



Australian Government
Australian Industrial Registry

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

Ref: FR2006/611-[139N]

Mr Paul Naylor
General Manager
The Master Plumbers & Mechanical Contractors
Association of New South Wales
PO Box 42
LIDCOMBE NSW 1825

Dear Mr Naylor

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* at 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".

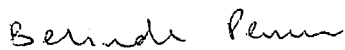
Extensions of Time

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 6666 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

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:

¹*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 that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

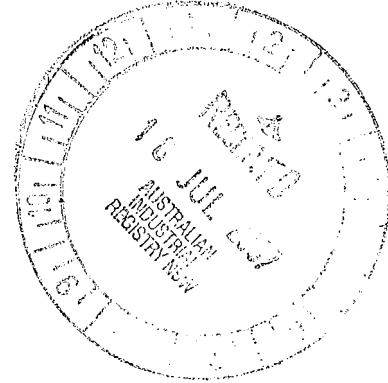


MASTER PLUMBERS ASSOCIATION OF NSW®

"Serving the nation for over 100 years"

13th July 2007

Attention Belinda Penna
Australian Industrial Registry
Level 8, Terrace Tower
80 William Street
East Sydney NSW 2011



Dear Belinda

RE: FR2006/611-[139N] - Financial Return – Year Ended 31 December 2006

Please find enclosed the Financial Return for the year ended 31st December 2006.

Attachment A – Timeline / Planner

Attachment B - Document Checklist

Attachment D – Certificate of Secretary or other Authorised Officer

Annual Financial Report for the year ended 31st December 2006, which includes

General Purpose Financial Report

Financial Statements

Notes to the Financial Statements

Committee of Management Statement

Operating Report

Auditors Report

As this is the first Financial Return that we have lodged, I would be grateful if you could advise me if you require any additional information (I.E electronic copies of the files) etc.

Yours Faithfully

Ken Saville

Deputy General Manager

THE MASTER PLUMBERS & MECHANICAL CONTRACTORS ASSOCIATION OF NEW SOUTH WALES

3 John Street Lidcombe NSW 2141 PO Box 42 Lidcombe NSW 1825 Ph: (02) 8789 7000 Freecall: 1800 424 181 Fax: 9749 7881

Email: info@masterplumbers.com.au Web: www.masterplumbers.com.au

ABN 64 040 939 175

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).

Certificate of Secretary or other Authorised Officer¹
s268 of Schedule 1B *Workplace Relations Act 1996*

I Greg McElroy being the President of the The Master Plumbers & Mechanical Contractors Association of New South Wales 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 28th May 2007; and
- that the full report was presented to *a general meeting of members* of the reporting unit on 19th June 2007; in accordance with section 266 of the RAO Schedule.

Signature

Date: 9th June 2007



RAO regulation 162 prescribes the designed 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.

**THE MASTER PLUMBERS & MECHANICAL
CONTRACTORS ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175**

**ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
31 DECEMBER 2006**

**THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175**

NOTICE TO MEMBERS

Members of the Association may obtain further information in accordance with section 272 of the Registration and Accountability of Organisations (RAO) Schedule.

Section 272 of the RAO Schedule provides:

- s.272(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

- s.272(2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such a time, as is prescribed.

- s.272(3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175**

OPERATING REPORT

I, Greg McElroy, the President of The Master Plumbers and Mechanical Contractors Association of New South Wales hereby present the operating report of The Master Plumbers and Mechanical Contractors Association of New South Wales ("the Association") for the year ended 31 December 2006.

Committee of Management

The Committee of Management of the Association is a committee elected annually by the plumbing members of the Association. The election is run and controlled by the Australian Electoral Commission.

To be eligible to be nominated for a position on the Committee of Management the nominee must be a financial plumbing member (i.e. ordinary member).

During the year ended 31 December 2006, the following persons held membership of the Committee of Management of the Association:

Greg McElroy	President
Craig Scott	Vice President
Ray Hallatt	Treasurer
Brian Collins	Guardian
Allan Colquhoun	Guardian
Andrew Murphy	Guardian
Bill Armstrong	Committee Member
Barry Birch	Committee Member
Arthur Donnelley	Committee Member
David Dighton	Committee Member
Kevin Strangeman	Committee Member
Steve Ackerley	Committee Member
Ashley Lowther	Committee Member

For the purposes of section 254(2)(d) of the Registration and Accountability of Organisations (RAO) Schedule, we confirm that no officer or member of the Association is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity).

Review of Principal Activities

The net deficiency of the Association for the year ended 31 December 2006 was \$80,101 (2005: surplus of \$33,935).

The principal activities of The Master Plumbers & Mechanical Association of New South Wales during the year were representing the interests of its members to Government, conducting training activities and advancing the interests of the plumbing and services industry to the community.

The Association applied for and was granted Federal Registration under the Workplace Relations Act 1996 In May 2006.

During the year, the Association entered into an interim funding agreement with the Commonwealth of Australia as represented by the Department of Education, Science and Training, for the establishment and operation of the Australian Technical College (ATC) - Western Sydney.

Ultimately the Australian Technical College -Western Sydney will be incorporated as a separate constitutional corporation. Accordingly, for the year ended 31 December 2006, the funding and associated expenditure has been accounted for through the Association and have been separately disclosed throughout the relevant sections of the financial statements.

Significant Change in State of Affairs

There were no significant changes in the nature of the principal activities undertaken by the Association during the year ended 31 December 2006.

Details of Members

As at 31 December 2006, there were 1,296 members of the Association (2005: 1,290 members).

Members have the right to resign their membership in accordance with Section 8 of the Rules of the Association.

Members must deliver written notice to the Association after which the resignation will take effect at the end of two weeks after the notice is received or on a date specified in the notice, whichever is later.

Where a member ceases to be eligible to become a member of the Association, membership will cease:

- (i) on the day on which the notice is received by the organisation; or,
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,

whichever is later.

Employees of the Association

As at 31 December 2006, there were 10 persons employed by the Association. The following persons are considered to be key management personnel for the purpose of this financial report:

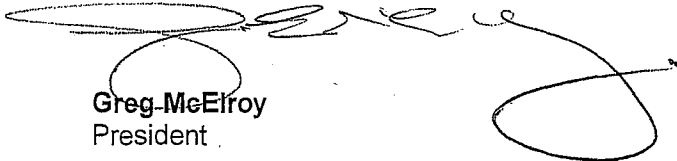
Paul Edwin Naylor	General Manager
Ken Saville	Deputy General Manager

Details of the remuneration of key management personnel can be found in Note 4 in the Notes to the Financial Statements.

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 company, the results of those operations or the state of affairs of the company in future financial years.

Signed in accordance with a resolution of the Members of the Committee of Management on the 25th day of May 2007:



Greg McElroy
President

Dated in Sydney, this 26 day of May 2007.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenue	2	1,578,856	1,432,532
Other income	2	106,573	228,176
Employee benefits expenses		(852,569)	(826,283)
Administration expenses	3	(575,985)	(514,184)
ATC Expenses		(63,906)	-
Publication expenses		(93,002)	(91,040)
Depreciation expenses	3	(84,429)	(87,164)
Conference expenses		(72,255)	(63,144)
Investment expenses		(15,014)	(21,492)
Borrowing costs expenses	3	(555)	(597)
Other expenses		<u>(7,815)</u>	<u>(22,869)</u>
(Deficit) / surplus from ordinary activities before income tax expense	3	(80,101)	33,935
Income tax expense	1 (a)	<u>-</u>	<u>-</u>
Net (deficit) / surplus from ordinary activities before attributable to the Association	14	<u>(80,101)</u>	<u>33,935</u>

The accompanying notes form part of the financial statements.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	6	366,806	357,587
Trade and other receivables	7	195,591	121,763
Other current assets	8	<u>24,895</u>	<u>35,496</u>
TOTAL CURRENT ASSETS		<u>587,292</u>	<u>514,846</u>
NON-CURRENT ASSETS			
Investment properties	9	1,440,000	1,350,000
Property, plant and equipment	10	<u>4,072,756</u>	<u>4,137,028</u>
TOTAL NON-CURRENT ASSETS		<u>5,512,756</u>	<u>5,487,028</u>
TOTAL ASSETS		<u>6,100,048</u>	<u>6,001,874</u>
CURRENT LIABILITIES			
Trade and other payables	11	545,745	399,282
Short-term provisions	12	<u>92,023</u>	<u>67,970</u>
TOTAL CURRENT LIABILITIES		<u>637,768</u>	<u>467,252</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	<u>20,619</u>	<u>12,860</u>
TOTAL NON-CURRENT LIABILITIES		<u>20,619</u>	<u>12,860</u>
TOTAL LIABILITIES		<u>658,387</u>	<u>480,112</u>
NET ASSETS		<u>5,441,661</u>	<u>5,521,762</u>
MEMBERS' FUNDS			
Reserves	13	666,662	638,855
Accumulated operating surplus	14	<u>4,774,999</u>	<u>4,882,907</u>
TOTAL MEMBERS' FUNDS		<u>5,441,661</u>	<u>5,521,762</u>

The accompanying notes form part of these financial statements.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Capital Profits Reserve \$	Asset Revaluation Reserve \$	Accumulated Operating Surplus \$	Total \$
As at 1 January 2005	485,636	-	5,002,191	5,487,827
Net deficit during the year	-	-	33,935	33,935
Transfer of revaluation increment to asset revaluation reserve	-	153,219	(153,219)	-
As at 31 December 2005	485,636	153,219	4,882,907	5,521,762
Net surplus during the year	-	-	(80,101)	(80,101)
Transfer of revaluation increment to asset revaluation reserve	-	27,807	(27,807)	-
As at 31 December 2006	485,636	181,026	4,774,999	5,441,661

The accompanying notes form part of these financial statements.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,367,504	1,528,399
Government grants received		148,725	96,500
Government grants received (ATC)		143,000	-
Interest received		17,019	16,417
Payments to suppliers and employees		(1,589,516)	(1,638,401)
Payments to suppliers and employees (ATC)		(41,896)	-
Net cash (used in)/provided by operating activities	16(a)	<u>44,836</u>	<u>2,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(14,693)	(110,582)
Purchase of property, plant and equipment (ATC)		(5,464)	-
Proceeds from sale of property, plant and equipment		-	17,546
Purchase of investments		(62,193)	(25,827)
Rental income received		61,747	58,540
Payments relating to expenses of investment properties		(15,014)	(21,942)
Net cash used in investing activities		<u>(35,617)</u>	<u>(82,265)</u>
Net increase / (decrease) in cash held		9,219	(79,350)
Cash at beginning of financial year		<u>357,587</u>	<u>436,937</u>
Cash at end of financial year	6	<u><u>366,806</u></u>	<u><u>357,587</u></u>

The accompanying notes form part of these financial statements.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

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.

Basis of Preparation

The Association has prepared the financial report in accordance with the Australian equivalents to International Financial Reporting Standards.

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of investment property, for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The Association is registered under the Workplace Relations Act 1996 and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the Income Tax Assessment Act.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Investment Property

Investment property, comprising land and buildings, are held to generate long-term rental yields. All tenant leases are held on an arms length basis. Investment property are carried at fair value, determined annually by the Committee of Management based on prices in an active market for similar property in the same location. Changes to fair value are recognised in the Income Statement in the period in which it arises.

(d) Property, Plant and Equipment

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

Property

Land and buildings are carried at cost. The carrying amount is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these 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 present values in determining recoverable amounts.

Plant and Equipment

All other items of plant and equipment are also recorded at cost.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, Plant and Equipment (continued)

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

Depreciation

The depreciation rates and method are based on their estimated useful lives commencing from the time it is held ready for use. The depreciation rates and method used for each class of depreciable asset are:-

Asset Class	Depreciation	
	Rate	Depreciation Method
Buildings and renovations	2%	Straight line
Office furniture and fixtures	15%-40%	Straight line and diminishing value
Motor vehicles	22.50%	Diminishing value

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to the Capital Profits Reserve.

(e) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) 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 long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for benefits.

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

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue

Revenue for membership subscriptions is recognised proportionately over the period to which it relates.

Revenue from the sale of codes, standards and updates are recognised upon the delivery of goods to customers.

Rental revenue is recognised in the period to which it relates.

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

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

(h) Costs Recovered from Group Apprenticeship Scheme

The Committee of Management of the Association have resolved that, in order to reflect the total costs of operating the Group Apprentices Scheme, a proportion of certain relevant expenses incurred by the Association should be charged to Master Plumbers Apprentices Limited, by the operator of the Scheme. This charge includes various expenditures by the Association, such as rent, power, insurance and secretarial and administration fees.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of the GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flows Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Operating Segment

The Association is incorporated under the Workplace Relations Act 1996 and is domiciled in Australia. The Association operates only in Australia and their principal activity is the provision of services to their members.

(k) Comparatives

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

(l) Critical Accounting Estimates and Judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Critical Accounting Estimates and Judgments (continued)

Key Estimates - Impairment

The Committee of Management assesses impairment on each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of property, plant and equipment and investment property for the year ended 31 December 2006.

Key Judgments - Doubtful Debts Provision

The Committee of Management believed that the provision for doubtful debts as at 31 December 2006 is adequate to cover future losses from uncollectible amounts.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	Note	2006 \$	2005 \$
NOTE 2: REVENUE			
Operating activities			
Membership subscriptions		643,300	652,798
Annual events		80,058	70,145
Costs recovered from Group			
Apprentices Scheme		349,619	345,261
Training courses		105,484	68,000
Magazine income		65,399	78,740
Grants received		87,434	57,500
Grants received (ATC)		63,906	-
Commissions received		93,579	113,997
Other		90,077	46,091
		<u>1,578,856</u>	<u>1,432,532</u>
Non-operating activities			
Gain on revaluation of investment property	3(c)	27,807	153,219
Interest received		17,019	16,417
Rental income		61,747	58,540
		<u>106,573</u>	<u>228,176</u>
Total Revenue		<u>1,685,429</u>	<u>1,660,708</u>
NOTE 3: (DEFICIT) / SURPLUS FROM ORDINARY ACTIVITIES			
The operating (deficit) / surplus of the Association before income tax expense has been determined after:			
(a) Expenses:			
Net loss on disposal of property and equipment		-	3,264
ATC Expenses		63,906	-
Depreciation		84,429	87,164
Doubtful debts expense		-	2,000
Borrowing expenses			
- other		555	597
		<u>555</u>	<u>597</u>
(b) Sale of non-current assets			
Proceeds from sale of property		-	17,546
Carrying value of property sold		-	(20,810)
		<u>-</u>	<u>(20,810)</u>
Loss on sale of non-current assets		<u>-</u>	<u>(3,264)</u>
(c) Revaluation of investment property			
Investment property - at cost		(1,258,974)	(1,196,781)
Investment property - prior year fair value adjustments		(153,219)	-
Investment property - at fair value (closing)		<u>1,440,000</u>	<u>1,350,000</u>
Gain on revaluation of investment property		<u>27,807</u>	<u>153,219</u>

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	2006	2005
	\$	\$
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION		
Key Management Personnel		
Paul Edwin Naylor (General Manager)		
Ken Saville (Deputy General Manager)		
Total compensation		
Salary fees	235,360	233,139
Superannuation contribution	21,182	20,983
Long service leave	7,742	-
	264,284	254,122

NOTE 5: AUDITORS' REMUNERATION

Amounts received, or due and receivable, by the auditors for:

- Auditing the financial report	10,500	10,800
- Other services	3,900	2,300
	14,400	13,100

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	271,166	357,587
Cash at bank and in hand (ATC)	95,640	-
	366,806	357,587

Reconciliation of cash

Cash at the end of financial year as shown in the Cash Flow Statement reconciled to items in the Balance Sheet as follows:

Cash and cash equivalents	366,806	357,587
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NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	167,208	112,023
Less: Provision for doubtful debts	(2,666)	(5,000)
	164,542	107,023
Other receivables	31,049	14,740
	195,591	121,763

Trade debtors relate to goods and services provided, they are non-interest bearing and unsecured.

Other receivables relate to accrued income which are non-interest bearing and unsecured.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	2006	2005
	\$	\$
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	20,514	21,237
Short-term bank deposit	-	9,001
Other	4,381	5,258
	<u>24,895</u>	<u>35,496</u>

The effective interest rate on the short-term bank deposit was nil (2004: 5.55%).
This deposit had an average maturity of 6 months.

NOTE 9: INVESTMENT PROPERTIES

Balance at beginning of year	1,350,000	1,170,954
Acquisitions	62,193	25,827
Fair value adjustments	27,807	153,219
	<u>1,440,000</u>	<u>1,350,000</u>

The fair value model is applied to all investment properties. Investment properties are independently revalued at least every three years. Values are based on an active liquid market value are performed by a registered independent valuer. Committee of Management's valuations are prepared each balance date where an independent valuation has not been obtained.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Freehold land - at cost	1,745,107	1,745,107
Buildings - at cost	600,000	600,000
Development costs capitalised	1,785,216	1,778,360
	<u>4,130,323</u>	<u>4,123,467</u>
Less: accumulated depreciation	(179,792)	(132,088)
	<u>3,950,531</u>	<u>3,991,379</u>
Office furniture and equipment - at cost	356,173	348,336
Less: accumulated depreciation	(255,326)	(223,221)
	<u>100,847</u>	<u>125,115</u>
Motor vehicle - at cost	20,947	20,947
Less: accumulated depreciation	(5,033)	(413)
	<u>15,914</u>	<u>20,534</u>
ATC Property, Plant & Equipment	<u>5,464</u>	<u>-</u>
Total Property, Plant and Equipment	<u>4,072,756</u>	<u>4,137,028</u>

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	2006	2005
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)		
(a) Movements In Carrying Amounts		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.		
Land and Buildings		
Carrying amount at the beginning of year	3,991,379	3,967,137
Additions	6,856	71,810
Depreciation expense	(47,704)	(47,568)
Carrying amount at the end of year	<u>3,950,531</u>	<u>3,991,379</u>
Office Furniture and Equipment		
Carrying amount at the beginning of year	125,115	141,099
Additions	7,837	17,825
Depreciation expense	(32,105)	(33,809)
Carrying amount at the end of year	<u>100,847</u>	<u>125,115</u>
Motor Vehicles		
Carrying amount at the beginning of year	20,534	26,184
Additions	-	20,947
Disposals	-	(20,810)
Depreciation expense	(4,620)	(5,787)
Carrying amount at the end of year	<u>15,914</u>	<u>20,534</u>
ATC Property, Plant & Equipment		
Carrying amount at the beginning of the year	-	-
Additions	5,464	-
Depreciation Expense	-	-
Carrying amount at the end of year	<u>5,464</u>	<u>-</u>
	<u>4,072,756</u>	<u>4,137,028</u>

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Subscriptions in advance	182,485	168,669
Creditors and accruals	155,342	162,407
Creditors and accruals (ATC)	22,010	-
Deferred grant income	105,291	44,000
Deferred grant income (ATC)	79,094	-
Deferred revenues	-	22,683
Deposits and bonds	1,523	1,523
	<u>545,745</u>	<u>399,282</u>

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 11: TRADE AND OTHER PAYABLES (Continued)

Subscriptions in advance are cash receipts relating to the following membership year.

Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. No interest is applicable on these accounts.

Deferred grant income represents unused funds received.

Deposits relate to Annual Conference sponsorship. Bonds relate to non-interest bearing security placed by tenants of the investment property.

	Note	2006 \$	2005 \$
NOTE 12: PROVISIONS			
CURRENT			
Provision for employee entitlements		<u>92,023</u>	<u>67,970</u>
NON-CURRENT			
Provision for long service leave		<u>20,619</u>	<u>12,860</u>
Total		<u>112,642</u>	<u>80,830</u>
		No.	No.
Number of employees at year-end		<u>10</u>	<u>9</u>
NOTE 13: RESERVES			
		\$	\$
Capital profits reserve		485,636	485,636
Asset revaluation reserve	13(a)	<u>181,026</u>	<u>153,219</u>
Total reserves		<u>666,662</u>	<u>638,855</u>
(a) Movement in Asset Revaluation Reserve			
Balance at beginning of year		153,219	-
Transfer from accumulated operating surplus		<u>27,807</u>	<u>153,219</u>
Balance at end of year		<u>181,026</u>	<u>153,219</u>
NOTE 14: ACCUMULATED OPERATING SURPLUS			
Balance at the beginning of financial year		4,882,907	5,002,191
Net (deficit) / surplus attributable to the members of the Association		(80,101)	33,935
Transfer to asset revaluation reserve		<u>(27,807)</u>	<u>(153,219)</u>
Balance at the end of financial year		<u>4,774,999</u>	<u>4,882,907</u>

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	2006 \$	2005 \$
NOTE 15: RELATED PARTIES		
(a) Committee of Management members		
The names of the Committee of Management who held office during the year are as follows: Greg McElroy, Craig Scott, Ray Hallatt, Brian Collins, Allan Colquhoun, Andrew Murphy, Bill Armstrong, Barry Birch, Arthur Donnelley, David Dighton, Kevin Strangeman, Stave Ackerly and Ashley Lowther.		
(b) Committee of Management members' remuneration		
Total income paid or payable to all Committee of Management members from the Association or any related party	<u>Nil</u>	<u>Nil</u>
	No.	No.
The number of Committee of Management members whose income from the Association or any related entity was within the following bands:		
\$0 - \$9,999	<u>13</u>	<u>13</u>
(c) Committee of Management members' retirement benefits		
Amounts paid to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives	<u>\$</u>	<u>\$</u>
	<u>Nil</u>	<u>Nil</u>
(d) Other transactions with the Association		
Entities related to Committee of Management members paid membership fees, and purchased statutory awards and updates from the Association during the year on the same commercial terms and conditions offered to all other members.		
(e) Master Plumbers Apprentices Limited		
A number of Committee of Management members of the Association are Directors of Master Plumbers Apprentices Limited.		
During the financial year, the rental income received or receivable by the Association amounted to \$88,200 (2005: \$84,000) and other administration fees of \$220,735 (2005: \$261,216) from Master Plumbers Apprentices Limited.		
Master Plumbers Apprentices Limited, advertises in the magazine published by the Association. Advertising fees received or receivable for the financial year amounted to \$1,950 (2005: \$3,295).		
The above transactions were made at the rates deemed appropriate by the Association, on the basis of the services and facilities provided.		

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

	2006 \$	2005 \$
NOTE 16: CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Net (Deficit) / Surplus for the Year		
Net (deficit) / surplus	(80,101)	33,935
Add/(deduct) items classified as investing activities		
- Loss on the sale of plant and equipment	-	3,264
- Net rental losses	(46,733)	(36,598)
Non-cash flows in deficit from ordinary activities		
- Gain on revaluation of investment property	(27,807)	(153,219)
- Depreciation	84,429	87,164
- Employee provisions	31,812	31,892
Changes in assets and liabilities		
- Decrease/(increase) in trade and other receivables	(64,827)	30,070
- Decrease/(increase) in other current assets	1,600	(5,052)
- (Decrease)/increase in trade and other payables	(7,738)	(8,120)
- (Decrease)/increase in deferred grant income	140,385	44,000
- (Decrease)/increase in subscription in advance	13,816	(24,421)
Net cash (used in)/provided by operating activities	44,836	2,915
(b) Credit Standby Arrangement		
Overdraft facility	500,000	500,000
Amount utilised	-	-
Unused overdraft facility	500,000	500,000
Commercial bill facility	500,000	500,000
Amount utilised	-	-
Unused commercial bill facility	500,000	500,000

The Association has a \$500,000 overdraft facility, expiring on 25 March 2023. The facility is reviewed monthly. The interest rate on the facility is 8.70% (2005: 8.80%).

The Association had a \$500,000 commercial bill facility. The facility expired in September 2006. The facility was used to finance the purchase and redevelopment at the Lidcombe property. No interest was payable on the commercial bill until the bill is drawn upon.

The above facilities are secured by a mortgage over the Association's premises in Lidcombe.

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 17: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the Association's operations. The Association did not have any derivative instruments at 31 December 2006 or during the year ended on that date.

(i) Treasury Risk Management

The Committee of Management meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the Association is exposed to through its financial instruments are liquidity risk and credit risk.

Liquidity Risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements.

(b) 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 those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
31 December 2006				
Financial Assets:				
Cash at bank	3.57%	366,806	-	366,806
Trade and other receivables	-	-	195,591	195,591
Total Financial Assets		366,806	195,591	562,397

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

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

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(b) Interest Rate Risk (Continued)

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
31 December 2006				
Financial Liabilities				
Trade and other payables	-	-	545,745	545,745
Total Financial Liabilities		-	545,745	545,745
31 December 2005				
Financial Assets:				
Cash at bank	3.15%	357,087	500	357,587
Short-term deposits	5.55%	9,001	-	9,001
Trade and other receivables	-	-	121,763	121,763
Total Financial Assets		366,088	122,263	488,351
Financial Liabilities				
Trade and other payables	-	-	399,282	399,282
Total Financial Liabilities		-	399,282	399,282

NOTE 18: AFTER BALANCE DATE EVENTS

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

NOTE 19: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Association has no contingent liabilities or capital commitments as at reporting date.

NOTE 20: ASSOCIATION DETAILS

The Master Plumbers and Mechanical Contractors Association of New South Wales
3 John Street
Lidcombe NSW 2141

**THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
A.B.N 88 050 041 480**

COMMITTEE OF MANAGEMENT STATEMENT

In the opinion of the Committee of Management, the committee declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the association 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 association including the rules of the 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.

Signed in accordance with a resolution of the Members of the Committee of Management on 26 May 2007:



Raymond Peter Hallat
Treasurer

Dated in Sydney, this 28 day of May 2007

INDEPENDENT AUDIT REPORT TO MEMBERS OF THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS ASSOCIATION OF NEW SOUTH WALES

PARTNERS:

Andrew Blackwell CA
Chris Chandran CA
Stephen Humphrys FCA
Garry Leyshon FCA
Wayne Morton FCA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Bob Webster FCA
Scott Whiddett CA

CONSULTANTS:

Pat Bugden FCA
Anja Dorrell CA

Scope

The financial report and directors' responsibility

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Members' Funds, Cash Flows Statement, accompanying notes to the financial statements, and the Committee of Management Statement for The Master Plumbers and Mechanical Contractors Association of New South Wales ("the Association") for the year ended 31 December 2006.

The Committee of Management of the Association is responsible for the preparation of the true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. 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

We conducted an independent audit in order to express an opinion to the members of the Association. Our 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.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relation Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our 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 of Management.

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

Independence

We are independent of The Master Plumbers and Mechanical Contractors Association of New South Wales and have met the applicable independence requirements of the Australian professional ethical pronouncements, including those of the Institute of Chartered Accountants in Australia.

Audit opinion

In our opinion, the financial report of Master Plumbers and Mechanical Contractors Association of New South Wales presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule, the financial position as at 31 December 2006, the results of its operations and its cash flows of the year then ended; and,



C. Chandran
Partner

Moore Stephens Sydney
Moore Stephens Sydney

Dated at Sydney, this *25th* day of May 2007

**THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
A.B.N 88 050 041 480**

COMPILATION REPORT

On the basis of the information provided by the Committee of Management of The Master Plumbers and Mechanical Contractors Association of New South Wales, we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report of the Master Plumbers and Mechanical Contractors Association of New South Wales for year ended 31 December 2006 as set out on pages 30 to 32.

The Committee of Management are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Committee of Management.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person other than the Association may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared exclusively for the benefit of the Association. We do not accept responsibility to any other person for the contents of the special purpose financial report.



C. Chandran
Partner



Moore Stephens Sydney

Dated at Sydney, this 28th day of May 2007

PARTNERS:

Andrew Blackwell CA
Chris Chandran CA
Stephen Humphrys FCA
Garry Leyshon FCA
Wayne Morton FCA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Bob Webster FCA
Scott Whiddett CA

CONSULTANTS:

Pat Bugden FCA
Anja Dorrell CA

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
INCOME RECEIVED		
Membership Activities		
Membership subscriptions	643,300	652,798
Commissions	93,579	113,997
Membership Income	<u>736,879</u>	<u>766,795</u>
Publication, Conferences & Products		
Magazine & newsletter income	65,399	78,740
Conference, dinner, golf day	85,804	70,145
Products	19,305	26,688
Publications, Conferences & Products	<u>170,508</u>	<u>175,573</u>
Training, LAP, RTO & ATC Income		
Training income	105,484	68,000
Government funding	87,434	57,500
Government funding (ATC)	63,906	0
Training, LAP & RTO Income	<u>256,824</u>	<u>125,500</u>
Other Income		
Gain on revaluation of investment property	27,807	153,219
Legal services	-	136
Branch activities	8,722	8,375
MPAL recouped share of costs	349,619	345,261
Other income	56,299	10,892
Other Income	<u>442,447</u>	<u>517,883</u>
Total Income	<u>1,606,658</u>	<u>1,585,751</u>
EXPENSES		
Administration Costs		
Advertising & promotions	33,525	32,289
Accounting fees	18,469	20,590
Awards - medals & engravings	1,076	2,120
Bank charges	12,465	15,642
Branch operations	15,355	16,981
Catering	1,915	2,263
Cleaning	15,737	16,066
Couriers	1,669	2,035
Computer expenses	6,685	5,175
Depreciation	84,429	87,164
Debt written back	-	2,000
Executive Committee Costs	13,920	20,622
FBT Expenses	24,021	4,841
Garden Maintenance	1,317	1,866
General Expenses	16,810	23,633

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
EXPENSES (CONTINUED)		
Administration Costs (Continued)		
Insurance	29,538	31,914
Interest Paid	555	597
Legal Costs	59,383	26,485
Loss on Disposal Fixed Asset	-	3,264
Motor Vehicles & Travel	40,601	36,671
Payroll Tax	(12,000)	10,000
Power & Lighting	17,488	15,615
Printing, Stationery & Postage	48,155	58,750
Professional Fees	30,800	34,500
Rates & Taxes	5,220	7,892
Repairs & Maintenance	17,846	20,378
Staff Amenities & Training	5,002	4,300
Subscriptions & Publications	13,546	12,291
Telephone & Communication Costs	33,321	42,327
Think Tank	6,145	5,842
Administration Costs	542,993	564,113
Staff Wages and Related Costs		
Salaries and wages	714,607	691,561
Superannuation	58,277	54,534
Leave entitlements	31,811	31,893
Other	17,407	12,805
Staff Wages & Related Costs	822,102	790,793
Publications, Conferences & Products		
Magazines & Newsletter Costs	78,361	91,040
Conferences, Dinners, Golf Day	86,895	63,144
Product Cost	5,700	7,643
Publications, Conferences & Products	170,956	161,827
Training, LAP, RTO & ATC Costs		
Training Course Costs	67,343	31,191
LAP Program Costs	91,362	48,676
RTO Setup Costs	(8,151)	8,681
ATC Costs	63,906	-
Training, LAP & RTO Costs	214,460	88,548
Total Expenses	1,750,511	1,605,281
Net Deficit Before Investments	(143,853)	(19,530)

THE MASTER PLUMBERS AND MECHANICAL CONTRACTORS
ASSOCIATION OF NEW SOUTH WALES
ABN 64 040 939 175

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
INVESTMENTS		
Investment Income		
Interest received	17,019	16,417
Rental income	61,747	58,540
Investment Income	<u>78,766</u>	<u>74,957</u>
Investment Expenses		
Administration fee	2,484	3,244
Insurance	35	869
General expenses	-	7,713
Professional & strata fees	3,321	3,240
Rates & taxes	7,162	5,646
Repairs & maintenance	2,012	780
Investment Expenses	<u>15,014</u>	<u>21,492</u>
Investment (Deficit)/Surplus	<u>63,752</u>	<u>53,465</u>
Net Surplus/(Deficit)	<u>(80,101)</u>	<u>33,935</u>



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 Ken Saville
Deputy General Manager,
Master Plumbers & Mechanical Contractors Association of NSW
PO Box 42
LIDCOMBE NSW 1825

COPY

Dear Mr Saville

**Re: Lodgement of Financial Statements and Accounts – Master Plumbers &
Mechanical Contractors Association of NSW – for year ending 31 December 2006
(FR2006/611)**

Thank you for lodging the abovementioned financial statements and accounts which were received in the Registry on 16 July 2007.

The legislative requirements have been met and no additional information is required.

However I draw your attention to what may be a clerical error on the Certificate of Secretary or other Authorised Officer at Attachment D. The Certificate is signed and dated "*9th June 2007*" but refers to the general meeting held "*on 19th June 2007*".

The Registry suspects that the certificate may have been intended to be dated 9 July 2007. The Secretary's Certificate is normally signed and dated after the events being certified.

The documents have been filed.

Yours sincerely,

Stephen Kellett
for Deputy Industrial Registrar

1 August 2007



MASTER PLUMBERS ASSOCIATION OF NSW™

"Serving the nation for over 100 years"

8 August 2007

ARU-003

Mr Stephen Kellett
Australian Industrial Registry
Level 8, Terrace Towers
80 William St
East Sydney NSW 2011



Dear Mr Kellett

Re: Lodgement of Financial Statement and Accounts – The Master Plumbers & Mechanical Contractors Association of New South Wales – for year ending 31 December 2006 (FR2006/611)

Thank you for your letter dated 1st August 2007 regarding the signature date of the Certificate of Secretary or other Authorised Officer - Attachment D.

Your assumption that the signature date on this form should have been 9th July 2007 not 9th June 2007 was correct. This was a result of clerical error on our part.

Please find attached a new Certificate of Secretary or other Authorised Officer - Attachment D with the correct date.

Thank you for your assistance.

Yours sincerely

Ken Saville
Deputy General Manager

THE MASTER PLUMBERS & MECHANICAL CONTRACTORS ASSOCIATION OF NSW

3 John Street, Lidcombe, NSW 2141 PO Box 42 Lidcombe, NSW 1825 Ph: (02) 8789 7000 Freecall: 1800 424 181 Fax: (02) 9749 7881
Email: info@masterplumbers.com.au Web: www.masterplumbers.com.au

ABN 64 040 939 175

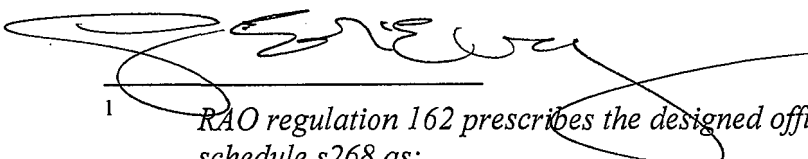
Certificate of Secretary or other Authorised Officer¹
s268 of Schedule 1B *Workplace Relations Act 1996*

I Greg McElroy being the President of The Master Plumbers & Mechanical Contractors Association of New South Wales 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 28th May 2007; and
- that the full report was presented to a general meeting of members of the reporting unit on 19th June 2007; in accordance with section 266 of the RAO Schedule.

Signature

Date: 9th July 2007



¹ RAO regulation 162 prescribes the designed 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.