,184)	(590,640)	(572,184)
Premises expenses		(419,007)	(642,388)	(387,578)	(617,087)
Travel, accommodation & motor vehicles		(699,065)	(866,914)	(490,160)	(615,147)
Telephone & postage		(453,771)	(438,176)	(357,935)	(370,273)
Administration expenses		(5,109,638)	(4,999,579)	(4,591,083)	(4,501,021)
Cost of goods sold-document sales		(548,645)	(381,316)	(548,645)	(381,316)
Promotional activity expenses		(576,400)	(773,961)	(563,980)	(761,998)
Finance costs		(119,322)	(136,495)	(119,322)	(136,495)
Profit before tax	6	1,527,855	1,345,450	1,527,855	1,345,450
Income tax expense	3(e)	-	-	-	-
Profit for the year		1,527,855	1,345,450	1,527,855	1,345,450
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,527,855	1,345,450	1,527,855	1,345,450

Statement of changes in equity for the financial year ended 30 June 2010

Consolidated entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2008	9,063,064	548,151	9,611,215
Surplus for the year	1,345,450	-	1,345,450
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,345,450	-	1,345,450
Balance at 30 June 2009	<u>10,408,514</u>	<u>548,151</u>	<u>10,956,665</u>
Surplus for the year	1,527,855	-	1,527,855
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,527,855	-	1,527,855
Balance at 30 June 2010	<u>11,936,369</u>	<u>548,151</u>	<u>12,484,520</u>

Parent entity

	Retained earnings \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2008	9,063,064	548,151	9,611,215
Surplus for the year	1,345,450	-	1,345,450
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,345,450	-	1,345,450
Balance at 30 June 2009	<u>10,408,514</u>	<u>548,151</u>	<u>10,956,665</u>
Surplus for the year	1,527,855	-	1,527,855
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,527,855	-	1,527,855
Balance at 30 June 2010	<u>11,936,369</u>	<u>548,151</u>	<u>12,484,520</u>

Notes to the financial statements are included on pages 21 to 42.

Statement of cash flows for the financial year ended 30 June 2010

	Note	Consolidated Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Cash flows from operating activities					
Receipts from members		6,247,463	5,400,955	6,247,464	5,400,955
Receipts from other activities		11,729,768	11,118,448	8,907,587	8,839,697
Payments to suppliers and employees		(15,813,890)	(13,002,007)	(13,039,502)	(10,631,783)
Interest and finance costs paid		(119,322)	(136,495)	(119,322)	(136,495)
Interest received		264,015	198,125	259,564	191,066
Net cash provided by operating activities	22(b)	2,308,034	3,579,026	2,255,791	3,663,440
Cash flows from investing activities					
Payments for other financial assets		(688,038)	-	(688,036)	-
Payments for property, plant and equipment		(1,379,969)	(324,209)	(1,379,969)	(324,209)
Net cash used in investing activities		(2,068,007)	(324,209)	(2,068,005)	(324,209)
Net increase in cash and cash equivalents		240,027	3,254,817	187,786	3,339,231
Cash and cash equivalents at the beginning of the financial year		7,930,757	4,675,940	7,709,205	4,369,974
Cash and cash equivalents at the end of the financial year	22(a)	8,170,784	7,930,757	7,896,991	7,709,205

Notes to the financial statements are included on pages 21 to 42.

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. Adoption of new and revised Accounting Standards

2.1 *Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)*

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

Standards affecting presentation and disclosure

AASB 101 *Presentation of Financial Statements* (as revised in September 2007), AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* and AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*

AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

Amendments to AASB 107 *Statement of Cash Flows* (adopted in advance of effective date of 1 January 2010)

The amendments (part of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the changes affecting amounts reported in the financial statements described at 2.1 above, the amendments have led to a number of changes in the detail of the Association's accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the amendments to AASB 107 described earlier in this section, the amendments have led to a number of changes in the detail of the Association's accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

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"> • <i>AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> 	1 January 2010	30 June 2011

3. 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 2010 the number of members was 7,617 (2009: 7,157).

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 21st September 2010.

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 changing 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.

The directors have elected under s341(1) of the Corporations Act 2001 to apply ASIC Class Order (CO 10/654) inclusion of parent entity financial statements in the financial report.

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.

3. Significant accounting policies (cont)

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 24 of the financial statements.

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

(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%
Plant and Equipment:	
Office Furniture	13.5% - 20%
Computer Equipment	20% - 40%
Motor Vehicles	15% - 22.5%
Electrical	20%

3. Significant accounting policies (cont)

(b) Property, Plant and Equipment (cont)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 statement of comprehensive income. 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.

(d) Employee entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to reporting 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 various employee superannuation funds and are charged as expenses when incurred. The funds are accumulation funds.

(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.

3. Significant accounting policies (cont)

(g) Revenue (cont)

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).

(h) Provisions

Provisions are recognised when the economic entity 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 statement of comprehensive income 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.

3. Significant accounting policies (cont)

(i) Financial instruments (cont)

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.

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 statement of comprehensive income.

(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.

3. Significant accounting policies (cont)

(k) Impairment of Assets

At each reporting date, the economic entity 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 statement of comprehensive income. 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 Statement of financial position are shown inclusive of GST.

(m) Comparative figures

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

4. Information to Be Provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 Fair Work (Registered Organisations) Act 2009, 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	
	2010	2009	2010	2009
	\$	\$	\$	\$
5. Revenue				
Operating activities				
Membership fees	6,247,463	5,066,973	6,247,463	5,066,973
Insurance commission	253,502	472,075	253,502	472,075
Sale of documents	995,737	698,182	995,737	698,182
Sundry income	875,497	1,415,541	1,192,495	1,535,552
Rental income	246,544	145,372	246,544	145,372
Planning and building services	3,041,722	2,781,361	124,654	223,524
Training division	4,975,241	5,308,866	4,975,241	5,308,866
Commercial income	888,444	998,747	888,444	998,747
	<u>17,524,150</u>	<u>16,887,117</u>	<u>14,924,080</u>	<u>14,449,291</u>
Non-operating activities				
Interest received	264,015	198,125	259,564	191,066
Total revenue	<u>17,788,165</u>	<u>17,085,242</u>	<u>15,183,644</u>	<u>14,640,357</u>

Consolidated Entity		Parent Entity	
2010	2009	2010	2009
\$	\$	\$	\$

6. Profit for the year before tax

(a) Gains and losses

Profit for the year has been arrived at after charging the following losses:

(Profit)/Loss on sale of assets	-	-	-	-
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(b) Other expenses

Profit for the year includes the following expenses:

Increase/(decrease) in doubtful debts provision	(54,980)	5,097	(48,996)	5,097
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Remuneration of auditor

- audit services	24,205	23,500	18,750	18,200
- other services (grant acquittal statements)	5,660	2,600	5,660	2,600
- taxation services – compliance	18,854	17,902	13,854	7,205
- taxation services - other	29,171	28,855	19,933	19,055
	70,052	35,000	57,197	28,700

The auditor of Master Builders Association of Victoria is Deloitte Touche Tohmatsu

Additional information as required by section 255 of Schedule 1B of the RAO to Fair Work (Registered Organisations) Act 2009:

Legal fees	40,838	31,664	29,281	31,664
Fees and periodic subscriptions	570,730	585,711	558,282	579,466
Grants and donations	112,263	107,984	112,263	107,984
Meeting expenses	9,976	9,550	9,976	9,550

7. Cash and cash equivalents

Cash at bank	4,679,487	3,671,066	4,479,045	3,519,732
Cash on hand	4,200	4,102	3,100	3,100
	4,683,687	3,675,168	4,482,145	3,522,832

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
8. Trade and other receivables				
Trade debtors	911,297	1,098,643	507,881	730,036
Provision for doubtful debts	(39,112)	(94,092)	(20,900)	(69,896)
	872,185	1,004,551	486,981	660,140
Inter-company loan – controlled entity	-	-	104,049	157,864
Inter-company loan – related company	685,373	689,369	685,373	689,369
	1,557,558	1,693,920	1,276,403	1,507,373

- (i) The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables. 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.

Ageing of past due but not impaired

60 - 90 days	101,257	25,788	67,330	8,382
90+ days	74,472	102,471	56,069	36,075
Total	175,729	128,259	123,339	44,457

Movement in the allowance for doubtful debts

Balance at the beginning of the year	94,092	89,281	69,896	64,799
Additional allowance	(54,980)	(286)	(48,996)	-
Amounts reversed		5,097	-	5,097
Balance at the end of the year	39,112	94,092	20,900	69,896

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
9. Other financial assets				
Current				
Term Deposit	3,487,097	4,255,589	3,414,846	4,186,373
Non Current				
Investments at cost				
- Shares in controlled entity	-	-	2	2
- Shares in related entities	120,000	120,000	120,000	120,000
- Shares (available for sale investment carried at fair value)	688,036	-	688,036	-
	<u>808,036</u>	<u>120,000</u>	<u>808,038</u>	<u>120,002</u>
10. Inventories				
Stock on hand	<u>181,439</u>	<u>117,322</u>	<u>181,439</u>	<u>117,322</u>
11. Other				
Prepayments	<u>125,982</u>	<u>121,233</u>	<u>108,680</u>	<u>121,233</u>
12. Property Plant and Equipment				
Freehold land and buildings				
At Cost	11,875,825	10,715,573	11,875,825	10,715,573
Provision for depreciation	(1,549,310)	(1,324,849)	(1,549,310)	(1,324,849)
Written down value	<u>10,326,515</u>	<u>9,390,724</u>	<u>10,326,515</u>	<u>9,390,724</u>
Plant and equipment				
At Cost	3,106,835	2,887,725	3,106,835	2,887,725
Provision for depreciation	(1,724,468)	(1,358,896)	(1,724,468)	(1,358,896)
Written down value	<u>1,382,367</u>	<u>1,528,829</u>	<u>1,382,367</u>	<u>1,528,829</u>
Net Book Value	<u>11,708,882</u>	<u>10,919,553</u>	<u>11,708,882</u>	<u>10,919,553</u>

12. Property Plant and Equipment (cont)

(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
	\$	\$	\$
2010			
Consolidated Entity:			
Balance at the beginning of year	9,390,724	1,528,829	10,919,553
Additions	1,160,252	219,717	1,379,969
Depreciation expense	(224,461)	(366,179)	(590,640)
Carrying amount at the end of the year	<u>10,326,515</u>	<u>1,382,367</u>	<u>11,708,882</u>
Parent Entity:			
Balance at the beginning of year	9,390,724	1,528,829	10,919,553
Additions	1,160,252	219,717	1,379,969
Depreciation expense	(224,461)	(366,179)	(590,640)
Carrying amount at the end of the year	<u>10,326,515</u>	<u>1,382,367</u>	<u>11,708,882</u>
	Freehold land and buildings	Plant and equipment	Total
	\$	\$	\$
2009			
Consolidated Entity:			
Balance at the beginning of year	9,603,395	1,564,133	11,167,528
Additions	-	324,209	324,209
Depreciation expense	(212,671)	(359,513)	(572,184)
Carrying amount at the end of the year	<u>9,390,724</u>	<u>1,528,829</u>	<u>10,919,553</u>
Parent Entity:			
Balance at the beginning of year	9,603,395	1,564,133	11,167,528
Additions	-	324,209	324,209
Depreciation expense	(212,671)	(359,513)	(572,184)
Carrying amount at the end of the year	<u>9,390,724</u>	<u>1,528,829</u>	<u>10,919,553</u>

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
13. Trade and other payables				
Arbitration deposit account	10,537	12,262	10,537	12,262
Trade creditors	1,428,164	1,167,763	1,311,204	1,536,679
Sundry creditors and accrued expenses	5,641,571	6,041,290	5,333,716	5,350,858
	<u>7,080,272</u>	<u>7,221,315</u>	<u>6,655,457</u>	<u>6,899,799</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. No interest is paid on overdue amounts.

14. Provisions

Current

Employee entitlements:

Long service leave	349,574	271,156	330,494	271,156
Annual leave	544,627	418,355	430,270	331,774
	<u>894,201</u>	<u>689,511</u>	<u>760,764</u>	<u>602,930</u>

Non current

Employee entitlements:

Long service leave	93,688	35,294	79,692	35,294
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Aggregate employee entitlement liability

	<u>987,889</u>	<u>724,805</u>	<u>840,456</u>	<u>638,224</u>
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Number of employees at year end

	<u>99</u>	<u>89</u>	<u>72</u>	<u>62</u>
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15. Borrowings

Non current

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

- (i) Bills of exchange with a variable interest rate were issued in June 2009. The current weighted average interest rate on the bills is 6.7%p.a. (2009: 6.7%p.a.).

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
16. Retained earnings				
Retained earnings at the beginning of the financial year	10,408,514	9,063,064	10,408,514	9,063,064
Net profit attributable to members of the association	1,527,855	1,345,450	1,527,855	1,345,450
Retained earnings as at the end of the financial year	11,936,369	10,408,514	11,936,369	10,408,514

17. 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.

18. Commitments for expenditure

(a) Operating leases of plant and equipment

Not longer than 1 year	553,693	578,873	553,693	578,873
Longer than 1 but not later than 5 years	659,056	998,233	659,056	998,233
	1,212,749	1,577,106	1,212,749	1,577,106

19. Segment Reporting

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

20. Related Party Transactions

(i) Directors

The following people held office of Director during the year ended 30 June 2010

Board of Management (Committee of Directors)

Bolton, J (retired 15/03/10)	Liddle, B
Davis, H	Newnham, D
Evans, T	Nixon, D
Fasham, M	Sweeney, S
Grenfell, N (retired 24/11/09)	Zuccala, G
Hawkey, I	

20. Related Party Transactions (cont)

Council of Management (Directors)

Bolton, J (retired 15/03/10)	Hawkey, I
Chambers, J (appointed 09/08/10)	Johnson, T
Davis, H	Liddle, B
Degotardi, M (retired 31/05/10)	Newnham, D
Dogget, D	Nixon, D
Drummond, L	Pateras, N (retired 24/11/09 – reappointed 02/12/09)
Evans, T	Raunik, L (appointed 09/08/10)
Fasham, M	Robinson, P
Fowler, C	Rowe, J
Gnauck, D (retired 24/11/09)	Sanfilippo, J
Grenfell, N (retired 24/11/09 – reappointed 06/05/10)	Sheers, C (appointed 09/08/10)
Herkess, P (appointed 24/11/09 – retired 15/07/10)	Sweeney, S
	Zuccala, G

(ii) Remuneration of Directors	2010	2009
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	21	21

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

(iii) Transactions	Consolidated Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2010 \$	Parent Entity 2009 \$
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	55,000	52,923	55,000	52,923
Commissions received from MBA Insurance Services Pty Ltd	263,748	472,075	263,748	472,075

	Consolidated Entity		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
21. Superannuation expense	831,012	890,386	697,957	761,367

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.

22. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, 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 statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank and on hand	4,683,687	3,675,168	4,482,145	3,522,832
Cash deposits	3,487,097	4,255,589	3,414,846	4,186,373
	8,170,784	7,930,757	7,896,991	7,709,205

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

Operating profit after income tax	1,527,855	1,345,450	1,527,855	1,345,450
Non-cash flows in operating profit				
Movement in doubtful debts	(54,980)	4,811	(48,996)	5,097
Depreciation	590,640	572,184	590,640	572,184
Changes in assets and liabilities				
(Increase)\decrease in assets:				
Trade and other receivables	191,343	(372,525)	279,966	(213,736)
Inventories	(64,117)	4,340	(64,117)	4,340
Other	(4,747)	(34,797)	12,553	(34,797)
Increase/(decrease) in liabilities				
Trade and other payables	(460,556)	2,326,742	(563,854)	2,258,444
Provisions	582,596	(267,406)	521,744	(273,769)
Net cash from operating activities	2,308,034	3,578,799	2,255,791	3,663,213

22. Notes to the statement of cash flows (cont)

(c) Financing Facilities

Master Builders Association of Victoria has a commercial bill facility for \$5,500,000 as at 30 June 2010. \$4,500,000 matures 1 July 2011 and \$1,000,000 is a cash facility with no maturity date but is subject to annual reviews. As at 30 June 2010, \$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.

23. Financial Instruments

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

Recognised Financial Instruments	Statement of Financial Position Note	Accounting Policy	Terms and Conditions
i) Financial Assets			
Loans & Receivables	8	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	7	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	13	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Current loan to be repaid by 2011.

23. Financial Instruments (cont)

(b) Interest rate risk

The economic entity'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 economic entity'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 reporting date to recognised financial assets is the carrying amount, as disclosed in the statement of financial position and notes to the financial statements.

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

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The economic entity 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 economic entity 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 economic entity'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 economic entity can be required to pay. The table includes both interest and principal cash flows.

23. Financial Instruments (cont)

(d) Liquidity risk (cont)

Consolidated	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years	Total
2010						
Non-interest bearing	-	470,420	242,505	324,354	-	1,037,279
Variable interest rate instruments	3%	4,683,687	-	-	-	4,683,687
Fixed interest rate instruments	4%	-	3,487,097	-	-	3,487,097
2009						
Non-interest bearing	-	628,849	342,983	248,044	-	1,219,876
Variable interest rate instruments	3%	3,675,168	-	-	-	3,675,168
Fixed interest rate instruments	3.5%	-	4,255,589	-	-	4,255,589

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 economic entity anticipates that the cash flow will occur in different period.

Parent	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years	Total
2010						
Non-interest bearing	-	235,686	92,225	288,580	-	616,491
Variable interest rate instruments	3%	4,482,145	-	-	-	4,482,145
Fixed interest rate instruments	4%	-	3,414,846	-	-	3,414,846
2009						
Non-interest bearing	-	430,474	223,104	197,691	-	851,269
Variable interest rate instruments	3%	3,522,832	-	-	-	3,522,832
Fixed interest rate instruments	3.5%	-	4,186,373	-	-	4,186,373

23. Financial Instruments (cont)

(e) Fair Values

Methods and assumptions used in determining net fair value.

Assets and liabilities, 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 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.

(f) Capital Risk Management

The economic entity manages its capital to ensure that the economic entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The economic entity's overall strategy remains unchanged from 2009. The economic entity is not exposed to any externally imposed capital requirements.

(g) Market Risk

The economic entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The economic entity does not actively trade these investments.

(h) Foreign Currency Risk Management

The economic entity does not undertake transactions denominated in foreign currencies, and consequently exposures to exchange rate fluctuation will not arise.

24. Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2010	2009
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	17.5%	14.3%

Consolidated Entity		Parent Entity	
2010	2009	2010	2009
\$	\$	\$	\$

28. Key Management Personnel Compensation

Short-term employee benefits	1,480,459	1,142,397	1,341,083	995,876
Post-employment benefits	260,624	393,455	250,709	383,278
	<u>1,741,083</u>	<u>1,535,852</u>	<u>1,591,792</u>	<u>1,379,154</u>

FR 2010/2592



Master Builders™

ASSOCIATION

MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
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Designated Officer's Certificate
S268 Fair Work (Registered Organisations) Act 2009

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 Fair Work (Registered Organisations) Act 2009

That the concise report was provided to members on 28/10/2010; and

That the full report was presented to a general meeting of members of the reporting unit on 23/11/2010; in accordance with S266 Fair Work (Registered Organisations) Act 2009.

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:

23/11/10