



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2002/839-[122N]**

Mr B Tompson  
Secretary  
Master Painters Australia - N.S.W. Association Inc.  
PO Box 383  
MORTDALE NSW 2223

Dear Mr Tompson

**Re: Master Painters Australia - N.S.W. Association Inc.  
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

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

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

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna  
E-mail: [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au)

17 February 2003



## AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Our ref: FR2002/839

Mr B Tompson  
Secretary  
Master Painters Australia - NSW Assoc Inc  
PO Box 383  
MORTDALE NSW 2223

Dear Mr Tompson

**Re: Master Painters Australia - NSW Assoc Inc**  
**Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgement in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2002.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgement of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice **by Monday 17 November 2003** as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgement of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you wish to discuss this letter please contact me on (02) 8374 6618.

Yours sincerely

Belinda Penna  
for Deputy Industrial Registrar

31 October 2003

## STATUTORY DECLARATION



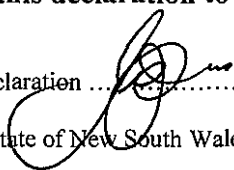
I, Brian Tompson, Secretary, Master Painters Australia NSW Association Incorporated,

Of 68 Parramatta Road, Homebush,

**do solemnly and sincerely declare**

that, in accordance with section 280(1), the year ended 31 December 2002 financial statements accompanying this declaration are copies of the account statements and auditor's report first tabled at a meeting of the Association's Council of Management (the "first meeting") on 18 June 2003 and that a resolution was passed unanimously at that meeting that copies of those account statements and auditor's report be forwarded to all members. That resolution was implemented on 27 July 2003 when copies of the account statements and audit report were mailed to all members of the Association with a Notice of Special Meeting to be held on 17 September 2003, at which the principal item of business was to be the presentation and acceptance of the accounts. That Special General Meeting (the "second meeting") was duly convened on 17 September 2003, and all members present at the meeting voted unanimously that the account statements and auditor's report for the year ended 31 December 2002 be accepted.


**And I make this declaration by virtue of the Statutory Declarations Act 1959, and subject to the penalties provided by that Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.**

Signature of person making declaration ..... 

Declared at Homebush, in the state of New South Wales, this nineteenth day of November, 2003

Before me (name of person before whom this declaration is made)

..... KATE TOMPSON

Signature of person before whom this declaration is made ..... 

Title of person before whom this declaration is made ..... A JUSTICE OF THE PEACE



**MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

## TABLE OF CONTENTS

|  |         |
|--|---------|
| Committee's Report .....                 | 1       |
| Financial Report                         |         |
| Statement of Financial Performance ..... | 3       |
| Statement of Financial Position .....    | 4       |
| Statement of Cash Flows .....            | 5       |
| Notes to the Financial Statements .....  | 6 - 15  |
| Accounting Officers Certificate .....    | 16      |
| Certificate by Member of Committee ..... | 17      |
| Independent Audit Report .....           | 18      |
| Additional Information .....             | 19 - 21 |

# **Master Painters Australia NSW Association Inc.**

## **Committee's Report**

Your committee members submit the financial report of the Master Painters Australia NSW Association Inc. for the financial year ended 31 December 2002.

### **Committee Members**

The names of committee members throughout the financial year and at the date of this report are:

Peter Wilkins - President

Max Henderson - Treasurer

Brian Thompson - Secretary

Peter Dukino

David Penlington

Don Gray

Ken McEnallay

Kim Player

Michael Peters

Roger Toni

Stan Klimczyk (appointed 19th March 2003)

Mark Farlow (appointed 19th March 2003)

Tony Isgrove (appointed 19th March 2003)

David James (appointed 19th March 2003)

Ian Turner (resigned 19th March 2003)

### **Principal Activities**

The principal activity of the association during the financial year was to provide services to the painting and decoration industry.

No significant change in the nature of these activities occurred during the year.

### **Significant Changes**

No significant change in the nature of these activities occurred during the year

### **Operating Result**

The profit from ordinary activities after providing for income tax amounted to \$40,588.

### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

**Master Painters Australia NSW Association Inc.**

**Committee's Report (cont'd)**

Signed in accordance with a resolution of the Members of the Committee:



Peter Wilkins - President



Max Henderson - Treasurer

Dated this 18<sup>th</sup> day of June 2003 .

# Master Painters Australia NSW Association Inc.

## Statement Of Financial Performance For the year ended 31 December 2002

|   | Notes | 2002<br>\$           | 2001<br>\$             |
|---|-------|----------------------|------------------------|
| Revenue from ordinary activities  | 2     | 508,029              | 543,611                |
| Meeting expenses  |       | (5,101)              | (10,089)               |
| Raw materials and consumables used  |       | (46,707)             | (46,424)               |
| Employee benefits expense   |       | (170,441)            | (188,893)              |
| Depreciation and amortisation expenses  | 3     | (12,235)             | (9,006)                |
| Training expenses   |       | (17,505)             | (24,534)               |
| Consultancy fees and grant expenses   |       | (4,187)              | (13,315)               |
| Office administration expenses  |       | (86,733)             | (111,900)              |
| Travelling expenses   |       | (25,731)             | (41,870)               |
| Advertising expenses  |       | (30,183)             | (21,421)               |
| Conference, seminar and event expenses  |       | (31,432)             | (50,137)               |
| Other expenses from ordinary activities   |       | <u>(37,186)</u>      | <u>(46,704)</u>        |
| <b>Profit from ordinary activities</b>  |       | <u><b>40,588</b></u> | <u><b>(20,682)</b></u> |
| Increase (decrease) in asset revaluation reserve  | 15    | <u>-</u>             | <u>187,026</u>         |
| <b>Total changes in equity other than those resulting from transactions with owners as owners</b> | 14    | <u><b>40,588</b></u> | <u><b>166,344</b></u>  |

The accompanying notes form part of these financial statements.



# Master Painters Australia NSW Association Inc.

## Statement Of Financial Position As at 31 December 2002

|                                      | Notes | 2002<br>\$     | 2001<br>\$     |
|--------------------------------------|-------|----------------|----------------|
| <b>CURRENT ASSETS</b>                |       |                |                |
| Cash assets                          | 4     | 664            | 2,536          |
| Receivables                          | 5     | 102,645        | 81,894         |
| Inventories                          | 6     | 13,533         | 18,686         |
| Other                                | 7     | <u>15,014</u>  | <u>14,737</u>  |
| <b>TOTAL CURRENT ASSETS</b>          |       | <u>131,856</u> | <u>117,853</u> |
| <b>NON-CURRENT ASSETS</b>            |       |                |                |
| Property, plant and equipment        | 8     | 672,113        | 681,237        |
| Intangible assets                    | 9     | <u>879</u>     | <u>879</u>     |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <u>672,992</u> | <u>682,116</u> |
| <b>TOTAL ASSETS</b>                  |       | <u>804,848</u> | <u>799,969</u> |
| <b>CURRENT LIABILITIES</b>           |       |                |                |
| Payables                             | 10    | 10,302         | -              |
| Interest-bearing liabilities         | 11    | 10,307         | 10,864         |
| Provisions                           | 12    | -              | 6,297          |
| Other                                | 13    | <u>108,594</u> | <u>141,677</u> |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <u>129,203</u> | <u>158,838</u> |
| <b>NON-CURRENT LIABILITIES</b>       |       |                |                |
| Interest-bearing liabilities         | 11    | <u>10,221</u>  | <u>16,295</u>  |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <u>10,221</u>  | <u>16,295</u>  |
| <b>TOTAL LIABILITIES</b>             |       | <u>139,424</u> | <u>175,133</u> |
| <b>NET ASSETS</b>                    |       | <u>665,424</u> | <u>624,836</u> |
| <b>EQUITY</b>                        |       |                |                |
| Reserves                             | 15    | 187,026        | 187,026        |
| Retained profits                     | 16    | <u>478,398</u> | <u>437,810</u> |
| <b>TOTAL EQUITY</b>                  | 14    | <u>665,424</u> | <u>624,836</u> |

The accompanying notes form part of these financial statements.

# Master Painters Australia NSW Association Inc.

## Statement Of Cash Flows

For the year ended 31 December 2002

|   | Notes  | 2002<br>\$            | 2001<br>\$            |
|---|--------|-----------------------|-----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |        |                       |                       |
| Receipts from members                               |        | 275,877               | 258,212               |
| Receipts from customers                             |        | 248,460               | 256,542               |
| Payments to suppliers and employees                 |        | (526,705)             | (575,754)             |
| Interest received                                   |        | <u>1,370</u>          | <u>2,261</u>          |
| Net cash used in operating activities               | 20 (b) | <u>(998)</u>          | <u>(58,739)</u>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>          |        |                       |                       |
| Payment for property, plant and equipment           |        | <u>(3,111)</u>        | <u>(4,266)</u>        |
| Net cash used in investing activities               |        | <u>(3,111)</u>        | <u>(4,266)</u>        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          |        |                       |                       |
| Proceeds from borrowings                            |        | 8,868                 | -                     |
| Repayment of borrowings                             |        | <u>(5,868)</u>        | <u>(4,953)</u>        |
| Net cash provided by/(used in) financing activities |        | <u>3,000</u>          | <u>(4,953)</u>        |
| Net decrease in cash held                           |        | (1,109)               | (67,958)              |
| Cash at beginning of financial year                 |        | <u>(2,460)</u>        | <u>65,498</u>         |
| Cash at end of financial year                       | 20 (a) | <u><u>(3,569)</u></u> | <u><u>(2,460)</u></u> |

The accompanying notes form part of these financial statements.

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of New South Wales.

The financial report is for the entity Master Painters Australia NSW Association Inc. as an individual entity. Master Painters Australia NSW Association Inc. is an association incorporated in New South Wales under the Associations Incorporations Act 1984.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

#### (c) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### *Plant and Equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Freehold land and buildings are brought to account at cost or at independent or directors' valuation.

##### *Depreciation*

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of fixed asset | Depreciation rates | Depreciation basis |
|----------------------|--------------------|--------------------|
| Buildings            | 5 %                | Straight Line      |
| Motor Vehicles       | 22.5 %             | Diminishing Value  |
| Office Equipment     | 17-40 %            | Diminishing Value  |

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

# **Master Painters Australia NSW Association Inc.**

## **Notes to the Financial Statements For the year ended 31 December 2002**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **(d) Leases**

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

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

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

#### **(e) Employee Entitlements**

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

#### **(f) Cash**

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

#### **(g) Revenue**

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Revenue from grant income is recognised on the basis of entitlement to income.

Other revenue is recognised when the right to receive the revenue has been established.

#### **(h) Goods and Services Tax (GST)**

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

#### **(i) Comparative Figures**

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

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$     |
|---|------|----------------|----------------|
| <b>NOTE 2: REVENUE</b>  |      |                |                |
| <b>Operating activities</b>   |      |                |                |
| - sale of goods (net)   |      | 34,614         | 62,273         |
| - rendering of services   |      | 126,429        | 143,471        |
| - royalties   |      | 13,808         | 47,455         |
| - interest  | 2(a) | 1,370          | 2,261          |
| - rent  |      | 28,040         | 28,560         |
| - grant income  |      | 39,806         | -              |
| - member subscriptions  |      | 248,460        | 258,212        |
| - other revenue   |      | <u>15,502</u>  | <u>1,379</u>   |
|   |      | <u>508,029</u> | <u>543,611</u> |
| <br>(a) Interest from:  |      |                |                |
| - other persons   |      | <u>1,370</u>   | <u>2,261</u>   |
| <br><b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>                  |      |                |                |
| Profit (losses) from ordinary activities has been determined after: |      |                |                |
| (a) Expenses:   |      |                |                |
| Cost of sales   |      | 46,707         | 46,424         |
| Depreciation of non-current assets                                  |      |                |                |
| - Office Equipment  |      | <u>12,235</u>  | <u>9,006</u>   |
| Bad and doubtful debts:   |      |                |                |
| - other entities  |      | <u>3,914</u>   | <u>6,000</u>   |
| <br>Remuneration of the auditors for:                               |      |                |                |
| - audit or review services  |      | 5,250          | 6,000          |
| - other services  |      | 1,250          | -              |
| - prior year over accrual   |      | <u>(2,750)</u> | <u>-</u>       |
| <br><b>NOTE 4: CASH ASSETS</b>                                      |      |                |                |
| Cash on hand  |      | 400            | 400            |
| Cash at bank  |      | 61             | 1,933          |
| Deposits at call  |      | <u>203</u>     | <u>203</u>     |
|   |      | <u>664</u>     | <u>2,536</u>   |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|  | Note | 2002<br>\$      | 2001<br>\$      |
|--|------|-----------------|-----------------|
| <b>NOTE 5: RECEIVABLES</b>                   |      |                 |                 |
| <b>CURRENT</b>                               |      |                 |                 |
| Trade debtors                                |      | 60,294          | 79,026          |
| Less provision for doubtful debts            |      | <u>(1,744)</u>  | <u>(6,000)</u>  |
|  |      | <u>58,550</u>   | <u>73,026</u>   |
| Other debtors                                |      | 44,095          | -               |
| Amounts receivable from:                     |      |                 |                 |
| - controlled entities                        |      |                 |                 |
| - wholly owned entities                      |      | -               | 8,170           |
| - other related bodies corporate             |      | <u>-</u>        | <u>698</u>      |
|  |      | <u>44,095</u>   | <u>8,868</u>    |
|  |      | <u>102,645</u>  | <u>81,894</u>   |
| <b>NOTE 6: INVENTORIES</b>                   |      |                 |                 |
| <b>CURRENT</b>                               |      |                 |                 |
| Finished goods at cost                       |      | <u>13,533</u>   | <u>18,686</u>   |
| <b>NOTE 7: OTHER ASSETS</b>                  |      |                 |                 |
| <b>CURRENT</b>                               |      |                 |                 |
| Prepayments                                  |      | <u>15,014</u>   | <u>14,737</u>   |
| <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b> |      |                 |                 |
| <b>LAND</b>                                  |      |                 |                 |
| Land:  |      |                 |                 |
| At independent valuation as at 18/6/2001     |      | <u>400,000</u>  | <u>400,000</u>  |
| <b>BUILDINGS</b>                             |      |                 |                 |
| At independent valuation as at 18/6/2001     |      | 250,000         | 250,000         |
| Less accumulated depreciation                |      | <u>(5,000)</u>  | <u>-</u>        |
|  |      | <u>245,000</u>  | <u>250,000</u>  |
| (a) Motor vehicles                           |      |                 |                 |
| At cost                                      |      | 30,750          | 30,750          |
| Less accumulated depreciation                |      | <u>(15,165)</u> | <u>(10,641)</u> |
|  |      | <u>15,585</u>   | <u>20,109</u>   |
| (b) Office equipment                         |      |                 |                 |
| At cost                                      |      | 46,656          | 43,545          |
| Less accumulated depreciation                |      | <u>(35,128)</u> | <u>(32,417)</u> |
|  |      | <u>11,528</u>   | <u>11,128</u>   |
| Total plant and equipment                    |      | <u>27,113</u>   | <u>31,237</u>   |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|  | Note | 2002<br>\$     | 2001<br>\$     |
|--|------|----------------|----------------|
| <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)</b> |      |                |                |
| Total property, plant and equipment                      |      | <u>672,113</u> | <u>681,237</u> |

### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

|                                      | Land<br>\$     | Buildings<br>\$ | Motor<br>Vehicles<br>\$ | Office<br>Equipment<br>\$ | Total<br>\$    |
|--------------------------------------|----------------|-----------------|-------------------------|---------------------------|----------------|
| <b>2002</b>                          |                |                 |                         |                           |                |
| Balance at the beginning of the year | 400,000        | 250,000         | 20,109                  | 11,128                    | 681,237        |
| Additions                            | -              | -               | -                       | 3,111                     | 3,111          |
| Depreciation expense                 | -              | (5,000)         | (4,524)                 | (2,711)                   | (12,235)       |
| Carrying amount at end of year       | <u>400,000</u> | <u>245,000</u>  | <u>15,585</u>           | <u>11,528</u>             | <u>672,113</u> |

### NOTE 9: INTANGIBLE ASSETS

|                         |            |            |
|-------------------------|------------|------------|
| Formation costs at cost | <u>879</u> | <u>879</u> |
|-------------------------|------------|------------|

### NOTE 10: PAYABLES

#### CURRENT

#### Unsecured liabilities

|                 |               |          |
|-----------------|---------------|----------|
| Trade creditors | <u>10,302</u> | <u>-</u> |
|-----------------|---------------|----------|

### NOTE 11: INTEREST BEARING LIABILITIES

#### CURRENT

#### Unsecured liabilities

|                         |    |               |               |
|-------------------------|----|---------------|---------------|
| Bank overdrafts         |    | 4,233         | 4,996         |
| Hire purchase liability | 17 | <u>6,074</u>  | <u>5,868</u>  |
|                         |    | <u>10,307</u> | <u>10,864</u> |

#### NON-CURRENT

#### Unsecured liabilities

|                         |    |               |               |
|-------------------------|----|---------------|---------------|
| Hire purchase liability | 17 | <u>10,221</u> | <u>16,295</u> |
|-------------------------|----|---------------|---------------|

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|  | Note | 2002<br>\$     | 2001<br>\$      |
|--|------|----------------|-----------------|
| <b>NOTE 12: PROVISIONS</b>   |      |                |                 |
| <b>CURRENT</b>   |      |                |                 |
| Employee entitlements  | (a)  | <u>-</u>       | <u>6,297</u>    |
| (a) Aggregate employee entitlements liability                                |      | <u>-</u>       | <u>6,297</u>    |
| (b) Number of employees at year end  |      | <u>3</u>       | <u>4</u>        |
| <b>NOTE 13: OTHER LIABILITIES</b>  |      |                |                 |
| <b>CURRENT</b>   |      |                |                 |
| Accrued expenses   |      | 6,500          | 25,339          |
| Deferred income  |      | 75,063         | 101,121         |
| Other current liabilities  |      | <u>27,031</u>  | <u>15,217</u>   |
|  |      | <u>108,594</u> | <u>141,677</u>  |
| <b>NOTE 14: EQUITY</b>   |      |                |                 |
| Total equity at the beginning of the financial year                          |      | 624,836        | 458,492         |
| Total changes in equity recognised in the statement of financial performance |      | <u>40,588</u>  | <u>166,344</u>  |
| Total equity at the reporting date   |      | <u>665,424</u> | <u>624,836</u>  |
| <b>NOTE 15: RESERVES</b>   |      |                |                 |
| Asset revaluation reserve  | (a)  | <u>187,026</u> | <u>187,026</u>  |
| (a) Asset Revaluation Reserve  |      |                |                 |
| Movements during the financial year:   |      |                |                 |
| Opening balance  |      | 187,026        | -               |
| Revaluation increment on freehold land and buildings                         |      | <u>-</u>       | <u>187,026</u>  |
| Closing balance  |      | <u>187,026</u> | <u>187,026</u>  |
| The asset revaluation reserve records revaluations of non-current assets     |      |                |                 |
| <b>NOTE 16: RETAINED PROFITS</b>   |      |                |                 |
| Retained profits at the beginning of the financial year                      |      | 437,810        | 458,492         |
| Net profit (loss) attributable to members of the entity                      |      | <u>40,588</u>  | <u>(20,682)</u> |
| Retained profits at the end of the financial year                            |      | <u>478,398</u> | <u>437,810</u>  |



# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$     |
|---|------|----------------|----------------|
| <b>NOTE 17: CAPITAL AND LEASING COMMITMENTS</b>     |      |                |                |
| (a) Hire purchase commitments                       |      |                |                |
| Payable   |      |                |                |
| - not later than one year                           |      | 7,464          | 8,151          |
| - later than one year and not later than five years |      | <u>10,469</u>  | <u>18,048</u>  |
| Minimum hire purchase payments                      |      | 17,933         | 26,199         |
| Less future finance charges                         |      | <u>(1,638)</u> | <u>(4,036)</u> |
| Total hire purchase liability                       |      | <u>16,295</u>  | <u>22,163</u>  |
| Represented by:                                     |      |                |                |
| Current liability                                   | 11   | 6,074          | 5,868          |
| Non-current liability                               | 11   | <u>10,221</u>  | <u>16,295</u>  |
|   |      | <u>16,295</u>  | <u>22,163</u>  |

## NOTE 18: RELATED PARTY TRANSACTIONS

- (a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

Rent received from Master Painters Group Training Company Pty Ltd being an entity related to Max Henderson and Don Gray committee members of the Association was at normal commercial terms and conditions

|               |               |
|---------------|---------------|
| <u>28,640</u> | <u>28,560</u> |
| <u>28,640</u> | <u>28,560</u> |

## NOTE 19: SEGMENT REPORTING

The Association operates predominately in one business and geographical segment, being in the painting and decorating industry providing services to Members of the Association throughout New South Wales.

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$      |
|---|------|----------------|-----------------|
| <b>NOTE 20: CASH FLOW INFORMATION</b>   |      |                |                 |
| (a) Reconciliation of cash  |      |                |                 |
| Cash 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 on hand  |      | 400            | 400             |
| Cash at bank  |      | 61             | 1,933           |
| At call deposits with financial institutions  |      | 203            | 203             |
| Bank overdrafts   |      | <u>(4,233)</u> | <u>(4,996)</u>  |
|   |      | <u>(3,569)</u> | <u>(2,460)</u>  |
| (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax   |      |                |                 |
| Surplus (Deficit) from ordinary activities after income tax   |      | 40,588         | (20,682)        |
| Non-cash flows in profit from ordinary activities   |      |                |                 |
| Depreciation  |      | 12,235         | 9,006           |
| Changes in assets and liabilities   |      |                |                 |
| Increase in receivables   |      | (29,619)       | (34,768)        |
| Increase in other assets  |      | (277)          | -               |
| Decrease in inventories   |      | 5,153          | 1,922           |
| Decrease in payables  |      | (22,350)       | (13,083)        |
| Decrease in provisions  |      | <u>(6,728)</u> | <u>(1,134)</u>  |
| Cash flows from operations  |      | <u>(998)</u>   | <u>(58,739)</u> |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

### NOTE 21: FINANCIAL INSTRUMENTS

#### (a) Interest Rate Risk

The association'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 on classes of financial assets and financial liabilities, is as follows:

|                             | Weighted<br>Average        |           | Fixed Interest Rate Maturing |              |               |              |               |               |
|-----------------------------|----------------------------|-----------|------------------------------|--------------|---------------|--------------|---------------|---------------|
|                             | Effective Interest<br>Rate |           | Floating Interest Rate       |              | Within 1 Year |              | 1 to 5 Years  |               |
|                             | 2002<br>%                  | 2001<br>% | 2002<br>\$                   | 2001<br>\$   | 2002<br>\$    | 2001<br>\$   | 2002<br>\$    | 2001<br>\$    |
| Financial Assets:           |                            |           |                              |              |               |              |               |               |
| Cash                        | 2.50                       | 3.45      | <u>264</u>                   | <u>2,136</u> | <u>-</u>      | <u>-</u>     | <u>-</u>      | <u>-</u>      |
| Total Financial Assets      |                            |           | <u>264</u>                   | <u>2,136</u> | <u>-</u>      | <u>-</u>     | <u>-</u>      | <u>-</u>      |
| Financial Liabilities:      |                            |           |                              |              |               |              |               |               |
| Bank loans and overdrafts   | 9.00                       | 8.75      | 4,233                        | 4,996        | -             | -            | -             | -             |
| Hire purchase liabilities   | 10.20                      | 10.20     | <u>-</u>                     | <u>-</u>     | <u>6,074</u>  | <u>5,868</u> | <u>10,221</u> | <u>16,295</u> |
| Total Financial Liabilities |                            |           | <u>4,233</u>                 | <u>4,996</u> | <u>6,074</u>  | <u>5,868</u> | <u>10,221</u> | <u>16,295</u> |

#### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

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

### NOTE 22: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of the members is drawn to the provisions of Sub-sections (1), (2) and (3) of Section 274, which reads as follows:

- 274(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

- 274 (2) An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

- 274 (3) A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**Master Painters Australia NSW Association Inc.**

**Notes to the Financial Statements  
For the year ended 31 December 2002**

**NOTE 23: ASSOCIATION DETAILS**

The principal place of business of the association is:

Master Painters Australia NSW Association Inc.

68 Parramatta Road

Homebush NSW 2140

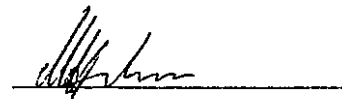
# Master Painters Australia NSW Association Inc.

## Accounting Officers Certificate

I, Max Henderson, being the accounting officer responsible for the preparation of the financial report and for keeping the accounting records of Master Painters Australia NSW Association Inc., certify that as at 31 December 2002, the number of members of the association was 744; and

In my opinion:

- i) the attached accounts as set out on pages 3 to 15 and 20 to 21 show a true and fair view of the financial affairs of the Association as at the end of the financial year;
- ii) a record has been kept of all the monies paid by, or collected from, members of the Association, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Association;
- iii) all the expenditure and loans to members, if any, were authorised in accordance with the rules of the Association;
- iv) where any payment was made out of a fund referred to in regulation 107 (b) (xiii) or (xv) for a purpose other than the purpose for which the fund was operated, it was approved in accordance with the rules of the Association;
- v) all loans or other financial benefits granted to persons holding office in the Association, if any, were authorised in accordance with the rules of the Association;
- vi) the register of members has been maintained in accordance with the Workplace Relations Act 1996;
- vii) Members and the registrar may apply for specified information relating to the organisation under section 274 of the Workplace Relations Act 1996.



Max Henderson

Dated this 18<sup>th</sup> day of June 2003 2003

## Master Painters Australia NSW Association Inc.

### Statement By Members Of The Committee

In the opinion of the committee:

1. The financial report as set out on pages 3 to 15:
  - a) presents fairly the financial position of Master Painters Australia NSW Association Inc. as at 31 December 2002 and its performance and cashflows for the financial year ended on that date in accordance with the Australian Accounting Standards, other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
  - b) at the date of this statement, there are reasonable grounds to believe that Master Painters Australia NSW Association Inc. will be able to pay its debts as and when they fall due;
2. At all times during the financial year ended 31 December 2002:
  - a) meetings of the committee of management were held in accordance with the rules of the association;
  - b) there have been no instances where records of the Association or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Workplace Relations Act 1996 ("the Act")), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished, or made available, to the members of the Association in accordance with the Act, the Workplace Relations Regulations 1996 or the rules of the Association, as the case may be.
3. In respect of the preceding financial year ended 31 December 2001, and in relation to any accounts or statements prepared in accordance with section 273(1) and 276 of the Act the Association has complied with subsection 279(1) of the Act and whichever of the subsections 279(6) and (7) of the Act is applicable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:



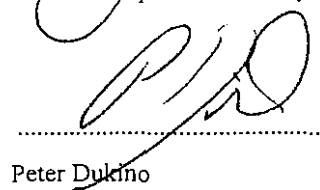
Peter Wilkins - President



Max Henderson - Treasurer



Brian Thompson - Secretary



Peter Dulcino

Dated this 18 day of June 2003

ABN 27 526 269 695

**Independent Audit Report  
To the members of  
Master Painters Australia NSW Association Inc.**

Level 3  
31 Market Street Sydney NSW 2000

(Correspondence to  
GPO Box 3356, Sydney NSW 2001)

Telephone (02) 9994 1000  
Facsimile (02) 9994 1001

DX 1322 Sydney

Internet: [www.bentleys.com.au](http://www.bentleys.com.au)

**Scope**

We have audited the financial report of Master Painters Australia NSW Association Inc. for the financial year ended 31 December 2002 as set out on pages 3 to 15. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, the Association Incorporation Act of New South Wales and the Workplace Relations Act 1996, ("The Act") so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion,

- (a) satisfactory accounting records have been kept by the Association so far as appears from our examination of these books, including:
  - (i) records of the sources and nature of income of the Association (including income from members); and
  - (ii) records of the nature and purpose of the expenditure of the Association.
- (b) the accounts and statements prepared under section 273 of the Act have been properly drawn up so as to give a true and fair view of:
  - (a) the financial affairs of the Association as at the end of the year;
  - (b) the income and expenditure, and any surplus or deficit, of the Association for the year.
- (c) We have obtained all of the information and explanations necessary for the purpose of our audit.

Bentleys MRI  
Sydney Partnership

W. E. Beauman  
Partner

Dated this       day of       2003  
Sydney

**Master Painters Australia NSW Association Inc.**

**Disclaimer to the members of  
Master Painters Australia NSW Association Inc.**

The additional financial data presented on pages 20 - 21 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the financial year ended 31 December 2002. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Master Painters Australia NSW Association Inc.) in respect of such data, including any errors of omissions therein however caused.

Bentleys MRI  
Sydney Partnership



# Master Painters Australia NSW Association Inc.

Private Information for the Committee of Management  
On the 2002 Financial Statements

Income And Expenditure Statement  
For the year ended 31 December 2002

|                                  | 2002<br>\$      | 2001<br>\$     |
|----------------------------------|-----------------|----------------|
| <b>INCOME</b>                    |                 |                |
| Sales income                     | <u>34,614</u>   | <u>62,273</u>  |
| <b>LESS COST OF GOODS SOLD</b>   |                 |                |
| Opening inventory                | 18,686          | 20,608         |
| Purchases                        | <u>41,554</u>   | <u>44,502</u>  |
|                                  | 60,240          | 65,110         |
| Less Closing inventory           | <u>13,533</u>   | <u>18,686</u>  |
| Total Cost of Goods Sold         | <u>46,707</u>   | <u>46,424</u>  |
| <b>GROSS PROFIT</b>              | <u>(12,093)</u> | <u>15,849</u>  |
| <b>LESS EXPENSES</b>             |                 |                |
| Accounting fees                  | 750             | 3,093          |
| Advertising                      | 30,183          | 21,421         |
| Audit fees                       | 3,000           | 6,000          |
| Bad debts                        | 3,914           | 6,000          |
| Bank charges                     | 6,864           | 7,909          |
| Cleaning                         | 6,370           | 6,220          |
| Commission paid                  | 5,625           | 5,756          |
| Computer expenses                | 5,016           | 3,814          |
| Consultancy fees                 | 4,187           | 13,315         |
| Delivery costs                   | 993             | 1,828          |
| Depreciation                     | 12,235          | 9,006          |
| Electricity                      | 2,960           | 3,243          |
| Filing fees                      | -               | 20             |
| Fringe benefits expense payments | 5,701           | 19,089         |
| Conference seminars and events   | 32,332          | 52,055         |
| General expenses                 | 2,187           | 1,015          |
| Hire purchase charges            | 2,217           | 2,572          |
| Provision for annual leave       | -               | 6,297          |
| Insurance                        | 4,034           | 4,640          |
| Legal costs                      | 410             | -              |
| Newsletter production            | 9,700           | 16,360         |
| Meeting expenses                 | 5,101           | 10,089         |
| Motor vehicle expenses           | 21,496          | 30,047         |
| Payroll processing costs         | -               | 2,299          |
| Postage                          | 15,522          | 18,696         |
| Printing & stationery            | 16,398          | 24,015         |
| Rates & taxes                    | 5,317           | 6,339          |
| Expenses carried forward         | <u>202,512</u>  | <u>281,138</u> |

These financial statements should be read in conjunction with the attached Disclaimer.

# Master Painters Australia NSW Association Inc.

## Private Information for the Committee of Management On the 2002 Financial Statements

### Income And Expenditure Statement For the year ended 31 December 2002

|  | 2002<br>\$           | 2001<br>\$             |
|--|----------------------|------------------------|
| Expenses brought forward                       | 202,512              | 281,138                |
| Repairs & maintenance                          | 3,531                | 2,270                  |
| Salaries & wages - general                     | 154,257              | 151,189                |
| Seminars and workshops                         | -                    | 4,357                  |
| Training course expenses                       | 17,505               | 14,976                 |
| Training office staff                          | -                    | 5,201                  |
| Subscriptions                                  | 5,797                | 11,487                 |
| Superannuation                                 | 10,482               | 10,019                 |
| Telephone                                      | 21,044               | 24,492                 |
| Travelling & entertainment                     | 4,235                | 11,823                 |
| Workers compensation insurance                 | <u>1,371</u>         | <u>917</u>             |
| <b>TOTAL EXPENSES</b>                          | <u>420,734</u>       | <u>517,869</u>         |
| <b>NET PROFIT/(LOSS)</b>                       | <u>(432,827)</u>     | <u>(502,020)</u>       |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b>     |                      |                        |
| Commission received                            | 30,850               | 31,043                 |
| Training courses                               | 25,753               | 24,993                 |
| Recoupment on services                         | 16,182               | 14,232                 |
| Conference seminar & events                    | 31,347               | 35,761                 |
| Advertising                                    | 22,297               | 36,316                 |
| Other professional income                      | -                    | 1,126                  |
| Interest Income                                | 1,370                | 2,261                  |
| Insurance recoveries                           | 1,458                | 1,019                  |
| Rental income                                  | 28,040               | 28,560                 |
| Sponsorships                                   | 13,808               | 47,455                 |
| Members subscriptions                          | 248,460              | 258,212                |
| Grant Income                                   | 39,806               | -                      |
| Other income                                   | <u>14,044</u>        | <u>360</u>             |
| <b>Total other operating income/(expenses)</b> | <u>473,415</u>       | <u>481,338</u>         |
| <b>OPERATING PROFIT/(LOSS)</b>                 | <u><u>40,588</u></u> | <u><u>(20,682)</u></u> |

These financial statements should be read in conjunction with the attached Disclaimer.



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Mr Brian Tompson  
Secretary  
Master Painters Australia NSW Association Inc  
PO Box S324  
HOMEBUSH SOUTH NSW 1240

Dear Mr Tompson

**Financial Return (FR2002/839)**

I refer to our phone discussion of 29 January 2004 in which I indicated that the auditor's report lodged with your organisation's financial statements is unsigned by the auditor and undated.

You indicated you hoped to be able to provide a signed copy shortly. As you can appreciate, this document is a significant part of the financial reporting process under the Workplace Relations Act 1996 and a final signed version should be lodged with the financial reports.

As soon as a signed and dated copy is received, your organisation's financial reporting obligations will be regarded as complete.

Yours sincerely

Peter McKerrow  
Assistant Manager, NSW Registry

11 February 2004



**MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

## TABLE OF CONTENTS

|  |         |
|--|---------|
| Committee's Report .....                 | 1       |
| Financial Report                         |         |
| Statement of Financial Performance ..... | 3       |
| Statement of Financial Position .....    | 4       |
| Statement of Cash Flows .....            | 5       |
| Notes to the Financial Statements .....  | 6 - 15  |
| Accounting Officers Certificate .....    | 16      |
| Certificate by Member of Committee ..... | 17      |
| Independent Audit Report .....           | 18      |
| Additional Information .....             | 19 - 21 |

# **Master Painters Australia NSW Association Inc.**

## **Committee's Report**

Your committee members submit the financial report of the Master Painters Australia NSW Association Inc. for the financial year ended 31 December 2002.

### **Committee Members**

The names of committee members throughout the financial year and at the date of this report are:

Peter Wilkins - President

Max Henderson - Treasurer

Brian Thompson - Secretary

Peter Dukino

David Penlington

Don Gray

Ken McEnallay

Kim Player

Michael Peters

Roger Toni

Stan Klimczyk (appointed 19th March 2003)

Mark Farlow (appointed 19th March 2003)

Tony Isgrove (appointed 19th March 2003)

David James (appointed 19th March 2003)

Ian Turner (resigned 19th March 2003)

### **Principal Activities**

The principal activity of the association during the financial year was to provide services to the painting and decoration industry.

No significant change in the nature of these activities occurred during the year.

### **Significant Changes**

No significant change in the nature of these activities occurred during the year

### **Operating Result**

The profit from ordinary activities after providing for income tax amounted to \$40,588.

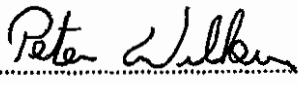
### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

**Master Painters Australia NSW Association Inc.**

**Committee's Report (cont'd)**

Signed in accordance with a resolution of the Members of the Committee:

  
.....  
Peter Wilkins - President

  
.....  
Max Henderson - Treasurer

Dated this 18 day of June 2003

# Master Painters Australia NSW Association Inc.

## Statement Of Financial Performance For the year ended 31 December 2002

|   | Notes | 2002<br>\$           | 2001<br>\$             |
|---|-------|----------------------|------------------------|
| Revenue from ordinary activities  | 2     | 508,029              | 543,611                |
| Meeting expenses  |       | (5,101)              | (10,089)               |
| Raw materials and consumables used  |       | (46,707)             | (46,424)               |
| Employee benefits expense   |       | (170,441)            | (188,893)              |
| Depreciation and amortisation expenses  | 3     | (12,235)             | (9,006)                |
| Training expenses   |       | (17,505)             | (24,534)               |
| Consultancy fees and grant expenses   |       | (4,187)              | (13,315)               |
| Office administration expenses  |       | (86,733)             | (111,900)              |
| Travelling expenses   |       | (25,731)             | (41,870)               |
| Advertising expenses  |       | (30,183)             | (21,421)               |
| Conference, seminar and event expenses  |       | (31,432)             | (50,137)               |
| Other expenses from ordinary activities   |       | <u>(37,186)</u>      | <u>(46,704)</u>        |
| <b>Profit from ordinary activities</b>  |       | <u><b>40,588</b></u> | <u><b>(20,682)</b></u> |
| Increase (decrease) in asset revaluation reserve  | 15    | <u>-</u>             | <u>187,026</u>         |
| <b>Total changes in equity other than those resulting from transactions with owners as owners</b> | 14    | <u><b>40,588</b></u> | <u><b>166,344</b></u>  |

The accompanying notes form part of these financial statements.



**Master Painters Australia NSW Association Inc.**

**Statement Of Financial Position  
As at 31 December 2002**

|                                      | Notes | 2002<br>\$            | 2001<br>\$            |
|--------------------------------------|-------|-----------------------|-----------------------|
| <b>CURRENT ASSETS</b>                |       |                       |                       |
| Cash assets                          | 4     | 664                   | 2,536                 |
| Receivables                          | 5     | 102,645               | 81,894                |
| Inventories                          | 6     | 13,533                | 18,686                |
| Other                                | 7     | <u>15,014</u>         | <u>14,737</u>         |
| <b>TOTAL CURRENT ASSETS</b>          |       | <u><b>131,856</b></u> | <u><b>117,853</b></u> |
| <b>NON-CURRENT ASSETS</b>            |       |                       |                       |
| Property, plant and equipment        | 8     | 672,113               | 681,237               |
| Intangible assets                    | 9     | <u>879</u>            | <u>879</u>            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <u><b>672,992</b></u> | <u><b>682,116</b></u> |
| <b>TOTAL ASSETS</b>                  |       | <u><b>804,848</b></u> | <u><b>799,969</b></u> |
| <b>CURRENT LIABILITIES</b>           |       |                       |                       |
| Payables                             | 10    | 10,302                | -                     |
| Interest-bearing liabilities         | 11    | 10,307                | 10,864                |
| Provisions                           | 12    | -                     | 6,297                 |
| Other                                | 13    | <u>108,594</u>        | <u>141,677</u>        |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <u><b>129,203</b></u> | <u><b>158,838</b></u> |
| <b>NON-CURRENT LIABILITIES</b>       |       |                       |                       |
| Interest-bearing liabilities         | 11    | <u>10,221</u>         | <u>16,295</u>         |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <u><b>10,221</b></u>  | <u><b>16,295</b></u>  |
| <b>TOTAL LIABILITIES</b>             |       | <u><b>139,424</b></u> | <u><b>175,133</b></u> |
| <b>NET ASSETS</b>                    |       | <u><b>665,424</b></u> | <u><b>624,836</b></u> |
| <b>EQUITY</b>                        |       |                       |                       |
| Reserves                             | 15    | 187,026               | 187,026               |
| Retained profits                     | 16    | <u>478,398</u>        | <u>437,810</u>        |
| <b>TOTAL EQUITY</b>                  | 14    | <u><b>665,424</b></u> | <u><b>624,836</b></u> |

The accompanying notes form part of these financial statements.

# Master Painters Australia NSW Association Inc.

## Statement Of Cash Flows

For the year ended 31 December 2002

|   | Notes  | 2002<br>\$            | 2001<br>\$            |
|---|--------|-----------------------|-----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |        |                       |                       |
| Receipts from members                               |        | 275,877               | 258,212               |
| Receipts from customers                             |        | 248,460               | 256,542               |
| Payments to suppliers and employees                 |        | (526,705)             | (575,754)             |
| Interest received                                   |        | <u>1,370</u>          | <u>2,261</u>          |
| Net cash used in operating activities               | 20 (b) | <u>(998)</u>          | <u>(58,739)</u>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>          |        |                       |                       |
| Payment for property, plant and equipment           |        | <u>(3,111)</u>        | <u>(4,266)</u>        |
| Net cash used in investing activities               |        | <u>(3,111)</u>        | <u>(4,266)</u>        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          |        |                       |                       |
| Proceeds from borrowings                            |        | 8,868                 | -                     |
| Repayment of borrowings                             |        | <u>(5,868)</u>        | <u>(4,953)</u>        |
| Net cash provided by/(used in) financing activities |        | <u>3,000</u>          | <u>(4,953)</u>        |
| Net decrease in cash held                           |        | (1,109)               | (67,958)              |
| Cash at beginning of financial year                 |        | <u>(2,460)</u>        | <u>65,498</u>         |
| Cash at end of financial year                       | 20 (a) | <u><u>(3,569)</u></u> | <u><u>(2,460)</u></u> |

The accompanying notes form part of these financial statements.

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of New South Wales.

The financial report is for the entity Master Painters Australia NSW Association Inc. as an individual entity. Master Painters Australia NSW Association Inc. is an association incorporated in New South Wales under the Associations Incorporations Act 1984.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

#### (c) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### *Plant and Equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Freehold land and buildings are brought to account at cost or at independent or directors' valuation.

##### *Depreciation*

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of fixed asset | Depreciation rates | Depreciation basis |
|----------------------|--------------------|--------------------|
| Buildings            | 5 %                | Straight Line      |
| Motor Vehicles       | 22.5 %             | Diminishing Value  |
| Office Equipment     | 17-40 %            | Diminishing Value  |

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

# **Master Painters Australia NSW Association Inc.**

## **Notes to the Financial Statements For the year ended 31 December 2002**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **(d) Leases**

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

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

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

#### **(e) Employee Entitlements**

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

#### **(f) Cash**

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

#### **(g) Revenue**

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Revenue from grant income is recognised on the basis of entitlement to income.

Other revenue is recognised when the right to receive the revenue has been established.

#### **(h) Goods and Services Tax (GST)**

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

#### **(i) Comparative Figures**

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

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$     |
|---|------|----------------|----------------|
| <b>NOTE 2: REVENUE</b>  |      |                |                |
| <b>Operating activities</b>   |      |                |                |
| - sale of goods (net)   |      | 34,614         | 62,273         |
| - rendering of services   |      | 126,429        | 143,471        |
| - royalties   |      | 13,808         | 47,455         |
| - interest  | 2(a) | 1,370          | 2,261          |
| - rent  |      | 28,040         | 28,560         |
| - grant income  |      | 39,806         | -              |
| - member subscriptions  |      | 248,460        | 258,212        |
| - other revenue   |      | <u>15,502</u>  | <u>1,379</u>   |
|   |      | <u>508,029</u> | <u>543,611</u> |
| <br>(a) Interest from:  |      |                |                |
| - other persons   |      | <u>1,370</u>   | <u>2,261</u>   |
| <br><b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>                  |      |                |                |
| Profit (losses) from ordinary activities has been determined after: |      |                |                |
| (a) Expenses:   |      |                |                |
| Cost of sales   |      | 46,707         | 46,424         |
| Depreciation of non-current assets                                  |      |                |                |
| - Office Equipment  |      | <u>12,235</u>  | <u>9,006</u>   |
| Bad and doubtful debts:   |      |                |                |
| - other entities  |      | <u>3,914</u>   | <u>6,000</u>   |
| <br>Remuneration of the auditors for:                               |      |                |                |
| - audit or review services  |      | 5,250          | 6,000          |
| - other services  |      | 1,250          | -              |
| - prior year over accrual   |      | <u>(2,750)</u> | <u>-</u>       |
| <br><b>NOTE 4: CASH ASSETS</b>                                      |      |                |                |
| Cash on hand  |      | 400            | 400            |
| Cash at bank  |      | 61             | 1,933          |
| Deposits at call  |      | <u>203</u>     | <u>203</u>     |
|   |      | <u>664</u>     | <u>2,536</u>   |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

| Note   | 2002<br>\$      | 2001<br>\$      |
|--|-----------------|-----------------|
| <b>NOTE 5: RECEIVABLES</b>                   |                 |                 |
| <b>CURRENT</b>                               |                 |                 |
| Trade debtors                                | 60,294          | 79,026          |
| Less provision for doubtful debts            | <u>(1,744)</u>  | <u>(6,000)</u>  |
|  | <u>58,550</u>   | <u>73,026</u>   |
| Other debtors                                | 44,095          | -               |
| Amounts receivable from:                     |                 |                 |
| - controlled entities                        |                 |                 |
| - wholly owned entities                      | -               | 8,170           |
| - other related bodies corporate             | <u>-</u>        | <u>698</u>      |
|  | <u>44,095</u>   | <u>8,868</u>    |
|  | <u>102,645</u>  | <u>81,894</u>   |
| <b>NOTE 6: INVENTORIES</b>                   |                 |                 |
| <b>CURRENT</b>                               |                 |                 |
| Finished goods at cost                       | <u>13,533</u>   | <u>18,686</u>   |
| <b>NOTE 7: OTHER ASSETS</b>                  |                 |                 |
| <b>CURRENT</b>                               |                 |                 |
| Prepayments                                  | <u>15,014</u>   | <u>14,737</u>   |
| <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b> |                 |                 |
| <b>LAND</b>                                  |                 |                 |
| Land:  |                 |                 |
| At independent valuation as at 18/6/2001     | <u>400,000</u>  | <u>400,000</u>  |
| <b>BUILDINGS</b>                             |                 |                 |
| At independent valuation as at 18/6/2001     | 250,000         | 250,000         |
| Less accumulated depreciation                | <u>(5,000)</u>  | <u>-</u>        |
|  | <u>245,000</u>  | <u>250,000</u>  |
| (a) Motor vehicles                           |                 |                 |
| At cost                                      | 30,750          | 30,750          |
| Less accumulated depreciation                | <u>(15,165)</u> | <u>(10,641)</u> |
|  | <u>15,585</u>   | <u>20,109</u>   |
| (b) Office equipment                         |                 |                 |
| At cost                                      | 46,656          | 43,545          |
| Less accumulated depreciation                | <u>(35,128)</u> | <u>(32,417)</u> |
|  | <u>11,528</u>   | <u>11,128</u>   |
| Total plant and equipment                    | <u>27,113</u>   | <u>31,237</u>   |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|  | Note | 2002<br>\$     | 2001<br>\$     |
|--|------|----------------|----------------|
| <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)</b> |      |                |                |
| Total property, plant and equipment                      |      | <u>672,113</u> | <u>681,237</u> |

### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

|                                      | Land<br>\$     | Buildings<br>\$ | Motor<br>Vehicles<br>\$ | Office<br>Equipment<br>\$ | Total<br>\$    |
|--------------------------------------|----------------|-----------------|-------------------------|---------------------------|----------------|
| <b>2002</b>                          |                |                 |                         |                           |                |
| Balance at the beginning of the year | 400,000        | 250,000         | 20,109                  | 11,128                    | 681,237        |
| Additions                            | -              | -               | -                       | 3,111                     | 3,111          |
| Depreciation expense                 | -              | (5,000)         | (4,524)                 | (2,711)                   | (12,235)       |
| Carrying amount at end of year       | <u>400,000</u> | <u>245,000</u>  | <u>15,585</u>           | <u>11,528</u>             | <u>672,113</u> |

### NOTE 9: INTANGIBLE ASSETS

|                         |            |            |
|-------------------------|------------|------------|
| Formation costs at cost | <u>879</u> | <u>879</u> |
|-------------------------|------------|------------|

### NOTE 10: PAYABLES

#### CURRENT

|                       |               |          |
|-----------------------|---------------|----------|
| Unsecured liabilities |               |          |
| Trade creditors       | <u>10,302</u> | <u>-</u> |

### NOTE 11: INTEREST BEARING LIABILITIES

#### CURRENT

|                         |    |               |               |
|-------------------------|----|---------------|---------------|
| Unsecured liabilities   |    |               |               |
| Bank overdrafts         |    | 4,233         | 4,996         |
| Hire purchase liability | 17 | <u>6,074</u>  | <u>5,868</u>  |
|                         |    | <u>10,307</u> | <u>10,864</u> |

#### NON-CURRENT

|                         |    |               |               |
|-------------------------|----|---------------|---------------|
| Unsecured liabilities   |    |               |               |
| Hire purchase liability | 17 | <u>10,221</u> | <u>16,295</u> |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|  | Note | 2002<br>\$     | 2001<br>\$      |
|--|------|----------------|-----------------|
| <b>NOTE 12: PROVISIONS</b>   |      |                |                 |
| <b>CURRENT</b>   |      |                |                 |
| Employee entitlements  | (a)  | <u>-</u>       | <u>6,297</u>    |
| (a) Aggregate employee entitlements liability                                |      | <u>-</u>       | <u>6,297</u>    |
| (b) Number of employees at year end  |      | <u>3</u>       | <u>4</u>        |
| <b>NOTE 13: OTHER LIABILITIES</b>  |      |                |                 |
| <b>CURRENT</b>   |      |                |                 |
| Accrued expenses   |      | 6,500          | 25,339          |
| Deferred income  |      | 75,063         | 101,121         |
| Other current liabilities  |      | <u>27,031</u>  | <u>15,217</u>   |
|  |      | <u>108,594</u> | <u>141,677</u>  |
| <b>NOTE 14: EQUITY</b>   |      |                |                 |
| Total equity at the beginning of the financial year                          |      | 624,836        | 458,492         |
| Total changes in equity recognised in the statement of financial performance |      | <u>40,588</u>  | <u>166,344</u>  |
| Total equity at the reporting date   |      | <u>665,424</u> | <u>624,836</u>  |
| <b>NOTE 15: RESERVES</b>   |      |                |                 |
| Asset revaluation reserve  | (a)  | <u>187,026</u> | <u>187,026</u>  |
| (a) Asset Revaluation Reserve  |      |                |                 |
| Movements during the financial year:   |      |                |                 |
| Opening balance  |      | 187,026        | -               |
| Revaluation increment on freehold land and buildings                         |      | <u>-</u>       | <u>187,026</u>  |
| Closing balance  |      | <u>187,026</u> | <u>187,026</u>  |
| The asset revaluation reserve records revaluations of non-current assets     |      |                |                 |
| <b>NOTE 16: RETAINED PROFITS</b>   |      |                |                 |
| Retained profits at the beginning of the financial year                      |      | 437,810        | 458,492         |
| Net profit (loss) attributable to members of the entity                      |      | <u>40,588</u>  | <u>(20,682)</u> |
| Retained profits at the end of the financial year                            |      | <u>478,398</u> | <u>437,810</u>  |



# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$     |
|---|------|----------------|----------------|
| <b>NOTE 17: CAPITAL AND LEASING COMMITMENTS</b>     |      |                |                |
| (a) Hire purchase commitments                       |      |                |                |
| Payable   |      |                |                |
| - not later than one year                           |      | 7,464          | 8,151          |
| - later than one year and not later than five years |      | <u>10,469</u>  | <u>18,048</u>  |
| Minimum hire purchase payments                      |      | 17,933         | 26,199         |
| Less future finance charges                         |      | <u>(1,638)</u> | <u>(4,036)</u> |
| Total hire purchase liability                       |      | <u>16,295</u>  | <u>22,163</u>  |
| Represented by:                                     |      |                |                |
| Current liability                                   | 11   | 6,074          | 5,868          |
| Non-current liability                               | 11   | <u>10,221</u>  | <u>16,295</u>  |
|   |      | <u>16,295</u>  | <u>22,163</u>  |

## NOTE 18: RELATED PARTY TRANSACTIONS

|  |  |               |               |
|--|--|---------------|---------------|
| (a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated                                    |  |               |               |
| Rent received from Master Painters Group Training Company Pty Ltd being an entity related to Max Henderson and Don Gray committee members of the Association was at normal commercial terms and conditions |  | <u>28,640</u> | <u>28,560</u> |
|  |  | <u>28,640</u> | <u>28,560</u> |

## NOTE 19: SEGMENT REPORTING

The Association operates predominately in one business and geographical segment, being in the painting and decorating industry providing services to Members of the Association throughout New South Wales.

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

|   | Note | 2002<br>\$     | 2001<br>\$      |
|---|------|----------------|-----------------|
| <b>NOTE 20: CASH FLOW INFORMATION</b>   |      |                |                 |
| (a) Reconciliation of cash  |      |                |                 |
| Cash 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 on hand  |      | 400            | 400             |
| Cash at bank  |      | 61             | 1,933           |
| At call deposits with financial institutions  |      | 203            | 203             |
| Bank overdrafts   |      | <u>(4,233)</u> | <u>(4,996)</u>  |
|   |      | <u>(3,569)</u> | <u>(2,460)</u>  |
| (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax   |      |                |                 |
| Surplus (Deficit) from ordinary activities after income tax   |      | 40,588         | (20,682)        |
| Non-cash flows in profit from ordinary activities   |      |                |                 |
| Depreciation  |      | 12,235         | 9,006           |
| Changes in assets and liabilities   |      |                |                 |
| Increase in receivables   |      | (29,619)       | (34,768)        |
| Increase in other assets  |      | (277)          | -               |
| Decrease in inventories   |      | 5,153          | 1,922           |
| Decrease in payables  |      | (22,350)       | (13,083)        |
| Decrease in provisions  |      | <u>(6,728)</u> | <u>(1,134)</u>  |
| Cash flows from operations  |      | <u>(998)</u>   | <u>(58,739)</u> |

# Master Painters Australia NSW Association Inc.

## Notes to the Financial Statements For the year ended 31 December 2002

### NOTE 21: FINANCIAL INSTRUMENTS

#### (a) Interest Rate Risk

The association'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 on classes of financial assets and financial liabilities, is as follows:

|                             | Weighted<br>Average        |           | Fixed Interest Rate Maturing |              |               |            |              |            |
|-----------------------------|----------------------------|-----------|------------------------------|--------------|---------------|------------|--------------|------------|
|                             | Effective Interest<br>Rate |           | Floating Interest Rate       |              | Within 1 Year |            | 1 to 5 Years |            |
|                             | 2002<br>%                  | 2001<br>% | 2002<br>\$                   | 2001<br>\$   | 2002<br>\$    | 2001<br>\$ | 2002<br>\$   | 2001<br>\$ |
| Financial Assets:           |                            |           |                              |              |               |            |              |            |
| Cash                        | 2.50                       | 3.45      | <u>264</u>                   | <u>2,136</u> | -             | -          | -            | -          |
| Total Financial Assets      |                            |           | <u>264</u>                   | <u>2,136</u> | -             | -          | -            | -          |
| Financial Liabilities:      |                            |           |                              |              |               |            |              |            |
| Bank loans and overdrafts   | 9.00                       | 8.75      | 4,233                        | 4,996        | -             | -          | -            | -          |
| Hire purchase liabilities   | 10.20                      | 10.20     | -                            | -            | 6,074         | 5,868      | 10,221       | 16,295     |
| Total Financial Liabilities |                            |           | 4,233                        | 4,996        | 6,074         | 5,868      | 10,221       | 16,295     |

#### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

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

### NOTE 22: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of the members is drawn to the provisions of Sub-sections (1), (2) and (3) of Section 274, which reads as follows:

- 274(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

- 274 (2) An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

- 274 (3) A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**Master Painters Australia NSW Association Inc.**

**Notes to the Financial Statements  
For the year ended 31 December 2002**

**NOTE 23: ASSOCIATION DETAILS**

The principal place of business of the association is:

Master Painters Australia NSW Association Inc.

68 Parramatta Road

Homebush NSW 2140

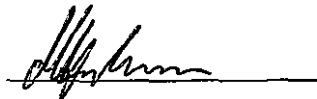
## Master Painters Australia NSW Association Inc.

### Accounting Officers Certificate

I, Max Henderson, being the accounting officer responsible for the preparation of the financial report and for keeping the accounting records of Master Painters Australia NSW Association Inc., certify that as at 31 December 2002, the number of members of the association was 744; and

In my opinion:

- i) the attached accounts as set out on pages 3 to 15 and 20 to 21 show a true and fair view of the financial affairs of the Association as at the end of the financial year;
- ii) a record has been kept of all the monies paid by, or collected from, members of the Association, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Association;
- iii) all the expenditure and loans to members, if any, were authorised in accordance with the rules of the Association;
- iv) where any payment was made out of a fund referred to in regulation 107 (b) (xiii) or (xv) for a purpose other than the purpose for which the fund was operated, it was approved in accordance with the rules of the Association;
- v) all loans or other financial benefits granted to persons holding office in the Association, if any, were authorised in accordance with the rules of the Association;
- vi) the register of members has been maintained in accordance with the Workplace Relations Act 1996;
- vii) Members and the registrar may apply for specified information relating to the organisation under section 274 of the Workplace Relations Act 1996.



Max Henderson

Dated this 18 day of June 2003

## Master Painters Australia NSW Association Inc.

### Statement By Members Of The Committee

In the opinion of the committee:

1. The financial report as set out on pages 3 to 15:
  - a) presents fairly the financial position of Master Painters Australia NSW Association Inc. as at 31 December 2002 and its performance and cashflows for the financial year ended on that date in accordance with the Australian Accounting Standards, other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board;
  - b) at the date of this statement, there are reasonable grounds to believe that Master Painters Australia NSW Association Inc. will be able to pay its debts as and when they fall due;
2. At all times during the financial year ended 31 December 2002:
  - a) meetings of the committee of management were held in accordance with the rules of the association;
  - b) there have been no instances where records of the Association or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Workplace Relations Act 1996 ("the Act")), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished, or made available, to the members of the Association in accordance with the Act, the Workplace Relations Regulations 1996 or the rules of the Association, as the case may be.
3. In respect of the preceding financial year ended 31 December 2001, and in relation to any accounts or statements prepared in accordance with section 273(1) and 276 of the Act the Association has complied with subsection 279(1) of the Act and whichever of the subsections 279(6) and (7) of the Act is applicable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:



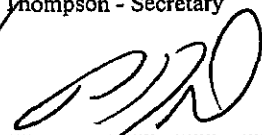
Peter Wilkins - President



Max Henderson - Treasurer



Brian Thompson - Secretary



Peter Dukinoo

Dated this 18 day of June, 2003

ABN 27 526 269 695

**Independent Audit Report  
To the members of  
Master Painters Australia NSW Association Inc.**

Level 3  
31 Market Street Sydney NSW 2000

(Correspondence to  
GPO Box 3356, Sydney NSW 2001)

Telephone (02) 9994 1000  
Facsimile (02) 9994 1001

DX 1322 Sydney

Internet: [www.bentleys.com.au](http://www.bentleys.com.au)

**Scope**

We have audited the financial report of Master Painters Australia NSW Association Inc. for the financial year ended 31 December 2002 as set out on pages 3 to 15. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, the Association Incorporation Act of New South Wales and the Workplace Relations Act 1996, ("The Act") so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion,

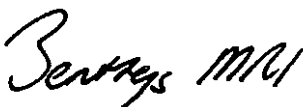
(a) satisfactory accounting records have been kept by the Association so far as appears from our examination of these books, including:

- (i) records of the sources and nature of income of the Association (including income from members); and
- (ii) records of the nature and purpose of the expenditure of the Association.

(b) the accounts and statements prepared under section 273 of the Act have been properly drawn up so as to give a true and fair view of:

- (a) the financial affairs of the Association as at the end of the year;
- (b) the income and expenditure, and any surplus or deficit, of the Association for the year.

(c) We have obtained all of the information and explanations necessary for the purpose of our audit.



Bentleys MRI  
Sydney Partnership

W. E. Beauman

Partner

Dated this       day of       2003  
Sydney

**Master Painters Australia NSW Association Inc.**

**Disclaimer to the members of  
Master Painters Australia NSW Association Inc.**

The additional financial data presented on pages 20 - 21 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the financial year ended 31 December 2002. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Master Painters Australia NSW Association Inc.) in respect of such data, including any errors of omissions therein however caused.

BENTLEYS MRI  
Sydney Partnership

Dated this 14 day of June 2003



# Master Painters Australia NSW Association Inc.

## Private Information for the Committee of Management On the 2002 Financial Statements

### Income And Expenditure Statement For the year ended 31 December 2002

|                                  | 2002<br>\$      | 2001<br>\$     |
|----------------------------------|-----------------|----------------|
| <b>INCOME</b>                    |                 |                |
| Sales income                     | <u>34,614</u>   | <u>62,273</u>  |
| <b>LESS COST OF GOODS SOLD</b>   |                 |                |
| Opening inventory                | 18,686          | 20,608         |
| Purchases                        | <u>41,554</u>   | <u>44,502</u>  |
|                                  | 60,240          | 65,110         |
| Less Closing inventory           | <u>13,533</u>   | <u>18,686</u>  |
| Total Cost of Goods Sold         | <u>46,707</u>   | <u>46,424</u>  |
| <b>GROSS PROFIT</b>              | <u>(12,093)</u> | <u>15,849</u>  |
| <b>LESS EXPENSES</b>             |                 |                |
| Accounting fees                  | 750             | 3,093          |
| Advertising                      | 30,183          | 21,421         |
| Audit fees                       | 3,000           | 6,000          |
| Bad debts                        | 3,914           | 6,000          |
| Bank charges                     | 6,864           | 7,909          |
| Cleaning                         | 6,370           | 6,220          |
| Commission paid                  | 5,625           | 5,756          |
| Computer expenses                | 5,016           | 3,814          |
| Consultancy fees                 | 4,187           | 13,315         |
| Delivery costs                   | 993             | 1,828          |
| Depreciation                     | 12,235          | 9,006          |
| Electricity                      | 2,960           | 3,243          |
| Filing fees                      | -               | 20             |
| Fringe benefits expense payments | 5,701           | 19,089         |
| Conference seminars and events   | 32,332          | 52,055         |
| General expenses                 | 2,187           | 1,015          |
| Hire purchase charges            | 2,217           | 2,572          |
| Provision for annual leave       | -               | 6,297          |
| Insurance                        | 4,034           | 4,640          |
| Legal costs                      | 410             | -              |
| Newsletter production            | 9,700           | 16,360         |
| Meeting expenses                 | 5,101           | 10,089         |
| Motor vehicle expenses           | 21,496          | 30,047         |
| Payroll processing costs         | -               | 2,299          |
| Postage                          | 15,522          | 18,696         |
| Printing & stationery            | 16,398          | 24,015         |
| Rates & taxes                    | 5,317           | 6,339          |
| Expenses carried forward         | <u>202,512</u>  | <u>281,138</u> |

These financial statements should be read in conjunction with the attached Disclaimer.

**Master Painters Australia NSW Association Inc.**

**Private Information for the Committee of Management  
On the 2002 Financial Statements**

**Income And Expenditure Statement  
For the year ended 31 December 2002**

|  | <b>2002</b>      | <b>2001</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| Expenses brought forward                       | 202,512          | 281,138          |
| Repairs & maintenance                          | 3,531            | 2,270            |
| Salaries & wages - general                     | 154,257          | 151,189          |
| Seminars and workshops                         | -                | 4,357            |
| Training course expenses                       | 17,505           | 14,976           |
| Training office staff                          | -                | 5,201            |
| Subscriptions                                  | 5,797            | 11,487           |
| Superannuation                                 | 10,482           | 10,019           |
| Telephone                                      | 21,044           | 24,492           |
| Travelling & entertainment                     | 4,235            | 11,823           |
| Workers compensation insurance                 | <u>1,371</u>     | <u>917</u>       |
| <b>TOTAL EXPENSES</b>                          | <u>420,734</u>   | <u>517,869</u>   |
| <b>NET PROFIT/(LOSS)</b>                       | <u>(432,827)</u> | <u>(502,020)</u> |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b>     |                  |                  |
| Commission received                            | 30,850           | 31,043           |
| Training courses                               | 25,753           | 24,993           |
| Recoupment on services                         | 16,182           | 14,232           |
| Conference seminar & events                    | 31,347           | 35,761           |
| Advertising                                    | 22,297           | 36,316           |
| Other professional income                      | -                | 1,126            |
| Interest Income                                | 1,370            | 2,261            |
| Insurance recoveries                           | 1,458            | 1,019            |
| Rental income                                  | 28,040           | 28,560           |
| Sponsorships                                   | 13,808           | 47,455           |
| Members subscriptions                          | 248,460          | 258,212          |
| Grant Income                                   | 39,806           | -                |
| Other income                                   | <u>14,044</u>    | <u>360</u>       |
| <b>Total other operating income/(expenses)</b> | <u>473,415</u>   | <u>481,338</u>   |
| <b>OPERATING PROFIT/(LOSS)</b>                 | <u>40,588</u>    | <u>(20,682)</u>  |

These financial statements should be read in conjunction with the attached Disclaimer.



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Mr Brian Tompson  
Secretary  
Master Painters Australia NSW Association Inc.  
PO Box S324  
HOMEBUSH SOUTH NSW 2140

Dear Mr Tompson

**Re: Lodgement of Financial Statements and Accounts for the year ending  
31 December 2002 (FR2002/839)**

Receipt is acknowledged of a signed and dated auditor's report as requested by Mr Peter McKerrow on 11 February 2004.

The financial reporting obligations of the organisation are now complete. The documents have been filed.

Yours sincerely

Dean Superina  
for Deputy Industrial Registrar

30 March 2004