



Australian Government
Australian Industrial Registry

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Ref: FR2006/603-[122N]

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

Dear Mr Tompson

Financial Return - year ending 31 December, 2006

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

Information on AIRC Website

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar
19 January 2007

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ / / /	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ / / /	within 6 months of end of financial year within 6 months of end of financial year
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	within 14 days of meeting

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: _____ [*name of designated officer per section 243 of the RAO Schedule*]

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²Only applicable where a concise report is provided to members

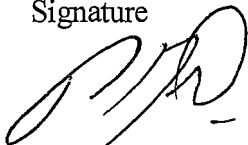
³Insert whichever is applicable

Certificate of Secretary or other Authorised Officer
S268 of Schedule 1B Workplace Relations Act 1996

I Peter Dukino being the President of the Master Painters Australia NSW Association Inc certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the (full report), was provided to members on the 18 April 2007; and
- that the full report was presented to (a general meeting of members) of the reporting unit on 16 May 2007; in accordance with section 266 of the RAO Schedule

Signature



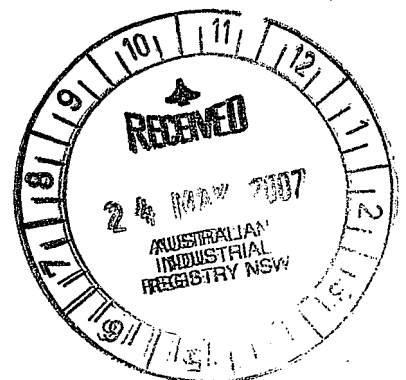
Date

23/May 2007.

RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

- a) the secretary; or
- b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in the paragraph.

Only applicable where a concise report is provided to members
Insert whichever is applicable



PENNA, Belinda

From: Lachlan Baird [lachlan@masterpainters.com.au]
Sent: Wednesday, 23 May 2007 1:15 PM
To: PENNA, Belinda
Subject: RE: Financial Statements and Accounts for the year ending 31 December 2006

Ok thanks Belinda,

I have now had our president sign a new certificate and will post today.

New auditors have very much improved the turn around on our reporting.

Cheers,

Lachlan

-----Original Message-----

From: PENNA, Belinda [mailto:belinda.penna@air.gov.au]
Sent: Wednesday, 23 May 2007 11:23 AM
To: lachlan@masterpainters.com.au
Subject: Financial Statements and Accounts for the year ending 31 December 2006

Dear Lachlan,

Thank you for lodging the abovementioned financial return so promptly.

I note your query regarding the Secretary's Certificate, and whether you are able to sign it on behalf of the Secretary, Brian Tompson.

According to the Annual Return of the organisation you do not hold an elected Office with in the Organisation. If Mr Tompson is not going to be available to sign the Secretary's Certificate for a lengthy period of time would it be possible to arrange for the President Mr Peter Dukino to sign the Secretary's Certificate?

Regards

Belinda Penna

NSW Registry Team

Australian Industrial Registry

ph: 02 8374 6618

email: belinda.penna@air.gov.au

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are addressed. If you have received this email in error please notify

the sender.

23/05/2007

This footnote also confirms that this email message has been swept for the presence of computer viruses.

Certificate of Secretary or other Authorised Officer
S268 of Schedule 1B Workplace Relations Act 1996

I Brian Tompson being the Secretary of the Master Painters Australia NSW Association Inc certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the (full report), was provided to members on the 18 April 2007; and
- that the full report was presented to (a general meeting of members) of the reporting unit on 16 May 2007; in accordance with section 266 of the RAO Schedule

Signature

per Lochlan Jant

Date

16 May 2007

RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

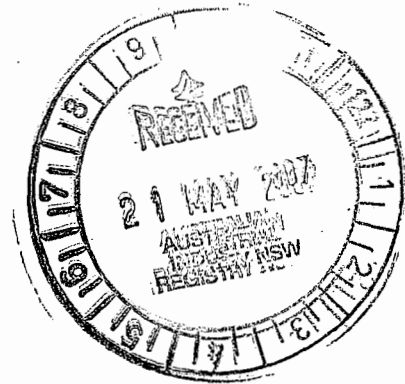
- a) the secretary; or
- b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in the paragraph.

Only applicable where a concise report is provided to members
Insert whichever is applicable

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006



MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

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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 2006.

Committee Members

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

Peter Dukino - President
Toni Isgrove-Vice President
Max Henderson - Treasurer
Brian Thompson - Secretary
Michael Peters - Education and Training Officer
David Penlington - Resigned 19 April 2006
Ken McEnallay
Roger Toni
David James
Peter Ivanovic
John Reakes
David McGowen - Resigned 19 April 2006
Pat Shields - Appointed 19 April 2006
Eduardo Brytin - Appointed 19 April 2006

Principal Activities

The principal activity of the Association during the financial year was to provide services to the painting and decorating 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 loss from ordinary activities amounted to \$123,829 (2005 profit \$66,396). No income tax is payable. The loss was effected by an adjustment to subscription income in order to align the income to reconcile with the appropriate accounting periods.

First-time adoption of International Financial Reporting Standards (AIFRS)

This is the first AIFRS financial report presented by Master Painters Australia NSW Association Inc. The transition from the previous Australian Generally Accepted Accounting Principles to AIFRS has no effect on the reported financial position and financial performance of the entity.

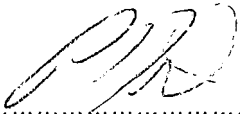
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

COMMITTEE'S REPORT

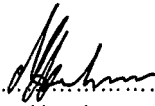
After Balance Date Events

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.

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



Peter Dukino - President



Max Henderson - Treasurer

Dated this 16th day of May 2007

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
Sales revenue	3	16,823	23,673
Other revenue from ordinary activities	3	<u>258,877</u>	<u>423,510</u>
		275,700	447,183
Cost of sales		(14,055)	(5,015)
Office administration		(90,307)	(132,378)
Depreciation		(23,883)	(23,750)
Employee expenses		(193,888)	(99,262)
Advertising expenses		(3,416)	(14,116)
Travel expenses		(22,479)	(12,419)
Conference expenses		(42,902)	(49,718)
Training expenses		(793)	(11,028)
Consultancy expenses		-	(2,882)
Legal expenses		-	(1,369)
Other expenses from ordinary activities		<u>(7,806)</u>	<u>(28,850)</u>
		(399,529)	(380,787)
Borrowing costs expense	4	<u>-</u>	<u>-</u>
Profit from ordinary activities		<u>(123,829)</u>	<u>66,396</u>
Total changes in equity other than those resulting from transactions with owners as owners	15	<u>(123,829)</u>	<u>66,396</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

BALANCE SHEET AS 31ST DECEMBER 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	5	64,702	163,756
Receivables	6	17,049	14,218
Inventories	7	35,795	27,091
Other	8	9,186	-
TOTAL CURRENT ASSETS		<u>126,732</u>	<u>205,065</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	915,541	914,832
Intangible assets	10	879	879
TOTAL NON-CURRENT ASSETS		<u>916,420</u>	<u>915,711</u>
TOTAL ASSETS		<u>1,043,152</u>	<u>1,120,776</u>
CURRENT LIABILITIES			
Payables	11	7,000	5,740
Interest-bearing liabilities	12	9,936	6,373
Provisions	13	18,000	22,543
Other	14	94,050	72,290
TOTAL CURRENT LIABILITIES		<u>128,987</u>	<u>106,946</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	30,425	14,662
Provisions	13	8,400	-
TOTAL NON-CURRENT LIABILITIES		<u>38,825</u>	<u>14,662</u>
TOTAL LIABILITIES		<u>167,812</u>	<u>121,608</u>
NET ASSETS		<u>875,340</u>	<u>999,168</u>
EQUITY			
Reserves	16	442,026	442,026
Retained Profits	17	433,314	557,142
TOTAL EQUITY	15	<u>875,340</u>	<u>999,168</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		151,732	200,337
Receipts from members		192,310	278,585
Payments to suppliers and employees		(441,056)	(444,797)
Interest received		3,227	4,346
Net cash provided by operating activities	20(b)	<u>(93,787)</u>	<u>38,471</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of other non-current assets		15,000	-
Payment for property, plant and equipment		<u>(39,592)</u>	<u>(1,470)</u>
Net cash provided by/(used in) investing activities		<u>(24,592)</u>	<u>(1,470)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		40,361	-
Repayment of borrowings		<u>(21,035)</u>	<u>(7,539)</u>
Net cash provided by/(used in) financing activities		<u>19,326</u>	<u>(7,539)</u>
Net increase in cash held		(99,053)	29,462
Cash at beginning of financial year		<u>163,756</u>	<u>134,294</u>
Cash at end of financial year		<u><u>64,703</u></u>	<u><u>163,756</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 2006**

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 1984 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.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report, comprising the economic entity's financial statements and notes complies with IFRS.

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) 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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(c) 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.

(d) 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 being long service leave entitlements have been provided for where employees have more than five(5) years service.

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

(e) Cash

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

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

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

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

Members subscriptions are recognised in the year that they relate to. Deferred income is accounted for in the appropriate year.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

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

	Note	2006 \$	2005 \$
3. REVENUE			
Operating activities			
- sales of goods (net)		16,823	23,673
- rendering of services		60,652	97,363
- royalties		18,818	32,800
- interest	3(a)	3,227	4,346
- grant income		-	(5,086)
- membership subscriptions		171,110	276,799
- other revenue		5,070	17,288
		<u>275,700</u>	<u>447,183</u>
(a) Interest from:			
- other persons		<u>3,227</u>	<u>4,346</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
4. PROFIT FROM ORDINARY ACTIVITIES			
Profit/(losses) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
- Buildings		12,000	12,000
- Office equipment and motor vehicles		11,883	11,750
Total Depreciation		<u>23,883</u>	<u>23,750</u>
Bad and doubtful debts			
- other entities		-	27,957
Remuneration of the auditors for:			
- audit or review services		5,000	7,000
- other services		<u>-</u>	<u>-</u>
Net (profit)/loss on disposal of non-current assets			
- Property, plant and equipment		<u>(17)</u>	<u>-</u>
5. CASH ASSETS			
Cash on hand		400	400
Cash at bank		14,207	57,592
Deposits at call		50,095	105,764
		<u>64,702</u>	<u>163,756</u>
6. RECEIVABLES			
CURRENT			
Trade debtors		22,549	19,718
Less provision for doubtful debts		<u>(5,500)</u>	<u>(5,500)</u>
		<u>17,049</u>	<u>14,218</u>
Amounts receivable from:			
- committee member related parties		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
		<u>17,049</u>	<u>14,218</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
7. INVENTORIES			
CURRENT			
Finished goods at cost		<u>35,795</u>	<u>27,091</u>
8. OTHER ASSETS			
CURRENT			
Prepayments			
- HP Interest		5,851	-
- GST		<u>3,335</u>	<u>-</u>
		<u>9,186</u>	<u>-</u>
9. PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		293,750	293,750
At directors' valuation		-	-
Total freehold land		<u>293,750</u>	<u>293,750</u>
BUILDINGS			
At cost		607,699	607,699
At directors' valuation		-	-
Less accumulated depreciation		<u>(32,583)</u>	<u>(20,583)</u>
Total buildings		<u>575,116</u>	<u>587,116</u>
Total land and buildings		<u>868,866</u>	<u>880,866</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
9. PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		34,665	35,287
Less accumulated depreciation		<u>(3,900)</u>	<u>(18,305)</u>
		<u>30,765</u>	<u>16,982</u>
 (b) Office equipment			
At cost		71,355	66,428
Less accumulated depreciation		<u>(55,445)</u>	<u>(49,445)</u>
		<u>15,910</u>	<u>16,983</u>
 Total plant and equipment		<u>46,675</u>	<u>33,966</u>
 Total property, plant and equipment		<u>915,541</u>	<u>914,832</u>

Movement 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

	Freehold land \$	Buildings \$	Motor Vehicles \$	Office Equipment \$	Total \$
2006					
Balance at the beginning of the year	293,750	587,116	16,983	16,983	914,832
Additions	-	-	34,665	4,927	39,592
Disposals	-	-	(15,000)	-	(15,000)
Depreciation expense	<u>-</u>	<u>(12,000)</u>	<u>(5,883)</u>	<u>(6,000)</u>	<u>(23,883)</u>
Carrying amount at the end of the year	<u>293,750</u>	<u>575,116</u>	<u>30,765</u>	<u>15,910</u>	<u>915,541</u>

10. INTANGIBLES ASSETS

	2006 \$	2005 \$
Formation costs at cost	<u>879</u>	<u>879</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
11. PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		<u>7,000</u>	<u>5,740</u>
		<u>7,000</u>	<u>5,740</u>
12. INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>9,936</u>	<u>6,373</u>
NON-CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>30,425</u>	<u>14,662</u>
13. PROVISIONS			
CURRENT			
Employee benefits	13(a)	<u>18,000</u>	<u>22,543</u>
NON-CURRENT			
Employee benefits	13(a)	<u>8,400</u>	<u>-</u>
(a) Aggregate employee benefits liability		<u>26,400</u>	<u>22,543</u>
14. OTHER LIABILITIES			
CURRENT			
Deferred income		74,400	53,200
Other current liabilities		<u>19,650</u>	<u>19,090</u>
		<u>94,050</u>	<u>72,290</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
15. EQUITY			
Total equity at the beginning of the financial year		999,168	932,772
Total changes in equity recognised in the statement of financial performance		<u>(123,829)</u>	<u>66,396</u>
Total equity at the reporting date		<u>875,340</u>	<u>999,168</u>
16. RESERVES			
Asset revaluation reserve		<u>442,026</u>	<u>442,026</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		442,026	442,026
		<u>-</u>	<u>-</u>
Closing balance		<u>442,026</u>	<u>442,026</u>
The asset revaluation reserve records revaluations of non-current assets			
17. RETAINED PROFITS			
Retained profits at the beginning of the financial year		557,142	490,746
Net profit/(loss) attributable to members of the entity		<u>(123,829)</u>	<u>66,396</u>
Retained profits at the end of the financial year		<u>433,314</u>	<u>557,142</u>
18. CAPITAL AND LEASING COMMITMENTS			
Represented by:			
Current liability	12	9,936	6,373
Non-current liability	12	<u>30,425</u>	<u>14,661</u>
		<u>40,361</u>	<u>21,034</u>
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 and 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>-</u>	<u>-</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
19. RELATED PARTY TRANSACTIONS (Continued)			
(b) Associated companies			
Unsecured interest fee loan from the Master Painter Australia Limited		-	-

(c) Executive Committee Members

The names of each person on the Executive Committee of the Association during the year are Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.

No member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee.

20. 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	14,207	57,592
At call deposits with financial institutions	<u>50,095</u>	<u>105,764</u>
	<u>64,702</u>	<u>163,756</u>

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

Surplus/(Deficit) from ordinary activities after income tax	(123,829)	66,396
<u>Non-cash flows in profit from ordinary activities</u>		
Depreciation	23,883	23,750
Net (gain)/loss on disposal of property, plant and equipment		-
<u>Changes in assets and liabilities</u>		
(Increase)/decrease in receivables	(2,831)	29,953
(Increase)/decrease in other assets	(9,186)	11,589
(Increase)/decrease in inventories	(8,704)	(9,588)
Increase/(decrease) in payables	1,260	(78,714)
Increase/(decrease) in provisions	<u>25,620</u>	<u>(4,915)</u>
Cash flows from operations	<u>(93,787)</u>	<u>38,471</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 Average Effective Interest Rate		Fixed Interest Rate Maturing			
	2006 %	2005 %	Within 1 year		1 to 5 years	
			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash		5.20%	-	-	-	-
Total Financial Assets			-	-	-	-
Financial Liabilities:						
Hire purchase liabilities		7.70%	9,936	6,373	30,425	14,662
Total Financial Liabilities			9,936	6,373	30,425	14,662
			Floating Interest Rate		Total	
			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash			64,702	163,356	64,702	163,356
Total Financial Assets			64,702	163,356	64,702	163,356
Financial Liabilities:						
Hire purchase liabilities			-	-	40,361	21,035
Total Financial Liabilities			-	-	40,361	21,035

(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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

22. SEGMENT REPORTING

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

23. ASSOCIATION DETAILS

The principal place of business of the Association is:

Master Painters Australia NSW Association Inc.
6 Gould Street
South Strathfield NSW 2140

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
INCOME		
Commission received	39,719	33,484
Consulting fees	-	1,227
Conference seminar & events	10,090	6,331
Advertising	4,915	17,145
Inventory income	16,823	23,673
Interest	3,227	4,346
Training Courses	5,928	39,176
Sponsorships	18,818	32,800
Membership subscriptions	171,110	276,799
Grant income	-	(5,086)
Other income	5,070	17,288
Total other operating income/(expenses)	<u>275,700</u>	<u>447,183</u>
LESS EXPENSES		
Accounting fees/Audit Fees	1,950	5,863
Advertising	3,416	14,116
Bad debts	-	27,957
Bank charges	1,960	2,777
Cleaning	285	-
Computer expenses	5,375	13,871
Consultancy fees	-	2,882
Contract work	-	584
Cost of inventory sold	14,055	5,015
Delivery costs	685	1,273
Depreciation	23,883	23,750
Electricity	-	1,932
Employees' amenities	1,465	193
Fringe benefits expense payments	369	-
Conference seminar & events	42,902	49,718
General expenses	3,500	23,034
Hire purchase charges	3,622	-

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

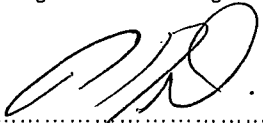
	2006 \$	2005 \$
Holiday pay	(4,543)	-
Insurance	8,529	12,498
Interest	17	-
Legal costs	-	1,369
Long service leave	8,400	-
Motor vehicle expenses	10,228	13,033
Postage	16,039	8,448
Printing and stationery	32,762	38,978
Rates and taxes	-	396
Repairs and maintenance	925	371
Salaries and wages	171,327	94,396
Security & alarm monitoring	671	-
Staff training and welfare	1,955	950
Training course expenses	793	11,028
Subscriptions	-	3,955
Superannuation	14,230	3,228
Telephone	21,794	19,287
Travelling and entertainment	12,251	(614)
Workers compensation insurance	685	495
Total Expenses	<u>399,528</u>	<u>380,786</u>
OPERATING PROFIT/(LOSS)	<u>(123,829)</u>	<u>66,396</u>


MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

OPERATING REPORT

In accordance with the requirements with section 254 of the Workplace Relations Act 1996 I, Peter Dukino, being the President of the Master Painters Australia NSW Association Inc, hereby state that:

1. The Master Painters Australia NSW Association Inc is operated by the Committee on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the painting industry. The Association's core activity and aims have not changed over the last 12 months.
2. A record has been kept of all monies paid by, or collected from, members 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;
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
4. With regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
6. The register of members of the Association was maintained in accordance with the Act.
7. As at December 2006 the number of members of the Association was .
8. There has been a change to the financial affairs of the Association with a loss of \$123,829 being declared in the year 2006 as against a profit of \$65,396 in the year 2005. This was mainly due to increase in staffing costs and a drop in subscription income. Members' subscriptions have now been aligned to the appropriate accounting period.
9. The average number of persons employed by the Association throughout the year 2006 was 3 as against 2 in the previous year.
10. The members who were on the Executive Committee as at December 2006 were Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.
11. In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the President.


.....
P. Dukino - President


.....
Max Henderson - Treasurer

Dated this 16 day of May 2007

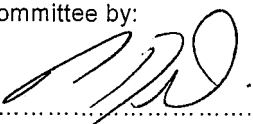
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 23:

1. Presents a true and fair view of the financial position of Master Painters Australia NSW Association Inc as at 31 December 2006 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. 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.
3. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar.
4. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 31 December 2006.
5. During the financial year and since the end of the year:
 - a) meetings of the committee were held in accordance with the rules of the Association;
 - b) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - c) the financial records of the Association have been kept and maintained in accordance with the RAO Schedule and RAO Regulations;
 - d) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

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


.....
P. Dukino - President


.....
Max Henderson - Treasurer

Dated this 16 day of MAY 2007

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.**

Scope

The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the statement by members of the committee for Master Painters Australia NSW Association Inc, for the year ended 31 December 2006.

The committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1984 of New South Wales. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the Association. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1984 of New South Wales, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Association's financial position, and of their performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls

Independence

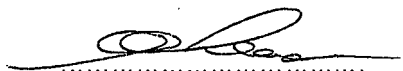
In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion,

- (i) there were kept by the Association in respect of the year ended 31 December 2006, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure;
- (ii) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996 and applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Master Painters Australia NSW Association Inc as at 31 December 2006
 - (b) the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended on that date; and
 - (c) all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996, to be provided by officers or employees were provided.

W. L. Browne & Associates



J. C. Cheadle

Dated: 16th May 2007.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006



MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

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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 2006.

Committee Members

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

Peter Dukino - President
Toni Isgrove - Vice President
Max Henderson - Treasurer
Brian Thompson - Secretary
Michael Peters - Education and Training Officer
David Penlington - Resigned 19 April 2006
Ken McEnallay
Roger Toni
David James
Peter Ivanovic
John Reakes
David McGowen - Resigned 19 April 2006
Pat Shields - Appointed 19 April 2006
Eduardo Brytin - Appointed 19 April 2006

Principal Activities

The principal activity of the Association during the financial year was to provide services to the painting and decorating 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 loss from ordinary activities amounted to \$123,829 (2005 profit \$66,396). No income tax is payable. The loss was effected by an adjustment to subscription income in order to align the income to reconcile with the appropriate accounting periods.

First-time adoption of International Financial Reporting Standards (AIFRS)

This is the first AIFRS financial report presented by Master Painters Australia NSW Association Inc. The transition from the previous Australian Generally Accepted Accounting Principles to AIFRS has no effect on the reported financial position and financial performance of the entity.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

COMMITTEE'S REPORT

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.

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

.....
Peter Dukino - President

.....
Max Henderson - Treasurer

Dated this 16th day of May 2007

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
		\$	\$
Sales revenue	3	16,823	23,673
Other revenue from ordinary activities	3	<u>258,877</u>	<u>423,510</u>
		275,700	447,183
Cost of sales		(14,055)	(5,015)
Office administration		(90,307)	(132,378)
Depreciation		(23,883)	(23,750)
Employee expenses		(193,888)	(99,262)
Advertising expenses		(3,416)	(14,116)
Travel expenses		(22,479)	(12,419)
Conference expenses		(42,902)	(49,718)
Training expenses		(793)	(11,028)
Consultancy expenses		-	(2,882)
Legal expenses		-	(1,369)
Other expenses from ordinary activities		<u>(7,806)</u>	<u>(28,850)</u>
		(399,529)	(380,787)
Borrowing costs expense	4	<u>-</u>	<u>-</u>
Profit from ordinary activities		<u>(123,829)</u>	<u>66,396</u>
Total changes in equity other than those resulting from transactions with owners as owners	15	<u>(123,829)</u>	<u>66,396</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

BALANCE SHEET
AS 31ST DECEMBER 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	5	64,702	163,756
Receivables	6	17,049	14,218
Inventories	7	35,795	27,091
Other	8	9,186	-
TOTAL CURRENT ASSETS		<u>126,732</u>	<u>205,065</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	915,541	914,832
Intangible assets	10	879	879
TOTAL NON-CURRENT ASSETS		<u>916,420</u>	<u>915,711</u>
TOTAL ASSETS		<u>1,043,152</u>	<u>1,120,776</u>
CURRENT LIABILITIES			
Payables	11	7,000	5,740
Interest-bearing liabilities	12	9,936	6,373
Provisions	13	18,000	22,543
Other	14	94,050	72,290
TOTAL CURRENT LIABILITIES		<u>128,987</u>	<u>106,946</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	30,425	14,662
Provisions	13	8,400	-
TOTAL NON-CURRENT LIABILITIES		<u>38,825</u>	<u>14,662</u>
TOTAL LIABILITIES		<u>167,812</u>	<u>121,608</u>
NET ASSETS		<u>875,340</u>	<u>999,168</u>
EQUITY			
Reserves	16	442,026	442,026
Retained Profits	17	433,314	557,142
TOTAL EQUITY	15	<u>875,340</u>	<u>999,168</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		151,732	200,337
Receipts from members		192,310	278,585
Payments to suppliers and employees		(441,056)	(444,797)
Interest received		3,227	4,346
Net cash provided by operating activities	20(b)	<u>(93,787)</u>	<u>38,471</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of other non-current assets		15,000	-
Payment for property, plant and equipment		<u>(39,592)</u>	<u>(1,470)</u>
Net cash provided by/(used in) investing activities		<u>(24,592)</u>	<u>(1,470)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		40,361	-
Repayment of borrowings		<u>(21,035)</u>	<u>(7,539)</u>
Net cash provided by/(used in) financing activities		<u>19,326</u>	<u>(7,539)</u>
Net increase in cash held		(99,053)	29,462
Cash at beginning of financial year		163,756	134,294
Cash at end of financial year		<u>64,703</u>	<u>163,756</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 2006**

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 1984 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.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report, comprising the economic entity's financial statements and notes complies with IFRS.

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) 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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(c) 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.

(d) 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 being long service leave entitlements have been provided for where employees have more than five(5) years service.

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

(e) Cash

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

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.
Other revenue is recognised when the right to receive the revenue has been established.
All revenue is stated net of the amount of goods and services tax (GST).
Members subscriptions are recognised in the year that they relate to. Deferred income is accounted for in the appropriate year.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

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

	Note	2006 \$	2005 \$
3. REVENUE			
Operating activities			
- sales of goods (net)		16,823	23,673
- rendering of services		60,652	97,363
- royalties		18,818	32,800
- interest	3(a)	3,227	4,346
- grant income		-	(5,086)
- membership subscriptions		171,110	276,799
- other revenue		5,070	17,288
		<u>275,700</u>	<u>447,183</u>
(a) Interest from:			
- other persons		<u>3,227</u>	<u>4,346</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
4. PROFIT FROM ORDINARY ACTIVITIES			
Profit/(losses) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
- Buildings		12,000	12,000
- Office equipment and motor vehicles		11,883	11,750
Total Depreciation		<u>23,883</u>	<u>23,750</u>
Bad and doubtful debts			
- other entities		-	27,957
Remuneration of the auditors for:			
- audit or review services		5,000	7,000
- other services		<u>-</u>	<u>-</u>
Net (profit)/loss on disposal of non-current assets			
- Property, plant and equipment		<u>(17)</u>	<u>-</u>
5. CASH ASSETS			
Cash on hand		400	400
Cash at bank		14,207	57,592
Deposits at call		50,095	105,764
		<u>64,702</u>	<u>163,756</u>
6. RECEIVABLES			
CURRENT			
Trade debtors		22,549	19,718
Less provision for doubtful debts		(5,500)	(5,500)
		<u>17,049</u>	<u>14,218</u>
Amounts receivable from:			
- committee member related parties		-	-
		<u>-</u>	<u>-</u>
		<u>17,049</u>	<u>14,218</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
7. INVENTORIES			
CURRENT			
Finished goods at cost		<u>35,795</u>	<u>27,091</u>
8. OTHER ASSETS			
CURRENT			
Prepayments			
- HP Interest		5,851	-
- GST		<u>3,335</u>	<u>-</u>
		<u>9,186</u>	<u>-</u>
9. PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		293,750	293,750
At directors' valuation		-	-
Total freehold land		<u>293,750</u>	<u>293,750</u>
BUILDINGS			
At cost		607,699	607,699
At directors' valuation		-	-
Less accumulated depreciation		<u>(32,583)</u>	<u>(20,583)</u>
Total buildings		<u>575,116</u>	<u>587,116</u>
Total land and buildings		<u>868,866</u>	<u>880,866</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
9. PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		34,665	35,287
Less accumulated depreciation		<u>(3,900)</u>	<u>(18,305)</u>
		<u>30,765</u>	<u>16,982</u>
 (b) Office equipment			
At cost		71,355	66,428
Less accumulated depreciation		<u>(55,445)</u>	<u>(49,445)</u>
		<u>15,910</u>	<u>16,983</u>
 Total plant and equipment		<u>46,675</u>	<u>33,966</u>
 Total property, plant and equipment		<u>915,541</u>	<u>914,832</u>

Movement 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

	Freehold land \$	Buildings \$	Motor Vehicles \$	Office Equipment \$	Total \$
2006					
Balance at the beginning of the year	293,750	587,116	16,983	16,983	914,832
Additions	-	-	34,665	4,927	39,592
Disposals	-	-	(15,000)	-	(15,000)
Depreciation expense	-	(12,000)	(5,883)	(6,000)	(23,883)
Carrying amount at the end of the year	<u>293,750</u>	<u>575,116</u>	<u>30,765</u>	<u>15,910</u>	<u>915,541</u>

10. INTANGIBLES ASSETS

	2006 \$	2005 \$
Formation costs at cost	<u>879</u>	<u>879</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
11. PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		<u>7,000</u>	<u>5,740</u>
		<u>7,000</u>	<u>5,740</u>
12. INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>9,936</u>	<u>6,373</u>
NON-CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>30,425</u>	<u>14,662</u>
13. PROVISIONS			
CURRENT			
Employee benefits	13(a)	<u>18,000</u>	<u>22,543</u>
NON-CURRENT			
Employee benefits	13(a)	<u>8,400</u>	<u>-</u>
(a) Aggregate employee benefits liability		<u>26,400</u>	<u>22,543</u>
14. OTHER LIABILITIES			
CURRENT			
Deferred income		74,400	53,200
Other current liabilities		<u>19,650</u>	<u>19,090</u>
		<u>94,050</u>	<u>72,290</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
15. EQUITY			
Total equity at the beginning of the financial year		999,168	932,772
Total changes in equity recognised in the statement of financial performance		(123,829)	66,396
Total equity at the reporting date		<u>875,340</u>	<u>999,168</u>
16. RESERVES			
Asset revaluation reserve		<u>442,026</u>	<u>442,026</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		442,026	442,026
Closing balance		<u>442,026</u>	<u>442,026</u>
The asset revaluation reserve records revaluations of non-current assets			
17. RETAINED PROFITS			
Retained profits at the beginning of the financial year		557,142	490,746
Net profit/(loss) attributable to members of the entity		(123,829)	66,396
Retained profits at the end of the financial year		<u>433,314</u>	<u>557,142</u>
18. CAPITAL AND LEASING COMMITMENTS			
Represented by:			
Current liability	12	9,936	6,373
Non-current liability	12	30,425	14,661
		<u>40,361</u>	<u>21,034</u>
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 and 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>-</u>	<u>-</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
19. RELATED PARTY TRANSACTIONS (Continued)			
(b) Associated companies			
Unsecured interest fee loan from the Master Painter Australia Limited		-	-

(c) Executive Committee Members

The names of each person on the Executive Committee of the Association during the year are Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.

No member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee.

20. 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	14,207	57,592
At call deposits with financial institutions	50,095	105,764
	<u>64,702</u>	<u>163,756</u>

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

Surplus/(Deficit) from ordinary activities after income tax	(123,829)	66,396
<u>Non-cash flows in profit from ordinary activities</u>		
Depreciation	23,883	23,750
Net (gain)/loss on disposal of property, plant and equipment		-
<u>Changes in assets and liabilities</u>		
(Increase)/decrease in receivables	(2,831)	29,953
(Increase)/decrease in other assets	(9,186)	11,589
(Increase)/decrease in inventories	(8,704)	(9,588)
Increase/(decrease) in payables	1,260	(78,714)
Increase/(decrease) in provisions	25,620	(4,915)
Cash flows from operations	<u>(93,787)</u>	<u>38,471</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 Average Effective Interest Rate		Fixed Interest Rate Maturing			
	2006 %	2005 %	Within 1 year		1 to 5 years	
			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash		5.20%	-	-	-	-
Total Financial Assets			-	-	-	-
Financial Liabilities:						
Hire purchase liabilities		7.70%	9,936	6,373	30,425	14,662
Total Financial Liabilities			9,936	6,373	30,425	14,662
			Floating Interest Rate		Total	
			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash			64,702	163,356	64,702	163,356
Total Financial Assets			64,702	163,356	64,702	163,356
Financial Liabilities:						
Hire purchase liabilities			-	-	40,361	21,035
Total Financial Liabilities			-	-	40,361	21,035

(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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

22. SEGMENT REPORTING

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

23. ASSOCIATION DETAILS

The principal place of business of the Association is:

Master Painters Australia NSW Association Inc.
6 Gould Street
South Strathfield NSW 2140

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
INCOME		
Commission received	39,719	33,484
Consulting fees	-	1,227
Conference seminar & events	10,090	6,331
Advertising	4,915	17,145
Inventory income	16,823	23,673
Interest	3,227	4,346
Training Courses	5,928	39,176
Sponsorships	18,818	32,800
Membership subscriptions	171,110	276,799
Grant income	-	(5,086)
Other income	5,070	17,288
Total other operating income/(expenses)	<u>275,700</u>	<u>447,183</u>
LESS EXPENSES		
Accounting fees/Audit Fees	1,950	5,863
Advertising	3,416	14,116
Bad debts	-	27,957
Bank charges	1,960	2,777
Cleaning	285	-
Computer expenses	5,375	13,871
Consultancy fees	-	2,882
Contract work	-	584
Cost of inventory sold	14,055	5,015
Delivery costs	685	1,273
Depreciation	23,883	23,750
Electricity	-	1,932
Employees' amenities	1,465	193
Fringe benefits expense payments	369	-
Conference seminar & events	42,902	49,718
General expenses	3,500	23,034
Hire purchase charges	3,622	-

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

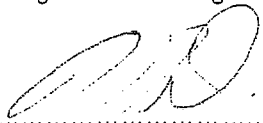
	2006	2005
	\$	\$
Holiday pay	(4,543)	-
Insurance	8,529	12,498
Interest	17	-
Legal costs	-	1,369
Long service leave	8,400	-
Motor vehicle expenses	10,228	13,033
Postage	16,039	8,448
Printing and stationery	32,762	38,978
Rates and taxes	-	396
Repairs and maintenance	925	371
Salaries and wages	171,327	94,396
Security & alarm monitoring	671	-
Staff training and welfare	1,955	950
Training course expenses	793	11,028
Subscriptions	-	3,955
Superannuation	14,230	3,228
Telephone	21,794	19,287
Travelling and entertainment	12,251	(614)
Workers compensation insurance	685	495
Total Expenses	<u>399,528</u>	<u>380,786</u>
OPERATING PROFIT/(LOSS)	<u>(123,829)</u>	<u>66,396</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

OPERATING REPORT

In accordance with the requirements with section 254 of the Workplace Relations Act 1996 I, Peter Dukino, being the President of the Master Painters Australia NSW Association Inc, hereby state that:

1. The Master Painters Australia NSW Association Inc is operated by the Committee on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the painting industry. The Association's core activity and aims have not changed over the last 12 months.
2. A record has been kept of all monies paid by, or collected from, members 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;
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
4. With regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
6. The register of members of the Association was maintained in accordance with the Act.
7. As at December 2006 the number of members of the Association was .
8. There has been a change to the financial affairs of the Association with a loss of \$123,829 being declared in the year 2006 as against a profit of \$65,396 in the year 2005. This was mainly due to increase in staffing costs and a drop in subscription income. Members' subscriptions have now been aligned to the appropriate accounting period.
9. The average number of persons employed by the Association throughout the year 2006 was 3 as against 2 in the previous year.
10. The members who were on the Executive Committee as at December 2006 were Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.
11. In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the President.



P. Dukino - President



Max Henderson - Treasurer

Dated this 16 day of May 2007

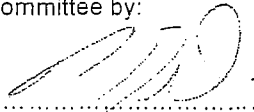
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

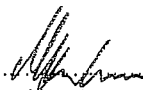
STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 23:

1. Presents a true and fair view of the financial position of Master Painters Australia NSW Association Inc as at 31 December 2006 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. 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.
3. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar.
4. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 31 December 2006.
5. During the financial year and since the end of the year:
 - a) meetings of the committee were held in accordance with the rules of the Association;
 - b) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - c) the financial records of the Association have been kept and maintained in accordance with the RAO Schedule and RAO Regulations;
 - d) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

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


.....
P. Dukino - President


.....
Max Henderson - Treasurer

Dated this 16 day of May 2007

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.**

Scope

The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the statement by members of the committee for Master Painters Australia NSW Association Inc, for the year ended 31 December 2006.

The committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1984 of New South Wales. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the Association. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1984 of New South Wales, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Association's financial position, and of their performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls

Independence

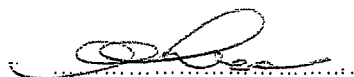
In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion,

- (i) there were kept by the Association in respect of the year ended 31 December 2006, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure;
- (ii) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996 and applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Master Painters Australia NSW Association Inc as at 31 December 2006
 - (b) the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended on that date; and
 - (c) all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996, to be provided by officers or employees were provided.

W L. Browne & Associates



J. C. Cheadle

Dated: 16 May 2007

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.

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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 2006.

Committee Members

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

Peter Dukino - President
Toni Isgrove-Vice President
Max Henderson - Treasurer
Brian Thompson - Secretary
Michael Peters - Education and Training Officer
David Penlington - Resigned 19 April 2006
Ken McEnallay
Roger Toni
David James
Peter Ivanovic
John Reakes
David McGowen - Resigned 19 April 2006
Pat Shields - Appointed 19 April 2006
Eduardo Brytin - Appointed 19 April 2006

Principal Activities

The principal activity of the Association during the financial year was to provide services to the painting and decorating 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 loss from ordinary activities amounted to \$123,829 (2005 profit \$66,396). No income tax is payable. The loss was effected by an adjustment to subscription income in order to align the income to reconcile with the appropriate accounting periods.

First-time adoption of International Financial Reporting Standards (AIFRS)

This is the first AIFRS financial report presented by Master Painters Australia NSW Association Inc. The transition from the previous Australian Generally Accepted Accounting Principles to AIFRS has no effect on the reported financial position and financial performance of the entity.

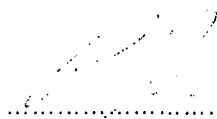
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

COMMITTEE'S REPORT

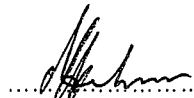
After Balance Date Events

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.

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


.....

Peter Dukino - President


.....

Max Henderson - Treasurer

Dated this 16th day of May 2007

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
Sales revenue	3	16,823	23,673
Other revenue from ordinary activities	3	258,877	423,510
		<u>275,700</u>	<u>447,183</u>
Cost of sales		(14,055)	(5,015)
Office administration		(90,307)	(132,378)
Depreciation		(23,883)	(23,750)
Employee expenses		(193,888)	(99,262)
Advertising expenses		(3,416)	(14,116)
Travel expenses		(22,479)	(12,419)
Conference expenses		(42,902)	(49,718)
Training expenses		(793)	(11,028)
Consultancy expenses		-	(2,882)
Legal expenses		-	(1,369)
Other expenses from ordinary activities		<u>(7,806)</u>	<u>(28,850)</u>
		<u>(399,529)</u>	<u>(380,787)</u>
Borrowing costs expense	4	-	-
Profit from ordinary activities		<u>(123,829)</u>	<u>66,396</u>
Total changes in equity other than those resulting from transactions with owners as owners	15	<u>(123,829)</u>	<u>66,396</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

BALANCE SHEET
AS 31ST DECEMBER 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	5	64,702	163,756
Receivables	6	17,049	14,218
Inventories	7	35,795	27,091
Other	8	9,186	-
TOTAL CURRENT ASSETS		<u>126,732</u>	<u>205,065</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	915,541	914,832
Intangible assets	10	879	879
TOTAL NON-CURRENT ASSETS		<u>916,420</u>	<u>915,711</u>
TOTAL ASSETS		<u>1,043,152</u>	<u>1,120,776</u>
CURRENT LIABILITIES			
Payables	11	7,000	5,740
Interest-bearing liabilities	12	9,936	6,373
Provisions	13	18,000	22,543
Other	14	94,050	72,290
TOTAL CURRENT LIABILITIES		<u>128,987</u>	<u>106,946</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	30,425	14,662
Provisions	13	8,400	-
TOTAL NON-CURRENT LIABILITIES		<u>38,825</u>	<u>14,662</u>
TOTAL LIABILITIES		<u>167,812</u>	<u>121,608</u>
NET ASSETS		<u>875,340</u>	<u>999,168</u>
EQUITY			
Reserves	16	442,026	442,026
Retained Profits	17	433,314	557,142
TOTAL EQUITY	15	<u>875,340</u>	<u>999,168</u>

The accompanying notes form part of these financial statements

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		151,732	200,337
Receipts from members		192,310	278,585
Payments to suppliers and employees		(441,056)	(444,797)
Interest received		3,227	4,346
Net cash provided by operating activities	20(b)	<u>(93,787)</u>	<u>38,471</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of other non-current assets		15,000	-
Payment for property, plant and equipment		<u>(39,592)</u>	<u>(1,470)</u>
Net cash provided by/(used in) investing activities		<u>(24,592)</u>	<u>(1,470)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		40,361	-
Repayment of borrowings		<u>(21,035)</u>	<u>(7,539)</u>
Net cash provided by/(used in) financing activities		<u>19,326</u>	<u>(7,539)</u>
Net increase in cash held		(99,053)	29,462
Cash at beginning of financial year		<u>163,756</u>	<u>134,294</u>
Cash at end of financial year		<u><u>64,703</u></u>	<u><u>163,756</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 2006

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 1984 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.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report, comprising the economic entity's financial statements and notes complies with IFRS.

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) 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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(c) 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.

(d) 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 being long service leave entitlements have been provided for where employees have more than five(5) years service.

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

(e) Cash

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

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

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

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

Members subscriptions are recognised in the year that they relate to. Deferred income is accounted for in the appropriate year.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

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

	Note	2006 \$	2005 \$
3. REVENUE			
Operating activities			
- sales of goods (net)		16,823	23,673
- rendering of services		60,652	97,363
- royalties		18,818	32,800
- interest	3(a)	3,227	4,346
- grant income		-	(5,086)
- membership subscriptions		171,110	276,799
- other revenue		5,070	17,288
		<u>275,700</u>	<u>447,183</u>
(a) Interest from:			
- other persons		<u>3,227</u>	<u>4,346</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
4. PROFIT FROM ORDINARY ACTIVITIES			
Profit/(losses) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
- Buildings		12,000	12,000
- Office equipment and motor vehicles		11,883	11,750
Total Depreciation		<u>23,883</u>	<u>23,750</u>
Bad and doubtful debts			
- other entities		-	27,957
Remuneration of the auditors for:			
- audit or review services		5,000	7,000
- other services		<u>-</u>	<u>-</u>
Net (profit)/loss on disposal of non-current assets			
- Property, plant and equipment		<u>(17)</u>	<u>-</u>
5. CASH ASSETS			
Cash on hand		400	400
Cash at bank		14,207	57,592
Deposits at call		50,095	105,764
		<u>64,702</u>	<u>163,756</u>
6. RECEIVABLES			
CURRENT			
Trade debtors		22,549	19,718
Less provision for doubtful debts		(5,500)	(5,500)
		<u>17,049</u>	<u>14,218</u>
Amounts receivable from:			
- committee member related parties		-	-
		<u>-</u>	<u>-</u>
		<u>17,049</u>	<u>14,218</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
7. INVENTORIES			
CURRENT			
Finished goods at cost		<u>35,795</u>	<u>27,091</u>
8. OTHER ASSETS			
CURRENT			
Prepayments			
- HP Interest		5,851	-
- GST		<u>3,335</u>	<u>-</u>
		<u>9,186</u>	<u>-</u>
9. PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		293,750	293,750
At directors' valuation		-	-
Total freehold land		<u>293,750</u>	<u>293,750</u>
BUILDINGS			
At cost		607,699	607,699
At directors' valuation		-	-
Less accumulated depreciation		<u>(32,583)</u>	<u>(20,583)</u>
Total buildings		<u>575,116</u>	<u>587,116</u>
Total land and buildings		<u>868,866</u>	<u>880,866</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
9. PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		34,665	35,287
Less accumulated depreciation		(3,900)	(18,305)
		<u>30,765</u>	<u>16,982</u>
 (b) Office equipment			
At cost		71,355	66,428
Less accumulated depreciation		(55,445)	(49,445)
		<u>15,910</u>	<u>16,983</u>
 Total plant and equipment		<u>46,675</u>	<u>33,966</u>
 Total property, plant and equipment		<u>915,541</u>	<u>914,832</u>

Movement 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

	Freehold land \$	Buildings \$	Motor Vehicles \$	Office Equipment \$	Total \$
2006					
Balance at the beginning of the year	293,750	587,116	16,983	16,983	914,832
Additions	-	-	34,665	4,927	39,592
Disposals	-	-	(15,000)	-	(15,000)
Depreciation expense	-	(12,000)	(5,883)	(6,000)	(23,883)
Carrying amount at the end of the year	<u>293,750</u>	<u>575,116</u>	<u>30,765</u>	<u>15,910</u>	<u>915,541</u>

10. INTANGIBLES ASSETS	2006 \$	2005 \$
Formation costs at cost	<u>879</u>	<u>879</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
11. PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		<u>7,000</u>	<u>5,740</u>
		<u>7,000</u>	<u>5,740</u>
12. INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>9,936</u>	<u>6,373</u>
NON-CURRENT			
Unsecured liabilities			
Hire purchase liability	18	<u>30,425</u>	<u>14,662</u>
13. PROVISIONS			
CURRENT			
Employee benefits	13(a)	<u>18,000</u>	<u>22,543</u>
NON-CURRENT			
Employee benefits	13(a)	<u>8,400</u>	<u>-</u>
(a) Aggregate employee benefits liability		<u>26,400</u>	<u>22,543</u>
14. OTHER LIABILITIES			
CURRENT			
Deferred income		74,400	53,200
Other current liabilities		<u>19,650</u>	<u>19,090</u>
		<u>94,050</u>	<u>72,290</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
15. EQUITY			
Total equity at the beginning of the financial year		999,168	932,772
Total changes in equity recognised in the statement of financial performance		(123,829)	66,396
Total equity at the reporting date		<u>875,340</u>	<u>999,168</u>
16. RESERVES			
Asset revaluation reserve		<u>442,026</u>	<u>442,026</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		442,026	442,026
		-	-
Closing balance		<u>442,026</u>	<u>442,026</u>
The asset revaluation reserve records revaluations of non-current assets			
17. RETAINED PROFITS			
Retained profits at the beginning of the financial year		557,142	490,746
Net profit/(loss) attributable to members of the entity		(123,829)	66,396
Retained profits at the end of the financial year		<u>433,314</u>	<u>557,142</u>
18. CAPITAL AND LEASING COMMITMENTS			
Represented by:			
Current liability	12	9,936	6,373
Non-current liability	12	<u>30,425</u>	<u>14,661</u>
		<u>40,361</u>	<u>21,034</u>
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 and unless otherwise stated.			
Rent received from Master Painters Group Training Company Pty Ltd, being an entity related to Master Painters Australia NSW Association Inc.		-	-

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
19. RELATED PARTY TRANSACTIONS (Continued)			
(b) Associated companies			
Unsecured interest free loan from the Master Painter Australia Limited		-	-
(c) Executive Committee Members			
The names of each person on the Executive Committee of the Association during the year are Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.			
No member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee.			
20. 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		14,207	57,592
At call deposits with financial institutions		50,095	105,764
		<u>64,702</u>	<u>163,756</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Surplus/(Deficit) from ordinary activities after income tax		(123,829)	66,396
<u>Non-cash flows in profit from ordinary activities</u>			
Depreciation		23,883	23,750
Net (gain)/loss on disposal of property, plant and equipment		-	-
<u>Changes in assets and liabilities</u>			
(Increase)/decrease in receivables		(2,831)	29,953
(Increase)/decrease in other assets		(9,186)	11,589
(Increase)/decrease in inventories		(8,704)	(9,588)
Increase/(decrease) in payables		1,260	(78,714)
Increase/(decrease) in provisions		25,620	(4,915)
Cash flows from operations		<u>(93,787)</u>	<u>38,471</u>

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

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 Average Effective Interest Rate		Fixed Interest Rate Maturing			
			Within 1 year		1 to 5 years	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash		5.20%	-	-	-	-
Total Financial Assets			-	-	-	-
Financial Liabilities:						
Hire purchase liabilities		7.70%	9,936	6,373	30,425	14,662
Total Financial Liabilities			9,936	6,373	30,425	14,662
			Floating Interest Rate		Total	
			2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:						
Cash			64,702	163,356	64,702	163,356
Total Financial Assets			64,702	163,356	64,702	163,356
Financial Liabilities:						
Hire purchase liabilities			-	-	40,361	21,035
Total Financial Liabilities			-	-	40,361	21,035

(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.

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

22. SEGMENT REPORTING

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

23. ASSOCIATION DETAILS

The principal place of business of the Association is:

Master Painters Australia NSW Association Inc.
6 Gould Street
South Strathfield NSW 2140

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
INCOME		
Commission received	39,719	33,484
Consulting fees	-	1,227
Conference seminar & events	10,090	6,331
Advertising	4,915	17,145
Inventory income	16,823	23,673
Interest	3,227	4,346
Training Courses	5,928	39,176
Sponsorships	18,818	32,800
Membership subscriptions	171,110	276,799
Grant income	-	(5,086)
Other income	5,070	17,288
Total other operating income/(expenses)	<u>275,700</u>	<u>447,183</u>
LESS EXPENSES		
Accounting fees/Audit Fees	1,950	5,863
Advertising	3,416	14,116
Bad debts		27,957
Bank charges	1,960	2,777
Cleaning	285	-
Computer expenses	5,375	13,871
Consultancy fees	-	2,882
Contract work	-	584
Cost of inventory sold	14,055	5,015
Delivery costs	685	1,273
Depreciation	23,883	23,750
Electricity	-	1,932
Employees' amenities	1,465	193
Fringe benefits expense payments	369	-
Conference seminar & events	42,902	49,718
General expenses	3,500	23,034
Hire purchase charges	3,622	-

MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

INFORMATION FOR THE COMMITTEE OF MANAGEMENT
ON THE 2006 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

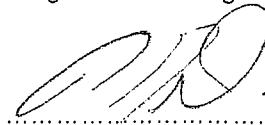
	2006 \$	2005 \$
Holiday pay	(4,543)	-
Insurance	8,529	12,498
Interest	17	-
Legal costs	-	1,369
Long service leave	8,400	-
Motor vehicle expenses	10,228	13,033
Postage	16,039	8,448
Printing and stationery	32,762	38,978
Rates and taxes	-	396
Repairs and maintenance	925	371
Salaries and wages	171,327	94,396
Security & alarm monitoring	671	-
Staff training and welfare	1,955	950
Training course expenses	793	11,028
Subscriptions	-	3,955
Superannuation	14,230	3,228
Telephone	21,794	19,287
Travelling and entertainment	12,251	(614)
Workers compensation insurance	685	495
Total Expenses	<u>399,528</u>	<u>380,786</u>
OPERATING PROFIT/(LOSS)	<u>(123,829)</u>	<u>66,396</u>


MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

OPERATING REPORT

In accordance with the requirements with section 254 of the Workplace Relations Act 1996 I, Peter Dukino, being the President of the Master Painters Australia NSW Association Inc, hereby state that:

1. The Master Painters Australia NSW Association Inc is operated by the Committee on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the painting industry. The Association's core activity and aims have not changed over the last 12 months.
2. A record has been kept of all monies paid by, or collected from, members 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;
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
4. With regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
6. The register of members of the Association was maintained in accordance with the Act.
7. As at December 2006 the number of members of the Association was .
8. There has been a change to the financial affairs of the Association with a loss of \$123,829 being declared in the year 2006 as against a profit of \$65,396 in the year 2005. This was mainly due to increase in staffing costs and a drop in subscription income. Members' subscriptions have now been aligned to the appropriate accounting period.
9. The average number of persons employed by the Association throughout the year 2006 was 3 as against 2 in the previous year.
10. The members who were on the Executive Committee as at December 2006 were Messrs P Dukino, T Isgrove, M Henderson, B Thompson, M Peters, D Penlington, K McEnallay, R Toni, D James, P Ivanovic, J Reakes, D McGowan, P Shields, E Brytin.
11. In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the President.


.....
P. Dukino - President


.....
Max Henderson - Treasurer

Dated this 16 day of May 2007

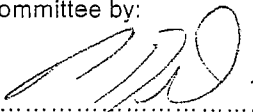
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC

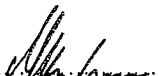
STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 23:

1. Presents a true and fair view of the financial position of Master Painters Australia NSW Association Inc as at 31 December 2006 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. 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.
3. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar.
4. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 31 December 2006.
5. During the financial year and since the end of the year:
 - a) meetings of the committee were held in accordance with the rules of the Association;
 - b) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - c) the financial records of the Association have been kept and maintained in accordance with the RAO Schedule and RAO Regulations;
 - d) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

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


.....
P. Dukino - President


.....
Max Henderson - Treasurer

Dated this 16 day of May 2007

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MASTER PAINTERS AUSTRALIA NSW ASSOCIATION INC.**

Scope

The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the statement by members of the committee for Master Painters Australia NSW Association Inc, for the year ended 31 December 2006.

The committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1984 of New South Wales. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the Association. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1984 of New South Wales, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Association's financial position, and of their performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion,

- (i) there were kept by the Association in respect of the year ended 31 December 2006, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure;
- (ii) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996 and applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Master Painters Australia NSW Association Inc as at 31 December 2006
 - (b) the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended on that date; and
 - (c) all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996, to be provided by officers or employees were provided.

W. L. Browne & Associates


J. C. Cheadle

Dated: 16th May 2007





Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Peter Dukino
President
Master Painters Australia - N.S.W. Association Inc.
PO Box 122
STRATHFIELD SOUTH NSW 2136

Dear Mr Dukino

**Re: Lodgement of Financial Statements and Accounts – Master Painters Australia -
N.S.W. Association Inc. – for year ending 31 December 2006 (FR2006/603)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 21 May 2007.

The report appears to meet substantially the legislative requirements although I draw your attention for future years to (i) what appears to be a typographical omission of the number of members and (ii) the omission of a statement whether any office-holder or member was a Trustee of any superannuation entity as required by s254, from the Operating Report.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S Kellett'.

Stephen Kellett
for Deputy Industrial Registrar

5 June 2007