FairWork Commission

31 May 2016

Mr Peter Picking
President
Master Builders' Association of Victoria
332 Albert Street
EAST MELBOURNE VIC 3002

via email: mbassist@mbav.com.au

Dear Mr Picking

Master Builders' Association of Victoria Financial Report for the year ended 30 June 2015 - [FR2015/122]

I acknowledge receipt of the financial report of the Master Builders' Association of Victoria (the reporting unit). The documents were lodged with the Fair Work Commission (FWC) on 7 December 2015. I also acknowledge supplementary information provided to me by Mr Ron Joordens from the reporting unit on 23 December 2015 confirming the date of the Committee of Management meeting. Supplementary information was also provided by your Auditor, Mr Robert Collie on 30 May 2015 which addressed various non-compliance issues that were identified in the previous financial report but not addressed in the document lodged with the FWC on 7 December 2015. Your Auditor has provided assurance that these matters will be remedied in the financial report for the year ending 30 June 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 will be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Statement of comprehensive income

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

(i) grants that were $1,000 or less;
(ii) grants that exceeded $1,000;
(iii) donations that were less than $1,000; and
(iv) donations that exceeded $1,000

Note 6 discloses that $101,340 was paid in grants and donations but does not distinguish the total amounts paid as described above.

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Difference in figure reporting in LGD statement and financial report

A Loans, Grants and Donations statement for the reporting unit was lodged with the FWC as required under subsection 237(1) of the RO Act on 14 October 2015. A figure for donations that exceeded $1,000 was also supplied in the financial report however this figure for donations is different to the figure supplied on the Loans, Grants and Donations Statement.

Please ensure in future years that the figure report in the Loans, Grants and Donations statement reconciles to the figure reported in the financial report.

Statement of financial position

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the general purpose financial report. I note that for litigation and other legal matters no such disclosure has been made.

Concise report

I note that the reporting unit has lodged with the FWC a concise report. This is a requirement whenever a reporting unit provides a concise report to members.

Historically, concise reports were employed by reporting units which found the costs of distributing a full report by post prohibitive. As the provision of financial reports has shifted to reporting units websites, the practice of providing concise reports to members has become less common, particularly in view of the additional expense in preparing and auditing a concise report.

Despite this, the decision as to whether to issue a concise report is up to the reporting unit and the Committee of Management must ensure that it has a formal resolution to provide a concise report

It should also be noted that item 2 of the reporting guidelines states that '*these reporting guidelines apply to all general purpose financial reports (GPFR), including a concise financial report....*'. In future years, if the Committee of Management resolves to provide members with a concise report, please ensure that all requirements within the reporting guidelines are appropriately disclosed within the concise report.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contact on (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

<u>Master Builders Association of Victoria</u>
S268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Peter Picking 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 for the Master Builders Association of Victoria for the period ended 30 June 2015 referred to in S268 Fair Work (Registered Organisations) Act 2009; and

- that the concise report was provided to members of the Master Builders Association of Victoria on 26 October 2015; and

- that the full report was presented to a general meeting of members of the reporting unit on 24 November 2015 in accordance with S266 Fair Work (Registered Organisations) Act 2009.

I, Peter Picking 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: P Picking

Name: Peter Picking

Title: President

Date: 3/12/2015

Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

2014/2015 Annual Report for presentation to the Annual General Meeting of Members

General purpose financial report for the financial year ended 30 June 2015

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 2015.

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 $1,493,144 (2014: surplus $807,526). The company is exempt from paying income tax.

Review of Operations

The result for the year is considered strong given the difficult economic conditions in some sectors of the construction industry. Some of the highlights are as follows:

- Continued improvement in the performance of the Building Leadership Simulation Centre (BLSC).
- The continued growth of MBA Insurance Services.
- Membership retention of 89.09% is highest since records began in 2005/2006.
- Strong growth in revenues of the Training operations.

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 CEO.

(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
- (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.

Council of Management operating report (cont'd)

Rights of members to resign (cont'd)

(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 CEO 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 June2015: 8,684 (2014: 8,266)

(2) Employees of the reporting unit as at 30 June 2015: 109.1 equivalent full time staff (2014: 110.7 equivalent full time staff).

(3) Members of the Council of Management during or since the financial year ended 30 June 2015:

Barber, L	Ferrari, R (Resigned 25/11/14)
Basel, T	Gardiner, P
Cameron, M	Hansen, R (Appointed 25/11/14)
Clemenger, M	Hawkey, I (Appointed 25/11/14)
Davis, H (Resigned 25/11/14)	Herkess, P (Resigned 25/11/14)
Fasham, M	McPherson, A
Morgan, N	Robinson, P (Appointed 25/11/14)
Moyle, D	Salvatore, C
Picking, P	Sanfilippo, J
Pye, D (Appointed 25/11/14)	Siegel, A
Raunik, L (Resigned 25/03/15)	Zuccala, G (Resigned 25/11/14)

Council of Management operating report (cont'd)

For and on behalf of Council of Management

Richard Hansen
Treasurer

September 2015

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 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Board of Management (Committee of Directors)

Davis, H (Resigned 25/11/14)	Moyle, D
Fasham, M	Picking, P
Ferrari, R (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Hansen, R (Appointed 25/11/14	Raunik, L (Resigned 25/03/15)
Hawkey, I (Appointed 25/11/14	Sanfilippo, J
Herkess, P (Resigned 25/11/14)	Zuccala, G

Council of Management (Directors)

Barber, L	McPherson, A
Basel, T	Morgan, N
Cameron, M	Moyle, D
Clemenger, M	Picking, P
Davis, H (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Fasham, M	Raunik, L (Resigned 25/03/15)
Ferrari, R (Resigned 25/11/14)	Robinson, P (Appointed 25/11/14))
Gardiner, P	Salvatore, C
Hansen, R (Appointed 25/11/14)	Sanfilippo, J
Hawkey, I (Appointed 25/11/14)	Siegel, A (Appointed 26/11/13)
Herkess, P (Resigned 25/11/14)	Zuccala, G (Resigned 25/11/14)

Principal Activities

The principal activity of the Association was to provide a range of services to members in the building and construction industry.

Financial Results

The consolidated surplus from operating activities for the year was $1,493,144 (2014: surplus $807,526). The company is exempt from paying income tax.

Directors' report (cont'd)

Review of Operations

The result for the year is considered strong given the difficult economic conditions in some sectors of the construction industry. Some of the highlights are as follows:

- Continued improvement in the performance of the Building Leadership Simulation Centre (BLSC).
- The continued growth of MBA Insurance Services.
- Membership retention of 89.09% is highest since records began in 2005/2006.
- Strong growth in revenues of the Training operations.

The Association is well placed to meet any future challenges.

The key objective of the Association is to be the leaders of our industry by representing employers' interests through the provision of superior products and services and the motivation of our staff to achieve a high standard of performance.

In the short term, these objectives are as follows:

- Continue to develop our membership base through the provision of new and innovative products and services that are leading edge.
- Building stronger connections with stakeholders, governments, unions and industry consumers.
- Continue to strengthen the viability of the Association.

Longer term objectives to be considered include:

- Strengthening our appeal to the new generation of customers through social media.
- Maintaining and developing customer centric business systems and processors.
- Identifying and responding to new market opportunities and new customers.

The Council of Management has approved the Business Plan 2015/16 which outlines the key strategies to be implemented over the coming years which will ensure the Association meets its key objectives.

These strategies include:

- Increasing advocacy for plans that will strengthen our industry and generate jobs and investment.
- Offering exceptional, innovative and valued products and services to the industry.
- Maintaining a strong brand position.
- Being an employer of choice

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.

Directors' report (cont'd)

Dividends

The company is a public company limited by guarantee. The company does not have 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:

Directors' report (cont'd)

Indemnifying Officer or Auditor (cont'd)

During the financial year the company has paid a total premium of $2,320 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 were held.

Name:	Barber	Lindsay
Age:		53
Qualifications:		Director
Council Meetings Attended:		2
Name:	Basel	Tom
Age:		47
Qualifications:		Director
Council Meetings Attended:		2
Name:	Cameron	Michael
Age:		38
Qualifications:		Director
Council Meetings Attended:		4
Name:	Clemenger	Michael
Age:		40
Qualifications:		Director
Council Meetings Attended:		4
Name:	Davis	Hedley
Age:		60
Qualifications:		Director
Council Meetings Attended:		3
(Resigned 25/11/14)		
Name:	Fasham	Melanie
Age:		42
Qualifications:		Director
Council Meetings Attended.		4
Name:	Ferari	Robert
Age:		50
Qualifications:		Director
Council Meetings Attended:		2
(Resigned 25/11/14)		

Directors' report (cont'd)

Information on Directors (cont'd)

Name:	Gardiner	Paul
Age:		53
Qualifications:		Director
Council Meetings Attended:		4
Name:	Hansen	Richard
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
(Appointed 25/11/14)		
Name:	Hawkey	Ian
Age:		62
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		
Name:	Herkess	Philip
Age:		57
Qualifications:		Director
Council Meetings Attended:		0
(Resigned 25/11/14)		
Name:	McPherson	Andrew
Age:		53
Qualifications:		Director
Council Meetings Attended:		3
Name:	Morgan	Nicholas
Age:		49
Qualifications:		Director
Council Meetings Attended:		4
Name:	Moyle	David
Age:		32
Qualifications:		Director
Council Meetings Attended:		3
Name:	Picking	Peter
Age:		59
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pye	Darren
Age:		43
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		

Directors' report (cont'd)

Information on Directors (cont'd)

Name:	Raunik	Lou
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
(Resigned 25/03/15)		
Name:	Robinson	Phillip
Age:		68
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		
Name:	Salvatore	Claude
Age:		49
Qualifications:		Director
Council Meetings Attended:		4
Name:	Sanfilippo	Jarrod
Age:		37
Qualifications:		Director
Council Meetings Attended:		4
Name:	Siegel	Adam
Age:		41
Qualifications:		Director
Council Meetings Attended:		2
Name:	Zuccala	Greg
Age:		60
Qualifications:		Director
Council Meetings Attended:		3
(Resigned 25/11/14)		

Information on company secretary

Name:	De Silva	Radley
Age:		61
Qualifications:		CEO
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.

Membership
The Master Builders Association of Victoria is a public company, limited by guarantee, incorporated and operating in Victoria, Australia. The guarantee will not exceed $2 per member and at 30 June 2015 there were 8,684 members (2014: 8,266).

Directors' report (cont'd)

Auditor's Independence Declaration

The auditor's independence declaration is included on page 13 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

Peter Picking
Director

Richard Hansen
Director

East Melbourne, September 2015

Statement by Council of Management

On 22 September 2015 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 2015.

The Board of Management declares in relation to the General Purpose Financial Report 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 General Purpose Financial Report 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 to the Fair Work (Registered Organisation) Act 2009 and the Fair Work (Registered Organisation) Regulations, 2009; 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

    (i) 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 to the Fair Work (Registered Organisation) Act 2009 has been furnished to the member or Registrar; and

    (ii) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule to the Fair Work (Registered Organisation) Act 2009.

Statement by Council of Management (cont'd)

For Board of Management: Richard Hansen

Title of Office held: Treasurer

Signature:

Date: September 2015

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

15 September 2015

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 2015, 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

Deloitte Touche Tohmatsu

Robert DD Collie
Partner
Chartered Accountants

Deloitte

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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 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, the statement by council of management 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 12 and 16 to 53.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Corporations Act 2001 and the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organizations) Act 2009 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply 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. Those 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 judgement, 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 of the financial report that gives a true and fair view, 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.

Deloitte

Auditor's Responsibility (cont'd)

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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Master Builders Association of Victoria, would be in the same terms if given to the directors as at the time of this auditor's report.

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 and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

(b) The financial report is presented fairly in accordance the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organizations) Act 2009.

(c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert DD Collie
Partner
Chartered Accountants
Melbourne, 15 September 2015

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;

(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; and

(c) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements.

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

Peter Picking
Director

Richard Hansen
Director

East Melbourne, September 2015

Statements of profit or loss and other comprehensive income for the year ended 30 June 2015

		Consolidated Entity		Parent Entity	
		2015	2014	2015	2014
	Notes	$	$	$	$
Revenue	5	22,558,580	21,933,244	18,878,471	19,208,507
Employee benefits expenses		(11,296,744)	(10,271,317)	(8,384,438)	(8,538,617)
Depreciation expense	12(a)	(991,153)	(1,069,750)	(991,153)	(1,069,750)
Amortisation expenses	13	(394,700)	(394,700)	(394,700)	(394,700)
Premises expenses		(688,631)	(703,945)	(295,659)	(664,231)
Travel, accommodation & motor vehicles		(728,047)	(781,755)	(453,958)	(679,380)
Telephone & postage		(382,571)	(594,343)	(300,596)	(409,170)
Administration expenses		(4,839,983)	(5,381,453)	(5,071,420)	(4,854,879)
Cost of goods sold-document sales		(818,660)	(590,469)	(512,178)	(590,469)
Finance costs		(232,291)	(338,283)	(36,901)	(336,744)
Impairment expense		-	-	(236,115)	(296,158)
Promotional activity expenses		(692,621)	(549,703)	(685,380)	(545,177)
Profit before tax	6	1,493,144	807,526	1,515,973	829,232
Income tax expense	3(e)	-	-	-	-
Profit for the year		1,493,144	807,526	1,515,973	829,232
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement in value of available for sale investments		(26,756)	88,159	(26,756)	88,159
Total comprehensive income for the year		1,466,388	895,685	1,489,217	917,391

Notes to the financial statements are included on pages 22 to 53.

Statements of financial position at 30 June 2015

		Consolidated Entity		Parent Entity	
			Restated		Restated
		2015	2014	2015	2014
	Notes	$	$	$	$
Current assets					
Cash and cash equivalents	7	3,918,500	2,394,152	3,762,963	2,184,678
Trade and other receivables	8	2,690,527	2,643,536	2,110,199	1,999,192
Other financial assets	9	1,044,779	1,015,966	1,044,779	1,015,966
Inventories	10	204,333	246,345	204,333	246,345
Other assets	11	268,961	345,608	261,132	343,080
Total current assets		8,127,100	6,645,607	7,383,406	5,789,261
Non-current assets					
Property, plant and equipment	12	18,487,760	19,304,247	18,487,760	19,304,247
Intangible assets	13	2,762,900	3,157,600	2,762,900	3,157,600
Other financial assets	9	1,138,862	1,668,584	1,138,866	1,668,588
Total non-current assets		22,389,522	24,130,431	22,389,526	24,130,435
Total assets		30,516,622	30,776,038	29,772,932	29,919,696
Current liabilities					
Trade and other payables	14	3,688,237	3,036,855	3,259,361	2,589,970
Other liabilities	15	3,143,483	3,137,852	3,143,483	3,003,601
Borrowings	17	820,000	820,000	820,000	820,000
Provisions	16	1,454,654	1,228,344	1,089,312	1,002,671
Total current liabilities		9,106,367	8,223,051	8,312,153	7,416,242
Non-current liabilities					
Borrowings	17	1,551,055	4,101,055	1,551,055	4,101,055
Provisions	16	82,865	141,985	82,865	64,757
Total non-current liabilities		1,633,920	4,243,040	1,633,920	4,165,812
Total liabilities		10,740,287	12,466,091	9,946,073	11,582,054
Net assets		19,776,335	18,309,947	19,826,859	18,337,642
Equity					
Retained earnings	18	19,610,034	18,116,890	19,660,558	18,144,585
Reserves	19	166,301	193,057	166,301	193,057
Total equity		19,776,335	18,309,947	19,826,859	18,337,642

Notes to the financial statements are included on pages 22 to 53.

Statements of changes in equity for the year ended 30 June 2015

Consolidated entity

	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2013	16,571,400	609,529	17,180,929
Adjustment	233,333	-	233,333
Restated balance at 1 July 2013	16,804,733	609,529	17,414,262
Balance at 1 July 2013	16,804,733	609,529	17,414,262
Surplus for the year	807,526	-	807,526
Other comprehensive income	-	88,159	88,159
Total comprehensive income for the year	807,526	88,159	895,685
Transfer from reserve	504,631	(504,631)	-
Balance at 30 June 2014	18,116,890	193,057	18,309,947
Balance at 1 July 2014	18,116,890	193,057	18,309,947
Surplus for the year	1,493,144	-	1,493,144
Other comprehensive loss	-	(26,756)	(26,756)
Total comprehensive income/(loss) for the year	1,493,144	(26,756)	1,466,388
Balance at 30 June 2015	19,610,034	166,301	19,776,335

Notes to the financial statements are included on pages 22 to 53.

Statements of changes in equity for the year ended 30 June 2015

Parent entity

	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2013	16,577,389	609,529	17,186,918
Adjustment	233,333	-	233,333
Restated balance at 1 July 2013	16,810,722	609,529	17,420,251
Balance at 1 July 2013	16,810,722	609,529	17,420,251
Surplus for the year	829,232	-	829,232
Other comprehensive income	-	88,159	88,159
Total comprehensive income for the year	829,232	88,159	917,391
Transfer from reserve	504,631	(504,631)	-
Balance at 30 June 2014	18,144,585	193,057	18,337,642
Balance at 1 July 2014	18,144,585	193,057	18,337,642
Surplus for the year	1,515,973	-	1,515,973
Other comprehensive loss	-	(26,756)	(26,756)
Total comprehensive income/(loss) for the year	1,515,973	(26,756)	1,489,217
Balance at 30 June 2015	19,660,558	166,301	19,826,859

Notes to the financial statements are included on pages 22 to 53.

Statements of cash flows
for the year ended 30 June 2015

		Consolidated Entity		Parent Entity	
	Notes	2015 $	2014 $	2015 $	2014 $
Cash flows from operating activities					
Receipts from members		5,909,244	6,268,883	5,675,645	6,192,499
Receipts from other activities		16,067,959	16,132,463	11,985,770	12,993,727
Payments to suppliers and employees		(18,455,639)	(20,438,146)	(14,279,795)	(17,608,507)
Interest and finance costs paid		(232,291)	(338,283)	(36,901)	(336,744)
Interest received		49,433	32,751	47,924	312,499
Net cash provided by operating activities	24(b)	3,338,706	1,657,668	3,392,643	1,553,474
Cash flows from investing activities					
Net proceeds from/(payments for) investments		502,966	(15,223)	502,966	(15,223)
Proceeds from sale of property, plant and equipment		19,729	-	19,729	-
Payments for property, plant and equipment		(183,940)	(82,164)	(183,940)	(82,164)
Amounts received from related parties		425,700	-	425,700	-
Net cash provided by/(used in) investing activities		764,455	(97,387)	764,455	(97,387)
Cash flows from financing activities					
Repayment of borrowings		(2,550,000)	(820,000)	(2,550,000)	(820,000)
Net cash used in financing activities		(2,550,000)	(820,000)	(2,550,000)	(820,000)
Net increase in cash and cash equivalents		1,553,161	740,281	1,607,098	636,087
Cash and cash equivalents at the beginning of the financial year		3,410,118	2,669,837	3,200,644	2,564,557
Cash and cash equivalents at the end of the financial year	24(a)	4,963,279	3,410,118	4,807,742	3,200,644

Notes to the financial statements are included on pages 22 to 53.

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	**Principal place of business**
332 Albert Street EAST MELBOURNE VIC 3002	332 Albert Street EAST MELBOURNE VIC 3002

2. Adoption of new and revised Accounting Standards

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

<u>**Standards affecting presentation and disclosure**</u>

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's consolidated financial statements.

Adoption of new and revised Accounting Standards (cont'd)

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements (cont'd)

Standards affecting presentation and disclosure (cont'd)

AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'. The application of these amendments does not have any material impact on the disclosures in the Group's consolidated financial statements.
AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below. • The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. • The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Adoption of new and revised Accounting Standards (cont'd)

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements (cont'd)

Standards affecting presentation and disclosure (cont'd)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles) (cont'd)	The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.(cont'd) • The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below. • The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself. • the property meets the definition of investment property in terms of AASB 140; and • the transaction meets the definition of a business combination under AASB 3. • The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements
AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Adoption of new and revised Accounting Standards (cont'd)

2.2 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
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

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. Master Builders Association Victoria is a Member based organisation that operates in accordance with the fair work act. 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 2015 the number of members was 8,684 (2014: 8,266).

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

The Master Builders Association of Victoria is a member based organization that operates in accordance with the Fair Work act.The financial statements were authorised for issue by the directors on 22 September 2015.

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117.

In addition, for financial reporting purposes fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

3. Significant accounting policies (cont'd)

Critical accounting judgments 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 recognized 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.

Long service leave
Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

Property, plant and equipment
Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Provision for obsolete stock
Management's judgement is applied in determining the provision for inventories obsolescence. If the estimated selling price of inventory is lower than the cost to sell, the difference is recognised in the provision for obsolescence.

Provision for doubtful debts
Management's judgement is applied in determining the provision for doubtful debts. If the estimated recoverable amount of the debtor is less than the amount of revenue recognised, the difference is recognised in the provision for doubtful debts.

Going Concern

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2015 there is a consolidated working capital deficiency of $979,267 (2014: deficiency $1,577,444) and parent entity working capital deficiency of $928,747 (2014: deficiency $1,626,981). Notwithstanding this, the financial report has been prepared on a going concern basis.

The deficiency includes current liabilities for subscriptions received in advance of $3,143,483 (2014: $3,137,852) which will be released into revenue in future years. This results in an adjusted consolidated working capital surplus of $2,164,216. Further strong cash flows from operations are forecast. The directors therefore believe that the going concern basis of preparation is appropriate.

3. Significant accounting policies (cont'd)

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 entities is contained in Note 26 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.

Plant and equipment
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	1.44% - 2.5%	Straight Line
Plant and Equipment:		
Office Furniture	10% - 20%	Straight Line
Computer Equipment	20% - 40%	Straight Line
Motor Vehicles	15% - 22.5%	Straight Line
Electrical	20%	Straight Line & Diminishing Value

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

Capital grants received are offset against the capital expenditure to which the capital grant income is applied.

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

3. Significant accounting policies (cont'd)

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(d) Employee entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

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. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Revenue

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

Non Govemment 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.

3. Significant accounting policies (cont'd)

(g) Revenue (cont'd)

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) Government grants

Government grants are not recognised until there is reasonable assurance that the Association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Association should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

(i) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(j) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. Significant accounting policies (cont'd)

(j) Provisions (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

<u>Effective interest method</u>
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or
- both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement 'permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

AFS financial assets

Listed shares and listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured).

3. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial assets (cont'd)

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

<u>Loans and receivables</u>
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

<u>Impairment of financial assets</u>
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial assets (cont'd)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(l) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Association as lessee
Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3. Significant accounting policies (cont'd)

(m) 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3. Significant accounting policies (cont'd)

(o) Comparative figures

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

During the year ended 30 June 2015 it was identified that the prior year members' debtors report did not include outstanding invoices of $233,333 that were being paid by installments. This has been adjusted in the current year with the 30 June 2014 comparative balances being restated.

Parent Entity

	As at 30 June 2014 as previously reported	Adjustment	As at 30 June 2014 as restated
Impact on statement of financial position as at 30 June 2014			
Trade and other receivables	1,765,859	233,333	1,999,192
Opening retained earnings	(17,911,252)	(233,333)	(18,144,585)
Total effect on net assets		233,333	233,333

Consolidated Entity

	As at 30 June 2014 as previously reported	Adjustment	As at 30 June 2014 as restated
Impact on statement of financial position as at 30 June 2014			
Trade and other receivables	2,410,203	233,333	2,643,536
Opening retained earnings	(17,883,557)	(233,333)	(18,116,890)
Total effect on net assets		233,333	233,333

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	
	2015	2014	2015	2014
	$	$	$	$
5. Revenue				
Operating activities				
Membership fees	5,982,922	5,902,281	5,982,922	5,902,281
Insurance commission	1,232,464	885,899	1,232,464	885,899
Sale of documents	1,157,126	1,234,646	1,157,126	1,234,646
Sundry income	2,461,063	2,868,460	2,948,253	2,929,960
Rental income	260,539	94,957	260,539	608,497
Planning and building services	3,567,738	3,280,878	-	-
Training division	7,685,294	7,566,772	7,087,232	7,180,091
Commercial income	162,001	66,600	162,001	154,634
	22,509,147	21,900,493	18,830,547	18,896,008
Non-operating activities				
Interest received	49,433	32,751	47,924	312,499
Total revenue	22,558,580	21,933,244	18,878,471	19,208,507

6. Profit for the year before tax

Other expenses

Profit for the year includes the following expenses:

Increase/(decrease) in allowance for doubtful debts provision	14,944	5,860	7,280	7,669
Bad debt expense	36,823	12,000	34,823	12,000
Remuneration of auditor				
- audit services	52,325	50,880	52,325	50,880
- other services (grant acquittal statements)	6,500	6,150	6,500	6,150
- taxation services	10,455	10,250	10,455	10,250
- other services	119,733	32,720	119,733	32,720
	189,013	100,000	189,013	100,000

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

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

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

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

	2015	2014	2015	2014
Legal fees	98,435	6,147	38,364	6,147
Affiliation fees Master Builders Association Ltd and other congress organisations	652,992	635,832	652,992	635,832
Other fees and subscriptions	87,870	82,399	46,215	36,467
Grants and donations	101,340	10,025	101,315	10,025
Conference/meeting expenses for Councillors etc	41,288	65,018	41,288	65,018

	2015	2014	2015	2014
Employees other than office holders:				
Wages and salaries	8,640,928	8,788,961	6,520,173	7,008,822
Superannuation	842,748	778,028	607,156	603,602
Leave and other entitlements	711,583	816,215	429,577	580,859
Separation and redundancies	69,172	351,613	67,787	351,613
	10,264,431	10,734,817	7,624,693	8,544,896

No office holders of the organisation receive remuneration. Further no capitation fees were paid during the year ended 30 June 2015 (2014: $nil)

7. Cash and cash equivalents

	2015	2014	2015	2014
Cash at bank	3,914,096	2,389,748	3,759,863	2,181,578
Cash on hand	4,404	4,404	3,100	3,100
	3,918,500	2,394,152	3,762,963	2,184,678

8. Trade and other receivables

	2015	2014	2015	2014
Trade debtors	1,844,298	1,777,313	1,230,891	1,081,539
Provision for doubtful debts	(47,831)	(32,887)	(33,167)	(25,887)
	1,796,467	1,744,426	1,197,724	1,055,652
Other receivables	619,605	590,100	619,605	590,100
Inter-company loan – controlled entity	-	-	1,533,768	1,323,668
Provision for impairment of intercompany loan	-	-	(1,515,353)	(1,279,238)
Inter-company loan – related company	274,455	309,010	274,455	309,010
	2,690,527	2,643,536	2,110,199	1,999,192

8. Trade and other receivables (cont'd)

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

	Consolidated Entity 2015 $	Consolidated Entity 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Ageing of past due but not impaired				
60 - 90 days	84,777	35,980	9,819	19,498
90+ days	116,194	140,358	61,034	78,148
Total	200,971	176,338	70,853	97,646
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	32,897	27,027	25,887	18,218
Provision during the year	14,494	5,860	7,280	7,669
Balance at the end of the year	47,831	32,897	33,167	25,887

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.

9. Other financial assets

	Consolidated Entity 2015 $	Consolidated Entity 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Current				
Term deposit	1,044,779	1,015,966	1,044,779	1,015,966
Non Current				
Investments				
- Shares in controlled entity – at cost	-	-	4	4
- Shares in related entities – at cost	120,000	120,000	120,000	120,000
- Shares – fair value through profit/loss*	1,018,862	1,548,584	1,018,862	1,548,584
	1,138,862	1,668,584	1,138,866	1,668,588

*Shares held at fair value are classified as Level 1 and valued as quoted bid prices in an active market.

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
10. Inventories				
Stock on hand	204,333	246,345	204,333	246,345
11. Other assets				
Prepayments	268,961	345,608	261,132	343,080
12. Property Plant and Equipment				
Freehold land and buildings				
At cost	19,472,559	19,472,559	19,472,559	19,472,559
Provision for depreciation	(3,326,067)	(2,895,449)	(3,326,067)	(2,895,449)
Written down value	16,146,492	16,577,110	16,146,492	16,577,110
Capital work in progress	110,978	-	110,978	-
Plant and equipment				
At cost	6,435,860	6,451,571	6,435,860	6,451,571
Provision for depreciation	(4,205,570)	(3,724,434)	(4,205,570)	(3,724,434)
Written down value	2,230,290	2,727,137	2,230,290	2,727,137
Net Book Value	18,487,760	19,304,247	18,487,760	19,304,247

(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.

2014	Freehold land and buildings $	Plant and equipment $	Work in Progress $	Total $
Consolidated Entity:				
Balance at the beginning of year	17,005,614	3,286,219	-	20,291,833
Additions	-	82,164	-	82,164
Depreciation expense	(428,504)	(641,246)	-	(1,069,750)
Carrying amount at the end of the year	16,577,110	2,727,137	-	19,304,247

12. Property Plant and Equipment

2014	Freehold land and buildings $	Plant and equipment $	Work in progress $	Total $
Parent Entity:				
Balance at the beginning of year	17,005,614	3,286,219	-	20,291,833
Additions	-	82,164	-	82,164
Depreciation expense	(428,504)	(641,244)	-	(1,069,750)
Carrying amount at the end of the year	16,577,110	2,727,137	-	19,304,247
2015				
Consolidated entity:				
Balance at the beginning of year	16,577,110	2,727,137	-	19,304,247
Additions	-	72,962	110,978	183,940
Depreciation expense	(430,618)	(560,535)	-	(991,153)
Disposals	-	(9,274)	-	(9,274)
Carrying amount at the end of the year	16,146,492	2,230,290	110,978	18,487,760
Parent Entity:				
Balance at the beginning of year	16,577,110	2,727,137	-	19,304,247
Additions	-	72,962	110,978	183,940
Depreciation expense	(430,618)	(560,535)	-	(991,153)
Disposals	-	(9,274)	-	(9,274)
Carrying amount at the end of the year	16,146,492	2,230,290	110,978	18,487,760

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
13. Intangible Assets				
Carrying amounts of:				
Licences	2,762,900	3,157,600	2,762,900	3,157,600

	Licences $
Consolidated Entity:	
Cost	
Balance as at 1 July 2014	3,947,000
Additions	-
Balance as at 30 June 2015	3,947,000
Accumulated amortisation	
Balance as at 1 July 2014	(789,400)
Amortisation expense	(394,700)
Balance as at 30 June 2015	(1,184,100)
Written down value	2,762,900
Parent Entity:	
Cost	
Balance as at 1 July 2014	3,947,000
Additions	-
Balance as at 30 June 2015	3,947,000
Accumulated amortisation	
Balance as at 1 July 2014	(789,400)
Amortisation expense	(394,700)
Balance as at 30 June 2015	(1,184,100)
Written down value	2,762,900

The licence acquired relates to a licence to use IP related with the Building Leadership Simulation Centre. The simulation centre commenced operations 1 July 2012 and the licence is being amortised over the life of the licence being 10 years.

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
14. Trade and other payables				
Arbitration deposit account	10,537	10,537	10,537	10,537
Trade creditors	1,608,249	1,161,299	1,509,560	1,050,253
Sundry creditors and accrued expenses	2,069,451	4,868,620	1,739,264	1,529,180
	3,688,237	3,036,855	3,259,361	2,589,970

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.

15. Other liabilities

Current				
Deferred revenue	3,143,483	3,137,852	3,143,483	3,003,601

16. Provisions

Current				
Employee entitlements:				
Long service leave	559,587	487,327	512,588	487,327
Annual leave	895,076	741,017	576,724	515,344
	1,454,654	1,228,344	1,089,312	1,002,671
Non-current				
Employee entitlements:				
Long service leave	82,865	141,985	82,865	64,757
Aggregate employee entitlement liability	1,537,519	1,370,329	1,172,177	1,067,428
Number of employees at year end	109.1	110.7	76.5	76.3

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
17. Borrowings				
Commercial bill – current	820,000	820,000	820,000	820,000
Commercial bill – non current	1,551,055	4,101,055	1,551,055	4,101,055
Commercial bill (i)	2,371,055	4,921,055	2,371,055	4,921,055

Summary of borrowing arrangements:

(i) Bills of exchange as at 30 June 2015, with a variable interest rate were issued in September 2011. The current weighted average interest rate on the bills is 6.31% p.a. (2014: 6.36%p.a.).

18. Retained earnings		Restated		Restated
Restated retained earnings at the beginning of the financial year	18,116,890	16,804,733	18,144,585	16,810,722
Net profit attributable to members of the association	1,493,144	807,526	1,515,973	829,232
Transfer from reserve	-	504,631	-	504,631
Retained earnings as at the end of the financial year	19,610,034	18,116,890	19,660,558	18,144,585

19. Reserves

Asset revaluation reserve	166,301	193,057	166,301	193,057

The asset revaluation reserve records revaluations of non-current assets and investments. There has been a fair value decrease in investments during the year of $26,756 (2014: increase of $88,159).

20. Commitments for expenditure

(a) Operating leases of plant and equipment

The consolidated and parent entity have operating leases for premises, photocopiers, computers and motor vehicles.

Not longer than 1 year	473,450	485,958	473,450	485,958
Longer than 1 but not later than 5 Years	946,898	976,833	946,898	976,833
	1,420,348	1,462,791	1,420,348	1,462,791

21. Segment Reporting

The operations are limited to one operating activity (to provide services to raise the standards in the building industry by continually providing assistance to develop skills of members) and geographic segment (Australia).

22. Related Party Transactions

(i) Directors

The following people held office of Director during the year ended 30 June 2015.

Board of Management (Committee of Directors)

Davis, H (Resigned 25/11/14)	Moyle, D
Fasham, M	Picking, P
Ferrari, R (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Hansen, R (Appointed 25/11/14)	Raunik, L
Hawkey, I (Appointed 25/11/14)	Sanfilippo, J
Herkess, P (Resigned 25/11/14)	Zuccala, G

Council of Management (Directors)

Barber, L	McPherson, A
Basel, T	Morgan, N
Cameron, M	Moyle, D
Clemenger, M	Picking, P
Davis, H (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Fasham, M	Raunik, L Resigned 25/03/15)
Ferrari, R (Resigned 25/11/14)	Robinson, P (Appointed 25/11/14)
Gardiner, P	Salvatore, C
Hansen, R (Appointed 25/11/14)	Sanfilippo, J
Hawkey, I (Appointed 25/11/14)	Siegel, A
Herkess, P	Zuccala, G

	2015	2014
(ii) Remuneration of Directors		
Amounts received or due and receivable by Directors of Master Builders Association Of Victoria	$ Nil	$ Nil
Number of Directors whose remuneration was within the following bands:		
$ 0 - $ 9,999	22	23

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

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
22. Related Party Transactions (cont'd)				
(iii) Transactions				
Rental income from MBA Insurance Services Pty Ltd	144,492	92,254	144,492	92,254
Accounting Services provided to MBA Insurance Services Pty Ltd	72,756	72,750	72,756	72,750
Commissions received from MBA Insurance Services Pty Ltd	1,197,199	851,314	1,197,199	851,314
HR services provided to MBA Insurance Services Pty Ltd	-	13,333	-	13,333
23. Superannuation expense	842,745	778,028	607,153	603,602

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.

24. 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	3,918,500	2,394,152	3,762,963	2,184,678
Cash deposits	1,044,779	1,015,966	1,044,779	1,015,966
	4,963,279	3,410,118	4,807,742	3,200,644

24. Notes to the statement of cash flows (cont'd)

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

	Consolidated Entity		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Operating profit after income tax	1,493,144	807,526	1,515,973	829,232
Gain on sale of fixed assets	(10,455)	-	(10,455)	-
Bad debt expense	36,823	12,000	34,823	12,000
Movement in doubtful debts	14,944	5,860	7,280	7,669
Depreciation	991,153	1,069,750	991,153	1,069,750
Amortisation	394,700	394,700	394,700	394,700
Amounts received from related parties	(425,700)	-	(425,700)	-
Impairment of intercompany loans	-	-	236,115	296,157
Changes in assets and liabilities				
(Increase)/decrease in assets:				
Trade and other receivables	(98,758)	186,561	(389,225)	126,519
Inventories	42,012	(12,612)	42,012	(12,612)
Other assets	76,647	180,041	81,948	163,699
(Decrease)/increase in liabilities				
Trade and other payables	730,684	(1,052,678)	809,270	(1,164,791)
Other liabilities	(73,678)	134,251	-	-
Provisions	167,190	(67,731)	104,749	(168,849)
Net cash provided by operating activities	3,338,706	1,657,668	3,392,643	1,553,474

(c) Financing Facilities

Master Builders Association of Victoria has a commercial bill facility for $2,371,055 as at 30 June 2015.

This commercial bill facility has been secured by the following:

Registered mortgage held by the Bank of Melbourne over commercial property located at 332 Albert St, East Melbourne, VIC 3002 and over commercial property located at 49-51 Brady Street, South Melbourne, VIC 3205. The amounts secured by the securities include the sum of the total amount for all facilities listed in this facility.

(d) Non Cash Financing and Investing Activities

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

25. 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. An allowance 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 2.7% is earned on an average term of 45 days.
ii) **Financial Liabilities**			
Trade & other payables	14	Liabilities are recognised for amounts to be paid in the future for goods and services received.	10 years from drawdown date

(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 of cash held in term deposits.

An increase or decrease of 50 interest basis points would increase or decrease consolidated cash and profit by $4,467 or the parent entity cash and profit by $4,467.

(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.

25. Financial Instruments (cont'd)

(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 24(c) 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 tables detail 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.

Consolidated	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months – 1 year	1-5 years	Total
2015						
Non-interest bearing		3,541,294	1,045,759	1.871.001	356,734	6,814,788
Variable interest rate instruments	5.04%		1,589	4,782	127,312	133,683
Fixed interest rate instruments	6.59%		239,073	697,143	1,507,059	2,443,275
2014						
Non-interest bearing		2,809,105	1,175,581	1,755,005	480,792	6,220,483
Variable interest rate instruments	5.59%		26,042	78,126	1,399,407	1,503,575
Fixed interest rate instruments	6.59%		251,860	735,441	2,440,152	3,427,453

25. Financial Instruments (cont'd)

(d) Liquidity risk (cont'd)

Parent	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months – 1 year	1-5 years	Total
2015						
Non-interest bearing		3,218,800	1,011,522	1,836,652	356,734	6,423,709
Variable interest rate instruments	5.04%		1,589	4,782	127,312	133,683
Fixed interest rate instruments	6.59%		239,073	697,143	1,507,059	2,443,275
2014						
Non-interest bearing		2,378,060	1,113,557	1,713,559	480,792	5,685,968
Variable interest rate instruments	5.59%	-	26,042	78,126	1,399,407	1,503,575
Fixed interest rate instruments	6.59%	-	251,860	735,441	2,440,152	3,427,453

The following tables detail 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.

Consolidated	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months – 1 year	1-5 years	Total
2015						
Non-interest bearing		829,668	1,382,548	246,749	-	2,458,964
Variable interest rate instruments	0.36%	3,918,499	-	-	-	3,918,499
Fixed interest rate instruments	2.73%	-	524,769	525,959	-	1,050,729
2014						
Non-interest bearing		746,160	1,400,619	76,228	-	2,223,008
Variable interest rate instruments	1.1%	2,396,663	-	-	-	2,396,663
Fixed interest rate instruments	3.%	-	509,261	510,528	-	1,019,788

25. Financial Instruments (cont'd)

(d) Liquidity risk (cont'd)

Parent	Weighted Average Effective Interest Rate	Less than 1 month	1 - 3 months	3 months – 1 year	1-5 years	Total
2015						
Non-interest bearing		517,709	1,055,475	240,336	-	1,813,520
Variable interest rate instruments	0.36%	3,762,963	-	-	-	3,762,963
Fixed interest rate instruments	2.73%	-	524,769	525,959	-	1,050,729
2014						
Non-interest bearing		409,517	1,052,440	69,401	-	1,531,358
Variable interest rate instruments	1.1%	2,187,189	-	-	-	2,187,189
Fixed interest rate instruments	3%	-	509,261	510,528	-	1,019,788

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The Group has access to financing facilities as described in note 24 (c) above. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(e) Fair Value

Assets and liabilities, fair values approximates their carrying value. No financial assets and financial liabilities are readily traded on organized markets in a standardized 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 maximizing the return to stakeholders through the optimisation of the debt and equity balance. The economic entity's overall strategy remains unchanged from 2014. The economic entity is not exposed to any externally imposed capital requirements.

25. Financial Instruments (cont'd)

(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. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

(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.

26. Controlled Entities

	Country of Incorporation	Percentage Owned (%) 2015	2014
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%
MBA Training Services Pty Ltd	Australia	100%	100%
Related Companies:			
MBA Insurance Services Pty Ltd	Australia	17.5%	17.5%

27. Key Management Personnel Compensation

	Consolidated Entity 2015 $	Consolidated Entity 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Short-term employee benefits	1,002,125	1,405,297	903,702	1,330,973
Post-employment benefits	-	-	-	-
	1,002,125	1,405,297	903,702	1,330,973

28. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year.

Master Builders Association of Victoria

S268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Peter Picking 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 for the Master Builders Association of Victoria for the period ended 30 June 2015 referred to in S268 Fair Work (Registered Organisations) Act 2009; and
- that the concise report was provided to members of the Master Builders Association of Victoria on 26 October 2015; and
- that the full report was presented to a general meeting of members of the reporting unit on 24 November 2015 in accordance with S266 Fair Work (Registered Organisations) Act 2009.

I, Peter Picking 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: P Picking

Name: Peter Picking

Title: President

Date: 3/12/2015

Master Builders Association of Victoria

ACN 004 255 654

(A Company Limited By Guarantee)

2014/2015 Concise Report for presentation to the Annual General Meeting of Members

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

THE CONCISE FINANCIAL REPORT IS DERIVED FROM THE FULL REPORT AND CANNOT BE EXPECTED TO PROVIDE AS FULL AN UNDERSTANDING OF THE FINANCIAL PERFORMANCE, FINANCIAL POSITION AND FINANCIAL AND INVESTING ACTIVIITES OF THE REPORTING UNIT AS THE FULL REPORT.

Master Builders

ASSOCIATION

Concise financial report for the financial year ended 30 June 2015

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 2015.

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 $1,493,144 (2014: surplus $807,526). The company is exempt from paying income tax.

Review of Operations

The result for the year is considered satisfactory given the difficult economic conditions in the construction sector. Some of the highlights are as follows:

- Continued improvement in the performance of the Building Leadership Simulation Centre (BLSC).
- The continued growth of MBA Insurance Services.
- Membership retention of 89.09% is highest since records began in 2005/2006.
- Strong growth in revenues of the Training operations.

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 CEO.

(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
  - (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.

Council of Management operating report (cont'd)

Rights of members to resign (cont'd)

(4) A notice delivered to the CEO 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;

- A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- 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 June2015: 8,684 (2014: 8,266)

(2) Employees of the reporting unit as at 30 June 2015: 109.1 equivalent full time staff (2014: 110.7 equivalent full time staff).

(3) Members of the Council of Management during or since the financial year ended 30 June 2015:

Barber, L	Ferrari, R (Resigned 25/11/14)
Basel, T	Gardiner, P
Cameron, M	Hansen, R (Appointed 25/11/14)
Clemenger, M	Hawkey, I (Appointed 25/11/14)
Davis, H (Resigned 25/11/14)	Herkess, P (Resigned 25/11/14)
Fasham, M	McPherson, A
Morgan, N	Robinson, P (Appointed 25/11/14)
Moyle, D	Salvatore, C
Picking, P	Sanfilippo, J
Pye, D (Appointed 25/11/14)	Siegel, A
Raunik, L (Resigned 25/03/15)	Zuccala, G (Resigned 25/11/14)

Council of Management operating report (cont'd)

For and on behalf of Council of Management

Richard Hansen
Treasurer

15 September 2015

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 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Board of Management (Committee of Directors)

Davis, H (Resigned 25/11/14)	Moyle, D
Fasham, M	Picking, P
Ferrari, R (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Hansen, R (Appointed 25/11/14	Raunik, L (Resigned 25/03/15)
Hawkey, I (Appointed 25/11/14	Sanfilippo, J
Herkess, P (Resigned 25/11/14)	Zuccala, G (Resigned 25/11/14)

Council of Management (Directors)

Barber, L	McPherson, A
Basel, T	Morgan, N
Cameron, M	Moyle, D
Clemenger, M	Picking, P
Davis, H (Resigned 25/11/14)	Pye, D (Appointed 25/11/14)
Fasham, M	Raunik, L (Resigned 25/03/15)
Ferrari, R (Resigned 25/11/14)	Robinson, P (Appointed 25/11/14))
Gardiner, P	Salvatore, C
Hansen, R (Appointed 25/11/14)	Sanfilippo, J
Hawkey, I (Appointed 25/11/14)	Siegel, A
Herkess, P (Resigned 25/11/14)	Zuccala, G (Resigned 25/11/14)

Principal Activities

The principal activity of the Association was to provide a range of services to members in the building and construction industry.

Financial Results

The consolidated surplus from operating activities for the year was $1,493,144 (2014: surplus $807,526). The company is exempt from paying income tax.

Directors' report (cont'd)

Review of Operations

The result for the year is considered strong given the difficult economic conditions in some sectors of the construction industry. Some of the highlights are as follows:

- Continued improvement in the performance of the Building Leadership Simulation Centre (BLSC).
- The continued growth of MBA Insurance Services.
- Membership retention of 89.09% is highest since records began in 2005/2006.
- Strong growth in revenues of the Training operations.

The Association is well placed to meet any future challenges.

The key objective of the Association is to be the leaders of our industry by representing employers' interests through the provision of superior products and services and the motivation of our staff to achieve a high standard of performance.

In the short term, these objectives are as follows:

- Continue to develop our membership base through the provision of new and innovative products and services that are leading edge.
- Building stronger connections with stakeholders, governments, unions and industry consumers.
- Continue to strengthen the viability of the Association.

Longer term objectives to be considered include:

- Strengthening our appeal to the new generation of customers through social media.
- Maintaining and developing customer centric business systems and processors.
- Identifying and responding to new market opportunities and new customers.

The Council of Management has approved the Business Plan 2015/16 which outlines the key strategies to be implemented over the coming years which will ensure the Association meets its key objectives.

These strategies include:

- Increasing advocacy for plans that will strengthen our industry and generate jobs and investment.
- Offering exceptional, innovative and valued products and services to the industry.
- Maintaining a strong brand position.
- Being an employer of choice

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.

Directors' report (cont'd)

Dividends

The company is a public company limited by guarantee. The company does not have 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 with the exception of the establishment of the Building Leadership Simulation Centre in South Melbourne.

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.

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 $2,320 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.

Directors' report (cont'd)

Indemnifying Officer or Auditor (cont'd)

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 were held.

Name:	Barber	Lindsay
Age:		53
Qualifications:		Director
Council Meetings Attended:		2
Name:	Basel	Tom
Age:		47
Qualifications:		Director
Council Meetings Attended:		2
Name:	Cameron	Michael
Age:		38
Qualifications:		Director
Council Meetings Attended:		4
Name:	Clemenger	Michael
Age:		40
Qualifications:		Director
Council Meetings Attended:		4
Name:	Davis	Hedley
Age:		60
Qualifications:		Director
Council Meetings Attended:		3
(Resigned 25/11/14)		
Name:	Fasham	Melanie
Age:		42
Qualifications:		Director
Council Meetings Attended:		4
Name:	Ferrari	Robert
Age:		50
Qualifications:		Director
Council Meetings Attended:		2
(Resigned 25/11/14)		

Directors' report (cont'd)

Information on Directors (cont'd)

Name:	Gardiner	Paul
Age:		53
Qualifications:		Director
Council Meetings Attended:		4
Name:	Hansen	Richard
Age:		43
Qualifications:		Director
Council Meetings Attended:		4
(Appointed 25/11/14)		
Name:	Hawkey	Ian
Age:		62
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		
Name:	Herkess	Philip
Age:		57
Qualifications:		Director
Council Meetings Attended:		0
(Resigned 25/11/14)		
Name:	McPherson	Andrew
Age:		53
Qualifications:		Director
Council Meetings Attended:		3
Name:	Morgan	Nicholas
Age:		49
Qualifications:		Director
Council Meetings Attended:		4
Name:	Moyle	David
Age:		32
Qualifications:		Director
Council Meetings Attended:		3
Name:	Picking	Peter
Age:		59
Qualifications:		Director
Council Meetings Attended:		4
Name:	Pye	Darren
Age:		43
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		

Directors' report (cont'd)

Information on Directors (cont'd)

Name:	Raunik	Lou
Age:		54
Qualifications:		Director
Council Meetings Attended:		2
(Resigned 25/03/15)		
Name:	Robinson	Phillip
Age:		68
Qualifications:		Director
Council Meetings Attended:		2
(Appointed 25/11/14)		
Name:	Salvatore	Claude
Age:		49
Qualifications:		Director
Council Meetings Attended:		4
Name:	Sanfilippo	Jarrod
Age:		37
Qualifications:		Director
Council Meetings Attended:		4
Name:	Siegel	Adam
Age:		41
Qualifications:		Director
Council Meetings Attended:		2
Name:	Zuccala	Greg
Age:		60
Qualifications:		Director
Council Meetings Attended:		3
(Resigned 25/11/14)		

Information on company secretary

Name:	de Silva	Radley
Age:		61
Qualifications:		CEO
Council Meetings Attended:		4

Directors' report (cont'd)

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.

Membership

The Master Builders Association of Victoria is a public company, limited by guarantee, incorporated and operating in Victoria, Australia. The guarantee will not exceed $2 per member and at 30 June 2015 there were 8,684 members (2014: 8,266).

Auditor's Independence Declaration

The auditor's independence declaration is included on page 11of 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

Peter Picking
Director

Richard Hansen
Director

East Melbourne, 15 September 2015

Statement by Council of Management

On 15 September 2015 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 2015.

The Board of Management declares in relation to the General Purpose Financial Report 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 General Purpose Financial Report 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 to the Fair Work (Registered Organisation) Act 2009 and the Fair Work (Registered Organisation) Regulations, 2009; 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 to the Fair Work (Registered Organisation) Act 2009 has been furnished to the member or Registrar; and

(vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule to the Fair Work (Registered Organisation) Act 2009.

Statement by Council of Management (cont'd)

For Board of Management: Richard Hansen

Title of Office held: Treasurer

Signature:

Date: 15 September 2015

Deloitte

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Melbourne VIC 3000
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The Board of Directors
Master Builders Association of Victoria
332 Albert Street
EAST MELBOURNE, VIC 3002

15 September 2015

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 2015, 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

Deloitte Touche Tohmatsu

Robert DD Collie
Partner
Chartered Accountants

Deloitte

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

We have audited the accompanying concise financial report of The Master Builders Association of Victoria which comprises the statement of financial position as at 30 June 2015, the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the audited financial report of the Master Builders Association of Victoria for the year ended 30 June 2015, the statement by council of management and the discussion and analysis as set out on pages 9 to 10 and 15 to 25. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of The Master Builders Association of Victoria for the year ended 30 June 2015. We expressed an unmodified audit opinion on that financial report in our report dated 15 September 2015. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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.

Deloitte

Auditor's Responsibility (cont'd)

Our procedures 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 audit 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 complies with Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Master Builders Association of Victoria would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the concise financial report, including discussion and analysis, of Master Builders Association of Victoria for the year ended 30 June 2015 complies with Accounting Standard AASB 1039 *Concise Financial Reports.*

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert DD Collie
Partner
Chartered Accountants
Melbourne, 15 September 2015

Declaration by members of the Board

The directors declare that:

(a) in the directors' opinion, the attached financial statements and note thereto comply with Accounting Standard 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

Peter Picking	**Richard Hansen**
Director	**Director**

East Melbourne, September 2015

Statements of profit or loss and other comprehensive income for the year ended 30 June 2015

		Consolidated Entity		Parent Entity	
		2015	2014	2015	2014
	Notes	$	$	$	$
Revenue	4	22,558,580	21,933,244	18,878,471	19,208,507
Employee benefits expenses		(11,296,744)	(10,721,317)	(8,384,438)	(8,538,617)
Depreciation expense		(991,153)	(1,069,750)	(991,153)	(1,069,750)
Amortisation expenses		(394,700)	(394,700)	(394,700)	(394,700)
Premises expenses		(688,631)	(703,945)	(295,659)	(664,231)
Travel, accommodation & motor vehicles		(728,047)	(781,755)	(453,958)	(679,380)
Telephone & postage		(382,571)	(594,343)	(300,596)	(409,170)
Administration expenses		(4,840,018)	(5,381,453)	(5,071,420)	(4,854,879)
Cost of goods sold-document sales		(818,660)	(590,469)	(512,178)	(590,469)
Finance costs		(232,291)	(338,283)	(36,901)	(336,744)
Impairment expense		-	-	(236,115)	(296,158)
Promotional activity expenses		(692,621)	(549,703)	(685,380)	(545,177)
Profit before tax		1,493,144	807,526	1,515,973	829,232
Income tax expense		-	-	-	-
Profit for the year		1,493,144	807,526	1,515,973	829,232
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement in value of available for sale investments		(26,756)	88,159	(26,756)	88,159
Total comprehensive income for the year		1,466,388	895,685	1,489,217	917,391

Notes to the financial statements are included on pages 21 to 25.

Statements of financial position at 30 June 2015

	Notes	Consolidated Entity 2015 $	Consolidated Entity Restated 2014 $	Parent Entity 2015 $	Parent Entity Restated 2014 $
Current assets					
Cash and cash equivalents		3,918,500	2,394,152	3,762,963	2,184,678
Trade and other receivables		2,690,527	2,643,536	2,110,199	1,999,192
Other financial assets		1,044,779	1,015,966	1,044,779	1,015,966
Inventories		204,333	246,345	204,333	246,345
Other assets		268,961	345,608	261,132	343,080
Total current assets		8,127,100	6,645,607	7,383,406	5,789,261
Non-current assets					
Property, plant and equipment		18,487,760	19,304,247	18,487,760	19,304,247
Intangible assets		2,762,900	3,157,600	2,762,900	3,157,600
Other financial assets		1,138,862	1,668,584	1,138,866	1,668,588
Total non-current assets		22,389,522	24,130,431	22,389,526	24,130,435
Total assets		30,516,622	30,776,038	29,772,932	29,919,696
Current liabilities					
Trade and other payables		3,688,237	3,036,855	3,259,361	2,589,970
Other liabilities		3,143,483	3,137,852	3,143,483	3,003,601
Borrowings		820,000	820,000	820,000	820,000
Provisions		1,454,654	1,228,344	1,089,312	1,002,671
Total current liabilities		9,106,367	8,223,051	8,312,153	7,416,242
Non-current liabilities					
Borrowings		1,551,055	4,101,055	1,551,055	4,101,055
Provisions		82,865	141,985	82,865	64,757
Total non-current liabilities		1,633,920	4,243,040	1,633,920	4,165,812
Total liabilities		10,740,287	12,466,091	9,946,073	11,582,054
Net assets		19,776,335	18,309,947	19,826,859	18,337,642
Equity					
Retained earnings		19,610,034	18,116,890	19,660,558	18,144,585
Reserves		166,301	193,057	166,301	193,057
Total equity		19,776,335	18,309,947	19,826,859	18,337,642

Notes to the financial statements are included on pages 21 to 25.

Statements of changes in equity for the year ended 30 June 2015

Consolidated entity

	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2013	16,571,400	609,529	17,180,929
Adjustment	233,333	-	233,333
Restated balance at 1 July 2013	16,804,733	609,529	17,414,262
Balance at 1 July 2013	16,804,733	609,529	17,414,262
Surplus for the year	807,526	-	807,526
Other comprehensive income	-	88,159	88,159
Total comprehensive income for the year	807,526	88,159	895,685
Transfer from reserve	504,631	(504,631)	-
Balance at 30 June 2014	18,116,890	193,057	18,309,947
Balance at 1 July 2014	18,116,890	193,057	18,309,947
Surplus for the year	1,493,144	-	1,493,144
Other comprehensive loss	-	(26,756)	(26,756)
Total comprehensive income/(loss) for the year	1,493,144	(26,756)	1,466,388
Balance at 30 June 2015	19,610,034	166,301	19,776,335

Notes to the financial statements are included on pages 21 to 25.

Statements of changes in equity for the year ended 30 June 2015

Parent entity

	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1 July 2013	16,577,389	609,529	17,186,918
Adjustment	233,333	-	233,333
Restated balance at 1 July 2013	16,810,722	609,529	17,420,251
Balance at 1 July 2013	16,810,722	609,529	17,420,251
Surplus for the year	829,232	-	829,232
Other comprehensive income	-	88,159	88,159
Total comprehensive income for the year	829,232	88,159	917,391
Transfer from reserve	504,631	(504,631)	-
Balance at 30 June 2014	18,144,585	193,057	18,337,642
Balance at 1 July 2014	18,144,585	193,057	18,337,642
Surplus for the year	1,515,973	-	1,515,973
Other comprehensive loss	-	(26,756)	(26,756)
Total comprehensive income/(loss) for the year	1,515,973	(26,756)	1,489,217
Balance at 30 June 2015	19,660,558	166,301	19,826,859

Notes to the financial statements are included on pages 21 to 25.

Statements of cash flows for the year ended 30 June 2015

	Notes	Consolidated Entity 2015 $	Consolidated Entity 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Cash flows from operating activities					
Receipts from members		5,909,244	6,268,883	5,675,645	6,192,499
Receipts from other activities		16,067,959	16,132,463	11,985,770	12,993,727
Payments to suppliers and employees		(18,455,639)	(20,438,146)	(14,279,795)	(17,608,507)
Interest and finance costs paid		(232,291)	(338,283)	(36,901)	(336,744)
Interest received		49,433	32,751	47,924	312,499
Net cash provided by operating activities		3,338,706	1,657,668	3,392,643	1,553,474
Cash flows from investing activities					
Net proceeds from/(payments for) investments		502,966	(15,223)	502,966	(15,223)
Proceeds from sale of property, plant and equipment		19,729	-	19,729	-
Payments for property, plant and equipment		(183,940)	(82,164)	(183,940)	(82,164)
Amounts received from related parties		425,700	-	425,700	-
Net cash provided by/(used in) investing activities		764,455	(97,387)	764,455	(97,387)
Cash flows from financing activities					
Repayment of borrowings		(2,550,000)	(820,000)	(2,550,000)	(820,000)
Net cash used in financing activities		(2,550,000)	(820,000)	(2,550,000)	(820,000)
Net increase in cash and cash equivalents		1,553,161	740,281	1,607,098	636,087
Cash and cash equivalents at the beginning of the financial year		3,410,118	2,669,837	3,200,644	2,564,557
Cash and cash equivalents at the end of the financial year		4,963,279	3,410,118	4,807,742	3,200,644

Notes to the financial statements are included on pages 21 to 25.

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 2015 financial report of the Master Builders Association of Victoria.

Statement of comprehensive income
The consolidated operating surplus for the year is $1,493,144 a $685,618 increase from the year ended 30 June 2014.

A key factor to this result access to a new source of funding from the Victorian government for thr training operations. The Victorian Training Guarantee (VTG)..

Statement of financial position
Total consolidated assets have decreased by $259,416 (2014: decreased by $910,473). The decrease was due to normal depreciation and amortisation of Property, Plant & Equipment and Intangible Assets somewhat offset by an increase in cash at hand.

Consolidated liabilities decreased by $1,725,804 (2014: decreased by $1,806,158) due to the reduction in borrowings.

Statement of cash flows
Due to inflow from cash generated from operating activities of $3,338,706 (2014: $1,657,668), there was a total net cash inflow of $1,553,161 (2014: $740,281) for the year. This was applied to the repayment of long term borrowings and purchase of fixed assets.

Changes in Equity
Retained earnings increased due to the operating surplus. Reserves decreased due to the reduced level of unrealised profit in the value of shares held at year end.

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.

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 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

Standards affecting presentation and disclosure

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's consolidated financial statements.
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'. The application of these amendments does not have any material impact on the disclosures in the Group's consolidated financial statements.

2. Adoption of new and revised Accounting Standards (cont'd)

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements (cont'd)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- the property meets the definition of investment property in terms of AASB 140; and
- the transaction meets the definition of a business combination under AASB 3.
- The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements

2. Adoption of new and revised Accounting Standards (cont'd)

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements (cont'd)

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

2.2 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
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

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	
	2015	2014	2015	2014
	$	$	$	$
4. Revenue				
Operating activities				
Membership fees	5,982,922	5,902,281	5,982,922	5,902,281
Insurance commission	1,232,464	885,899	1,232,464	885,899
Sale of documents	1,157,126	1,234,646	1,157,126	1,234,646
Sundry income	2,461,063	2,868,460	2,948,263	2,929,960
Rental income	260,539	94,957	260,539	608,497
Planning and building services	3,567,738	3,280,878	-	-
Training division	7,685,294	7,566,772	7,087,232	7,180,091
Commercial income	162,001	66,600	162,001	154,634
	22,509,147	21,900,493	18,830,547	18,896,008
Non-operating activities				
Interest received	49,433	32,751	47,924	312,499
Total revenue	22,558,580	21,933,244	18,878,471	19,208,507

5. Segment reporting

The operations are limited to one operating activity (to provide services to raise the standards in the building industry by continually providing assistance to develop skills of members) and geographic segment (Australia.

6. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year.

7. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 15 September 2015.

FairWork Commission

25 August 2015

Mr Peter Picking
President
Master Builders' Association of Victoria
Sent via email: mbassist@mbav.com.au

Dear Mr Picking,

Re: Lodgement of Financial Report - [FR2015/122]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Master Builders' Association of Victoria (the reporting unit) ended on 30 June 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 January 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at sample documents.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $51,000 for a body corporate and $10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		As soon as practicable after end of financial year
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /	*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,* *or* *(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*
Present full report to: (a) General Meeting of Members - s266 (1),(2); OR	/ /	*Within 6 months of end of financial year*
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	*Within 6 months of end of financial year*
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	*Within 14 days of meeting*

* *the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.*

\# *The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.*

++ *The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.*