



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9360 6990

Ref: FR2003/721-[122N]

Mr Brian 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, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 31 December, 2003 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 accounting, auditing and reporting obligations 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
9 January 2004



Australian Government
Australian Industrial Registry

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

Ref: FR2003/721 -[122N]

Mr Brian Tompson
Secretary
Master Painters Australia - N.S.W. Association Inc.
PO Box 122
STRATHFIELD SOUTH NSW 2136

Dear Mr Tompson

Re: Master Painters Australia - N.S.W. Association Inc.
Outstanding Financial Documents - *Workplace Relations Act 1996*

There is no record of lodgment 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, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

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, lodgment of the required documents would, in the normal course, be expected before now.

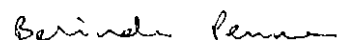
Therefore, I request your written advice **by 2 November, 2004** as to when each of the following steps is expected to be completed:-

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. lodgment 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 you may contact me on (02) 8374 6618. In reply please quote: **FR2003/721**.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Belinda Penna'.

Belinda Penna

E-mail: belinda.penna@air.gov.au

12 October, 2004



**MASTER
PAINTERS
AUSTRALIA**

NSW ASSOCIATION INC.
ABN 18 931 692 913

1 February 2005

Ms B Penna
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Ms Penna,

RE: FR2003/721 – Master Painters Australia – N.S.W. Association Inc

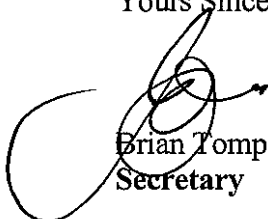
In response to your letter of 12 October 2004 please find the following responses to your questions asked in relation to the 2003 financial documents:

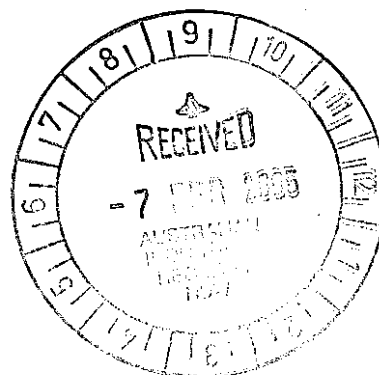
1. The accounts were approved by the board on 16 June 2004.
2. The audit report was signed 16 June 2004.
3. The accounts and statements were mailed to members with the newsletter and notice of meeting on 2 July 2004.
4. The financial documents were presented to members at the monthly members meeting held 21 July 2004.

We have attached a copy of the financial statements as presented to members at the meeting on 21 July 2004, along with the certificate of compliance, to this letter.

Please do not hesitate to contact us with any queries.

Yours Sincerely


Brian Thompson
Secretary





**MASTER
PAINTERS
AUSTRALIA**

NSW ASSOCIATION INC.
ABN 18 931 692 913

**Certificate of Compliance with section 280(1)
of the Workplace Relations Act 1996**

I, Brian Tompson, Secretary, Master Painters Australia NSW Association Incorporated,
of 6 Gould Street, South Strathfield NSW 2136 do solemnly and sincerely declare:

That, in accordance with section 280(1), the attached financial statements for the year
ended 31 December 2003 are true copies of the financial statements and audit report:

1. First tabled at the Association's Council of management meeting on 16 June
2004;
2. The meeting of member's on 21 July 2004.

At both meetings the meeting voted unanimously to accept the financial statements and
auditor's report for the year ended 31 December 2003.



Brian Tompson
Secretary

02/02/2005

Date

MASTER PAINTERS AUSTRALIA

NSW ASSOCIATION INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2003**

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 (cont'd)

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 2003.

Committee Members

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

Michael Peters - President

Max Henderson - Treasurer

Brian Thompson - Secretary

Peter Dukino

David Penlington

Don Gray

Ken McEnallay

Kim Player

Peter Wilkins

Roger Toni

Stan Klimczyk (appointed 19th March 2003 and resigned 17th March 2004)

Mark Farlow (appointed 19th March 2003 and resigned 17th March 2004)

Tony Isgrove (appointed 19th March 2003)

David James (appointed 19th March 2003)

Ian Turner (resigned 19th March 2003)

Peter Ivanovic (appointed 17th March 2004)

Principal Activities

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

Significant Changes

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

Operating Result

The profit from ordinary activities after providing for income tax amounted to \$13,514.

After Balance Date Events

Particulars of matters or circumstances that 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 are as follows:

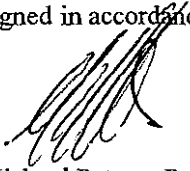
In December 2003 contracts were exchanged for the sale of the Associations premises at 68 Paramatta Road, Homebush, NSW. Settlement proceeds are contracted for \$900,000 (net of goods and services tax) and is expected to be completed in April 2004.

On 23 February 2004 contracts were exchanged for the purchase of a new property at 4-6 Gould Street, South Strathfield, NSW. The property is to be purchased for \$1,700,000 in the names of Master Painters Australia NSW Association Inc and Master Painters Group Training Company Pty Ltd. Settlement is expected to be completed in April 2004 and funded jointly by both parties.

Master Painters Australia NSW Association Inc.

Committee's Report (cont'd)

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



Michael Peters - President



Max Henderson - Treasurer

Dated this 16th day of June 2004.

Master Painters Australia NSW Association Inc.

Statement Of Financial Performance For the year ended 31 December 2003

	Notes	2003 \$	2002 \$
Revenue from ordinary activities	2	508,935	508,029
Meeting expenses		(4,449)	(5,101)
Raw materials and consumables used		(12,163)	(46,707)
Employee benefits expense		(185,610)	(170,441)
Depreciation and amortisation expenses	3	(9,025)	(12,235)
Training expenses		(20,008)	(17,505)
Consultancy fees and grant expenses		(24,712)	(4,187)
Office administration expenses		(107,636)	(86,733)
Travelling expenses		(31,827)	(25,731)
Advertising expenses		(15,385)	(30,183)
Conference, seminar and event expenses		(40,664)	(31,432)
Legal expenses		(1,808)	(410)
Other expenses from ordinary activities		<u>(42,134)</u>	<u>(36,776)</u>
Profit from ordinary activities		<u>13,514</u>	<u>40,588</u>
Increase (decrease) in asset revaluation reserve	15	<u>255,000</u>	-
Total changes in equity other than those resulting from transactions with owners as owners	14	<u>268,514</u>	<u>40,588</u>

The accompanying notes form part of these financial statements.

Master Painters Australia NSW Association Inc.

Statement Of Financial Position As at 31 December 2003

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	4	75,078	664
Receivables	5	101,428	102,645
Inventories	6	21,068	13,533
Other	7	<u>5,011</u>	<u>15,014</u>
TOTAL CURRENT ASSETS		<u>202,585</u>	<u>131,856</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	938,772	672,113
Intangible assets	9	<u>879</u>	<u>879</u>
TOTAL NON-CURRENT ASSETS		<u>939,651</u>	<u>672,992</u>
TOTAL ASSETS		<u>1,142,236</u>	<u>804,848</u>
CURRENT LIABILITIES			
Payables	10	5,216	10,302
Interest-bearing liabilities	11	5,904	10,307
Provisions	12	20,927	-
Other	13	<u>147,677</u>	<u>108,594</u>
TOTAL CURRENT LIABILITIES		<u>179,724</u>	<u>129,203</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	11	<u>28,574</u>	<u>10,221</u>
TOTAL NON-CURRENT LIABILITIES		<u>28,574</u>	<u>10,221</u>
TOTAL LIABILITIES		<u>208,298</u>	<u>139,424</u>
NET ASSETS		<u>933,938</u>	<u>665,424</u>
EQUITY			
Reserves	15	442,026	187,026
Retained profits	16	<u>491,912</u>	<u>478,398</u>
TOTAL EQUITY	14	<u>933,938</u>	<u>665,424</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 2003

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		313,405	275,877
Receipts from members		246,985	248,460
Payments to suppliers and employees		(474,364)	(526,705)
Interest received		707	1,370
Net cash provided by/(used in) operating activities	21 (b)	<u>86,733</u>	<u>(998)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		10,000	-
Payment for property, plant and equipment		<u>(982)</u>	<u>(3,111)</u>
Net cash provided by/(used in) investing activities		<u>9,018</u>	<u>(3,111)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	8,868
Repayment of borrowings		<u>(17,104)</u>	<u>(5,868)</u>
Net cash provided by/(used in) financing activities		<u>(17,104)</u>	<u>3,000</u>
Net increase/(decrease) in cash held		78,647	(1,109)
Cash at beginning of financial year		<u>(3,569)</u>	<u>(2,460)</u>
Cash at end of financial year	21 (a)	<u><u>75,078</u></u>	<u><u>(3,569)</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 2003

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.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Association to have an independent valuation every three years, with annual appraisals being made by the directors.

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

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

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 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 Benefits

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

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 2003

	Note	2003 \$	2002 \$
NOTE 2: REVENUE			
Operating activities			
- sale of goods (net)		18,780	34,614
- rendering of services		140,456	126,429
- royalties		19,377	13,808
- interest	2(a)	707	1,370
- rent		29,700	28,040
- grant income		35,690	39,806
- member subscriptions		246,985	248,460
- other revenue		<u>17,240</u>	<u>15,502</u>
		<u>508,935</u>	<u>508,029</u>
(a) Interest from:			
- other persons		<u>707</u>	<u>1,370</u>
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses:			
Cost of sales		12,163	46,707
Depreciation of non-current assets			
- Office Equipment		<u>9,025</u>	<u>12,235</u>
Bad and doubtful debts:			
- receivables		<u>6,116</u>	<u>3,914</u>
Remuneration of the auditors for:			
- audit or review services		5,950	5,250
- other services		1,250	1,250
- prior year over accrual		<u>(500)</u>	<u>(2,750)</u>
Net loss on disposal of non-current assets			
- Property, plant and equipment		<u>5,585</u>	<u>-</u>
NOTE 4: CASH ASSETS			
Cash on hand		400	400
Cash at bank		74,478	61
Deposits at call		<u>200</u>	<u>203</u>
		<u>75,078</u>	<u>664</u>

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

	Note	2003 \$	2002 \$
NOTE 5: RECEIVABLES			
CURRENT			
Trade debtors		50,435	53,491
Less provision for doubtful debts		<u>(5,851)</u>	<u>(1,744)</u>
		<u>44,584</u>	<u>51,747</u>
Other debtors		36,362	44,095
Amounts receivable from:			
- committee member related parties		<u>20,482</u>	<u>6,803</u>
		<u>56,844</u>	<u>50,898</u>
		<u>101,428</u>	<u>102,645</u>
NOTE 6: INVENTORIES			
CURRENT			
Finished goods at cost		<u>21,068</u>	<u>13,533</u>
NOTE 7: OTHER ASSETS			
CURRENT			
Prepayments		<u>5,011</u>	<u>15,014</u>
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Land:			
At directors' valuation as at 18/06/01		-	400,000
At directors valuation as at 5/12/2003		<u>655,000</u>	<u>-</u>
Total freehold land		<u>655,000</u>	<u>400,000</u>
BUILDINGS			
At directors' valuation as at 18/06/01		-	250,000
Less accumulated depreciation		<u>-</u>	<u>(5,000)</u>
		<u>-</u>	<u>245,000</u>
At directors valuation as at 5/12/2003		<u>245,000</u>	<u>-</u>
Total buildings		<u>245,000</u>	<u>245,000</u>
(a) Leased assets			
At cost		35,287	30,750
Less accumulated depreciation		<u>(5,955)</u>	<u>(15,165)</u>
		<u>29,332</u>	<u>15,585</u>

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

	Note	2003 \$	2002 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Office equipment			
At cost		47,638	46,656
Less accumulated depreciation		<u>(38,198)</u>	<u>(35,128)</u>
		<u>9,440</u>	<u>11,528</u>
Total plant and equipment		<u>38,772</u>	<u>27,113</u>
Total property, plant and equipment		<u>938,772</u>	<u>672,113</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 \$	Buildings \$	Leased Assets \$	Office Equipment \$	Total \$
2003					
Balance at the beginning of the year	400,000	245,000	15,585	11,528	672,113
Additions	-	-	35,287	982	36,269
Disposals	-	-	(15,585)	-	(15,585)
Revaluations	255,000	-	-	-	255,000
Depreciation expense	-	-	(5,955)	(3,070)	(9,025)
Carrying amount at end of year	<u>655,000</u>	<u>245,000</u>	<u>29,332</u>	<u>9,440</u>	<u>938,772</u>

NOTE 9: INTANGIBLE ASSETS

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

NOTE 10: PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	<u>5,216</u>	<u>10,302</u>

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

	Note	2003 \$	2002 \$
NOTE 11: INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Bank overdrafts		-	4,233
Hire purchase liability	17	<u>5,904</u>	<u>6,074</u>
		<u>5,904</u>	<u>10,307</u>
NON-CURRENT			
Unsecured liabilities			
Hire purchase liability	17	<u>28,574</u>	<u>10,221</u>
NOTE 12: PROVISIONS			
CURRENT			
Employee entitlements	(a)	<u>20,927</u>	<u>-</u>
(a) Aggregate employee entitlements liability		<u>20,927</u>	<u>-</u>
(b) Number of employees at year end		<u>3</u>	<u>3</u>
NOTE 13: OTHER LIABILITIES			
CURRENT			
Accrued expenses		7,200	6,500
Deferred income		113,445	75,063
Other current liabilities		<u>27,032</u>	<u>27,031</u>
		<u>147,677</u>	<u>108,594</u>
NOTE 14: EQUITY			
Total equity at the beginning of the financial year		665,424	624,836
Total changes in equity recognised in the statement of financial performance		<u>268,514</u>	<u>40,588</u>
Total equity at the reporting date		<u>933,938</u>	<u>665,424</u>

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

	Note	2003 \$	2002 \$
NOTE 15: RESERVES			
Asset revaluation reserve	(a)	<u>442,026</u>	<u>187,026</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		187,026	187,026
Revaluation increment on freehold land and buildings		<u>255,000</u>	-
Closing balance		<u>442,026</u>	<u>187,026</u>
The asset revaluation reserve records revaluations of non-current assets			
NOTE 16: RETAINED PROFITS			
Retained profits at the beginning of the financial year		478,398	437,810
Net profit (loss) attributable to members of the entity		<u>13,514</u>	<u>40,588</u>
Retained profits at the end of the financial year		<u>491,912</u>	<u>478,398</u>
NOTE 17: CAPITAL AND LEASING COMMITMENTS			
(a) Hire purchase commitments			
Payable			
- not later than one year		8,292	7,464
- later than one year and not later than five years		<u>32,175</u>	<u>10,469</u>
Minimum hire purchase payments		40,467	17,933
Less future finance charges		<u>(5,989)</u>	<u>(1,638)</u>
Total hire purchase liability		<u>34,478</u>	<u>16,295</u>
Represented by:			
Current liability	11	5,904	6,074
Non-current liability	11	<u>28,574</u>	<u>10,221</u>
		<u>34,478</u>	<u>16,295</u>

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

In December 2003 contracts were exchanged for the sale of the Associations premises at 68 Paramatta Road, Homebush, NSW. Settlement proceeds are contracted for \$900,000 (net of goods and services tax) and is expected to be completed in April 2004.

On 23 February 2004 contracts were exchanged for the purchase of a new property at 4-6 Gould Street, South Strathfield, NSW. The property is to be purchased for \$1,700,000 in the names of Master Painters Australia NSW Association Inc and Master Painters Group Training Company Pty Ltd. Settlement is expected to be completed in April 2004 and funded jointly by both parties.

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

	Note	2003 \$	2002 \$
NOTE 19: 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 Master Painters Australia NSW Association Inc.			
		<u>29,700</u>	<u>28,640</u>
		<u>29,700</u>	<u>28,640</u>

NOTE 20: 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.

NOTE 21: CASH FLOW INFORMATION

(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	74,478	61
At call deposits with financial institutions	200	203
Bank overdrafts	-	(4,233)
	<u>75,078</u>	<u>(3,569)</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Surplus from ordinary activities after income tax	13,514	40,588
Non-cash flows in profit from ordinary activities		
Depreciation	9,025	12,235
Net (gain) / loss on disposal of property, plant and equipment	5,585	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	1,217	(29,619)
(Increase)/decrease in other assets	10,003	(277)
(Increase)/decrease in inventories	(7,535)	5,153
increase/(decrease) in payables	33,997	(22,350)
increase/(decrease) in provisions	20,927	(6,728)
Cash flows from operations	<u>86,733</u>	<u>(998)</u>

(c) Non-cash financing and investing activities.

During the year the Association purchased a new Motor Vehicle under a hire purchase arrangement for \$35,287.

Master Painters Australia NSW Association Inc.

Notes to the Financial Statements For the year ended 31 December 2003

NOTE 22: 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 Average		Fixed Interest Rate Maturing					
	Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years	
	2003 %	2002 %	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Financial Assets:								
Cash	2.55	2.50	74,678	264	-	-	-	-
Total Financial Assets			74,678	264	-	-	-	-
Financial Liabilities:								
Bank loans and overdrafts	-	9.00	-	4,233	-	-	-	-
Hire purchase liabilities	7.70	10.20	-	-	5,904	6,074	28,574	10,221
Total Financial Liabilities			-	4,233	5,904	6,074	28,574	10,221

(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 23: 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 272, which reads as follows:

- 272(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 272 (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 272 (3) A reporting unit must comply with an application made under subsection (1).

Master Painters Australia NSW Association Inc.

**Notes to the Financial Statements
For the year ended 31 December 2003**

NOTE 24: 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 2003, the number of members of the association was 770; 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
- iii) all the expenditure and loans to members, if any, were authorised in accordance with the rules of the Association;
- iv) all loans or other financial benefits granted to persons holding office in the Association, if any, were authorized in accordance with the rules of the Association;
- v) the register of members has been maintained in accordance with the Workplace Relations Act 1996;
- vi) Members and the registrar may apply for specified information relating to the organisation under section 272 of the Workplace Relations Act 1996.



Max Henderson

Dated this *16th* day of *June* 2004

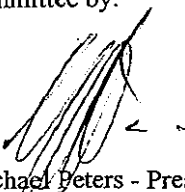
Master Painters Australia NSW Association Inc.

Statement By Members Of The Committee

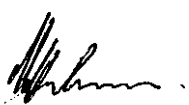
In the opinion of the committee:

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 Wednesday, 31 December 2003 and its performance and cashflows for the financial year ended on that date in accordance with 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 2003:
 - 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 272(1) 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 2002, 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:



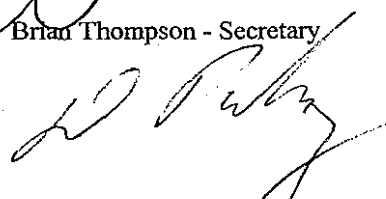
Michael Peters - President



Max Henderson - Treasurer



Brian Thompson - Secretary



David Penlington - Vice President

Dated this 16th day of June 2004

ABN 27 526 269 695

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

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

Scope

We have audited the financial report of Master Painters Australia NSW Association Inc. for the financial year ended, 31 December 2003 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,

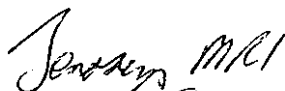
(a) satisfactory accounting records have been kept by the Association so far as appears from our examination of these books, including:

- (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.

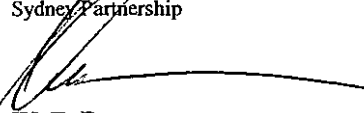
(b) the accounts and statements prepared under section 253 of the Act have been properly drawn up so as to give a true and fair view of:

- (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 16 day of June 2004

Sydney

Chartered Accountants

A member of Moores Rowland International an association of independent accounting firms throughout the world. Associated in all States of Australia.
The firms practising as Bentleys MRI and Moores Rowland are independent. They are affiliated only and not in partnership.
Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

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 2003. 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 2003 Financial Statements

Income And Expenditure Statement For the year ended 31 December 2003

	2003 \$	2002 \$
INCOME		
Sales income	<u>18,780</u>	<u>34,614</u>
LESS COST OF GOODS SOLD		
Opening inventory	13,533	18,686
Purchases	<u>19,698</u>	<u>41,554</u>
	33,231	60,240
Less Closing inventory	<u>21,068</u>	<u>13,533</u>
Total Cost of Goods Sold	<u>12,163</u>	<u>46,707</u>
GROSS PROFIT	<u>6,617</u>	<u>(12,093)</u>
LESS EXPENSES		
Accounting fees	1,250	750
Advertising	15,385	30,183
Auditors remuneration	5,450	3,000
Bad debts	6,116	3,914
Bank charges	4,881	6,864
Cleaning	6,635	6,370
Commission paid	2,000	5,625
Computer expenses	8,552	5,016
Consultancy fees	24,712	4,187
Consumables	588	-
Delivery costs	865	993
Depreciation	9,025	12,235
Electricity	3,309	2,960
Fringe benefits expense payments	1,576	5,701
Conference seminars and events	42,050	32,332
General expenses	874	2,187
Hire purchase charges	3,717	2,217
Insurance	5,998	4,034
Legal costs	1,808	410
Long service leave	16,000	-
Loss on disposal/revaluation of non current assets	5,585	-
Newsletter production	20,800	9,700
Meeting expenses	4,449	5,101
Motor vehicle expenses	29,587	21,496
Postage	16,959	15,522
Printing & stationery	15,620	16,398
Rates & taxes	2,637	5,317

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

- 20 -

Expenses carried forward	<u>256,428</u>	<u>202,512</u>
--------------------------	----------------	----------------

Master Painters Australia NSW Association Inc.

Private Information for the Committee of Management On the 2003 Financial Statements

Income And Expenditure Statement For the year ended 31 December 2003

	2003 \$	2002 \$
Expenses brought forward	256,428	202,512
Repairs & maintenance	4,322	3,531
Salaries & wages - general	158,528	154,257
Seminars and workshops	404	-
Training course expenses	19,603	17,505
Subscriptions	7,696	5,797
Superannuation	9,506	10,482
Telephone	23,462	21,044
Travelling & entertainment	2,240	4,235
Workers compensation insurance	<u>1,069</u>	<u>1,371</u>
TOTAL EXPENSES	<u>483,258</u>	<u>420,734</u>
NET PROFIT/(LOSS)	<u>(476,641)</u>	<u>(432,827)</u>
OTHER OPERATING INCOME / (EXPENSES)		
Commission received	41,135	30,850
Training courses	31,101	25,753
Recoupment on services	19,315	16,182
Conference seminar & events	31,781	31,347
Advertising	17,124	22,297
Interest Income	707	1,370
Insurance recoveries	665	1,458
Rental income	29,700	28,040
Sponsorships	19,377	13,808
Members subscriptions	246,985	248,460
Grant Income	35,690	39,806
Other income	<u>16,575</u>	<u>14,044</u>
Total other operating income/(expenses)	<u>490,155</u>	<u>473,415</u>
OPERATING PROFIT/(LOSS)	<u>13,514</u>	<u>40,588</u>

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



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 8990
Email: sydney@air.gov.au

Mr Brian Tompson
Secretary
Master Painters Australia - NSW Association Inc
PO Box 122
STRATHFIELD SOUTH NSW 2136

Dear Mr Tompson

**Re: Lodgement of the Financial Statements and Accounts for the year ending
31 December 2003 (FR2003/721)**

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 7 February 2005.

Thank you for your attention to this matter. The documents have been filed, and may be viewed on the internet at www.e-airc.gov.au/122n/financial.

I would like to take this opportunity to remind you that information about the new financial reporting obligations under the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) which now apply to your organisation can be found at www.airc.gov.au/fact_sheets/factsheets.html.

Yours sincerely,

A handwritten signature in cursive script that reads "Belinda Penna".

Belinda Penna
for Deputy Industrial Registrar

22 February 2005