



29 October 2015

Mr Ken Gardner
Secretary
The Master Plumbers' and Mechanical Services Association of Australia
Unit 15, 306 Albert Street
BRUNSWICK VIC 3056

via email: ken.gardner@mpmsaa.org.au

Dear Mr Gardner

The Master Plumbers' and Mechanical Services Association of Australia Financial Report for the year ended 30 June 2015 - [FR2015/140]

I acknowledge receipt of the financial report of the Master Plumbers' and Mechanical Services Association of Australia (MPMSAA). The documents were lodged with the Fair Work Commission (FWC) on 26 October 2015.

The financial report has now been filed.

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

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

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

Committee of Management Statement

Committee of Management resolution to provide a concise report

Section 265(2) of the RO Act states that '*a concise report may only be provided if, under the rules of the reporting unit, the committee of management of the reporting unit resolves that a concise report is to be provided*'. There is no statement in the financial report indicating that a resolution to this effect has been passed by the Committee of Management.

Please ensure that in future years that if a resolution is made by the Committee of Management to provide members with a concise report that this is included in the Committee of Management Statement.

Recovery of wages

I note that the accounts do not provide any information in relation to recovery of wages activity. Items 26 – 30, 35(g) and 37(b) of the Reporting Guidelines govern the financial reporting of recovery of wages activity. Item 35(f) of the Reporting Guidelines also states that 'where the

reporting unit has not derived revenue from undertaking recovery of wages activity, include a statement *no revenue has been derived from undertaking recovery of wages activity during the reporting period*.

No reference is provided in the general purpose financial report (GPFR) to recovery of wages activity. If there was no recovery of wages activity undertaken by the MPMSAA which derived revenue for the financial year, please ensure that in future years that the declaration in the Committee of Management Statement is in accordance with item 35(f) of the Reporting Guideline.

Statement of comprehensive income

Disclosure of grants or donations

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

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

Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for grants and donations no such disclosure has been made.

I acknowledge the Loans, Grants and Donations statement that was lodged with FWC on the 20 July 2015 however this 'nil' statement does not eliminate your obligation to comply with Reporting Guideline 17.

Statement of financial position

Disclosure of payables in respect of legal costs

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

Concise report

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

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

Despite this, the decision as to whether to issue a concise report is up to the reporting unit and the committee of management must ensure that it has a formal resolution to provide a concise report. As noted under the sub-heading *Committee of Management Statement* no such resolution was provided in the lodged Committee of Management Statement for the financial year ended 30 June 2015.

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

Reporting Requirements

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

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

26 October 2015

Fair Work Australia
11 Exhibition St
MELBOURNE VIC 3000

**The Master Plumbers and Mechanical Services Association of Australia
Financial report for the year ended 30 June 2015**

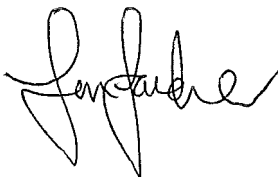
Designated Officers Certificate

s268 Fair Work (*Registered Organisations*) Act 2009

I, Ken Gardner, being the Secretary of the Master Plumbers' and Mechanical Services Association of Australia certify:

- that the documents lodged herewith are copies of the full report, and the concise report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the concise report was provided to members on 26 October 2015 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 26 October 2015; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Yours faithfully



Ken Gardner
Secretary

**MASTER PLUMBERS' & MECHANICAL SERVICES
ASSOCIATION OF AUSTRALIA**

ABN 56 296 473 997

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

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MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

OPERATING REPORT

Your executive board members submit the financial report of the Master Plumbers' & Mechanical Services Association of Australia for the financial year ended 30 June 2015.

Members of Executive Board

The names of executive board members throughout the year and at the date of this report are:

Scott Dowsett	(President)
Ken Gardner	(Secretary)
Adrian Murphy	(Treasurer from 16 April 2015)
Michael Ball	(Treasurer until retirement on 16 April 2015)
Norm Anderson	(Vice President)
Peter Jensen	(Vice President)
Kevin Shinnars	(Board Member)
Greg Tink	(Board Member)
Grant Donald	(Board Member)
Glenn Howard	(Board Member – appointed 16 April 2015)

Number of Members

As at 30 June 2015, the Association had 840 members (2014: 868).

Number of Employees

As at 30 June 2015, the total number of employees of the Association was 218 (2014:178).

Principal Activities

The principal activities of the Association during the financial year were to provide services, training and advice on industrial law to the membership and the Australian plumbing sector. The Association achieved results in the following areas:

- Delivered training to the Australian plumbing sector.
- National Green Plumbers program.
- On going development of Asbestos, Plumbing Careers Online and other industry safety web sites.
- High level Federal and State Government lobbying on plumbing related issues.

Significant Changes

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

Operating Result

The operating profit for the financial year after providing for income tax amounted to \$987,078 (2014: \$5,269,740).

Events Subsequent to the End of the Reporting Period

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 statement of affairs of the Association in subsequent years.

**MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997**

OPERATING REPORT

Manner of Resignation

- (1) A member of the Association or an affiliate member may resign from membership by written notice addressed and delivered to the Secretary or Executive Director.
- (2) A notice of resignation from membership of the Association takes effect;
 - (a) where the member ceases to be eligible to become a member of the Association;
 - (i) on the day on which the notice is received by the Association; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 - whichever is later; or
 - (b) in any other case:
 - (i) at the end of 14 days after the notice is received by the Association; or
 - (ii) no the day specified in the notice;
- (3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not in-valid because it was not addressed and delivered in accordance with subsection (1).
- (6) A resignation from membership of the Association is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.



Scott Dowsett

Dated in Melbourne on this 26th day of October 2015.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Revenue	2	15,629,024	16,380,487
Employee benefit expenses		(11,739,764)	(8,648,886)
Marketing expenses		(105,566)	(193,919)
Occupancy expenses		(229,108)	(204,133)
Members services expenses		(51,046)	(46,018)
Professional services fees		(377,256)	(387,965)
Travel and accommodation expenses		(58,375)	(38,113)
Insurance expenses		(156,158)	(159,474)
Computer expenses		(168,017)	(179,551)
Motor vehicle expenses		(48,765)	(77,458)
Printing, postage and stationery expenses		(249,042)	(357,671)
Legal expenses		(23,181)	(12,806)
Subscriptions to industrial bodies		(58,141)	(43,064)
Impairment expenses		(121,251)	(27,197)
Other expenses		(1,256,276)	(734,492)
Total expenses		<u>(14,641,946)</u>	<u>(11,110,747)</u>
Profit before income tax	3	987,078	5,269,740
Income tax expense	1(a)	-	-
Profit from operations		987,078	5,269,740
Other comprehensive income			
Loss on revaluation of financial asset		<u>(123,588)</u>	-
Total comprehensive income for the year		<u>863,490</u>	<u>5,269,740</u>

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	6	5,551,459	1,055,126
Trade and other receivables	7	2,018,025	2,016,081
Other current assets	8	50,717	25,800
Financial assets	11	684,362	-
TOTAL CURRENT ASSETS		<u>8,304,563</u>	<u>3,097,007</u>
NON-CURRENT ASSETS			
Financial assets	11	4,579,567	12,932,736
Property, plant and equipment	9	1,651,757	245,663
Investment property	10	3,143,766	1,368,237
Intangibles		23,350	23,350
TOTAL NON-CURRENT ASSETS		<u>9,398,440</u>	<u>14,569,986</u>
TOTAL ASSETS		<u>17,703,003</u>	<u>17,666,993</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,794,752	2,644,070
Provisions	13	12,419	18,052
TOTAL CURRENT LIABILITIES		<u>1,807,171</u>	<u>2,662,122</u>
NON-CURRENT LIABILITIES			
Provisions	13	82,575	55,104
TOTAL NON-CURRENT LIABILITIES		<u>82,575</u>	<u>55,104</u>
TOTAL LIABILITIES		<u>1,889,746</u>	<u>2,717,226</u>
NET ASSETS		<u>15,813,257</u>	<u>14,949,767</u>
EQUITY			
Retained earnings		15,936,845	14,949,767
Reserves	14	(123,588)	-
TOTAL EQUITY		<u>15,813,257</u>	<u>14,949,767</u>

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2013	5,886,879	3,793,148	9,680,027
Profit for the year	5,269,740	-	5,269,740
Revaluation of freehold land and building	3,793,148	(3,793,148)	-
Balance at 30 June 2014	14,949,767	-	14,949,767
Profit for the year	987,078	-	987,078
Other comprehensive income	-	(123,588)	(123,588)
Balance at 30 June 2015	15,936,845	(123,588)	15,813,257

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and customers		16,769,349	12,526,799
Interest received		434,645	67,429
Payments to suppliers and employees		<u>(16,772,520)</u>	<u>(11,550,258)</u>
Net cash provided by operating activities	15	<u>431,474</u>	<u>1,043,970</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,718,670)	(34,319)
Proceeds from sale of property, plant and equipment		30,855	10,510,343
Purchase of investment property		(1,792,545)	(419,247)
Proceeds from/ (purchase of) financial assets		<u>7,545,219</u>	<u>(10,966,734)</u>
Net cash provided by/ (used in) investing activities		<u>4,064,859</u>	<u>(909,957)</u>
Net increase in cash held		4,496,333	134,013
Cash at beginning of financial year		<u>1,055,126</u>	<u>921,113</u>
Cash at end of financial year	6	<u>5,551,459</u>	<u>1,055,126</u>

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement covers Master Plumbers' & Mechanical Services Association of Australia (MPMSAA) as an individual entity. Master Plumbers' & Mechanical Services Association of Australia is an Association registered under the *Fair Work (Registered Organisations) Act 2009*.

Basis of Preparation

The financial statement is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements under Section 253 of the *Fair Work (Registered Organisations) Act 2009*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

The financial statement has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollar.

Accounting Policies

(a) Income Tax

As a registered Employer Association, MPMSAA is exempt from income tax in accordance with Section 50-15 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 and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuation to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board 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 net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment (Cont'd)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line or reducing balance basis over their useful lives to the Association commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rates	Method
Buildings	2 %	Prime Cost
Furniture and Fittings	7.5 – 20 %	Reducing Balance
Office Equipment	5 – 66.67 %	Reducing Balance
Motor Vehicles	25 %	Reducing Balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

(c) Investment Property

Investment properties, comprising freehold complexes, are held to generate rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost less accumulated depreciation and impairment losses.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods that they are incurred or on a straight line basis where the lease agreement includes fixed rate increases.

Lease incentives received under operating leases are accounted for on a straight line basis over the life of the lease.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through statement of profit or loss and other comprehensive income in which case transaction costs are expensed to statement of profit or loss and other comprehensive income immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through of profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in statement of profit or loss and other comprehensive income. The association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

(f) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible 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 less 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 statement of profit or loss and other comprehensive income.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Assets (Cont'd)

Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Revenue

The main sources of income include grants, host trainer, members' subscriptions and related services, training services, royalties and sale of magazines.

Grants revenue is recognised in the statement of profit or loss and other comprehensive income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Host trainer and members' subscriptions and related services revenue are recognised on an accrual basis.

Training services, royalties and magazines sales are recognised on an accrual basis.

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

Other revenues are recognised when the right to receive the revenue has been established or when service has been provided.

(k) Goods and Services Tax (GST)

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

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

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgments

The Board members evaluate estimates and judgments incorporated into the financial statement 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.

Key estimates — Impairment

The Association assesses impairment at 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.

Land and buildings were revalued during the year and impairment recorded as at 30 June 2015.

Key Judgments - Available-for-sale investments

The company maintains a portfolio of investments and securities with a carrying value of \$4,578,566 at the end of the reporting period. Certain individual investments have declined in value by up to 5% as at the balance date. These investments represent approximately 91% of the total carrying value of investments. Accordingly, the directors do not believe this decline constitutes a material decline below fair value as at 30 June 2015 and hence no impairment has been recognised.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Adoption of New and Revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Standards affecting presentation and disclosure

<p>AASB CF 2013-1 'Amendments to the Australian Conceptual Framework' and AASB2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part A Conceptual Framework)</p>	<p>This amendment has incorporated IASB's Chapters 1 and 3 Conceptual Framework for Financial Reporting as an Appendix to the Australian Framework for the Preparation and Presentation of Financial Statements. The amendment also included not-for-profit specific paragraphs to help clarify the concepts from the perspective of not-for-profit entities in the private and public sectors.</p> <p>As a result the Australian Conceptual Framework now supersedes the objective and the qualitative characteristics of financial statements, as well as the guidance previously available in Statement of Accounting Concepts SAC 2 'Objective of General Purpose Financial Reporting'. The adoption of this amending standard does not have any material impact on the financial statements.</p>
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Standards and Interpretations affecting the reported results of financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reported results or financial position.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9: Financial Instruments and the relevant amending standards ¹	1 January 2017	30 June 2018

The reported results and position of the association will not change on adoption of these pronouncements as they do not result in any changes to the association's accounting policies. The association does not intend to adopt any of these pronouncements before their effective dates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
- Government grants	231,521	352,386
- Host trainer revenue	11,599,272	7,118,200
- Members' subscriptions and related services	909,725	921,744
- Training services	1,680,957	1,727,057
- Royalties	291,811	432,823
- Magazines sales	349,337	355,286
	15,062,623	10,907,496
Other revenue		
- Rental from properties	110,614	252,057
- Interest income	377,249	127,607
- Other revenue	37,533	35,337
- Gain from disposal of properties	-	5,057,990
- Investment income	41,005	-
	566,401	5,472,991
Total Revenue	15,629,024	16,380,487
Interest revenue from		
- Other persons	377,249	127,607
Total interest revenue	377,249	127,607
NOTE 3: PROFIT FOR THE YEAR		
Expenses		
Depreciation	116,866	112,022
Bad and doubtful debts	10,250	154,922
Loss on sale of fixed assets	60,619	3,358
Employee benefits – other employees		
Wages and Salaries	9,832,656	6,931,995
Superannuation	933,810	696,677
Annual leave	721,676	613,943
Long service leave	26,874	20,542
Other employee expenses	28,022	64,522
Employee benefits – holders of office		
Wages and Salaries	237,552	245,811
Superannuation	35,831	24,896
Annual leave	30,734	32,050
Other employee expenses	9,062	48,450
Affiliation fees paid:		
Australian Chamber of Commerce and Industry	31,612	27,368

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-Term	Post-employment benefit		Total
	Benefits	Non-Cash Benefits	Superannuation	
2015	\$	\$	\$	\$
Total compensation	583,225	-	63,816	647,041
2014				
Total compensation	576,560	-	49,664	626,224

	2015	2014
	\$	\$
NOTE 5: AUDITORS REMUNERATION		
Remuneration of the auditor of the Association for:		
- auditing or reviewing the financial report	16,950	19,500
- other services	3,800	2,750
	20,750	22,250

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,815,340	885,780
Short-term bank deposits	3,736,119	169,346
	5,551,459	1,055,126

The effective interest rate on short-term bank deposits was 2.91% (2014: 3.68%).

Included in cash and cash equivalents is a balance of \$4,174 (2014: \$173,710) held in trust for the Wylie Scholarship Fund. The corresponding liability is disclosed in Note 12.

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	5,551,459	1,055,126
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 7: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	1,642,248	1,923,022
Provision for impairment	(125,760)	(196,412)
Trade debtors, net	1,516,488	1,726,610
Other receivables	501,537	232,075
Interest receivable	-	57,396
	2,018,025	2,016,081

Current trade debtors are non-interest bearing and generally are receivable within 30 days. A provision for impairment is recognised against subscriptions where there is subjective evidence that an individual trade receivable is impaired.

There are no balances within trade debtors that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full where applicable.

Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or Association of counterparties other than those trade debtors specifically provided for and mentioned within Note 7. The main source of credit risk to the Association is considered to relate to the class of assets described as trade debtors.

The following table details the Association's trade debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the member or counterparty to the transaction. Trade debtors that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association.

The balances of trade debtors that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			Days (overdue)				
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2015							
Trade receivables	1,642,248	125,760	285,613	295,442	165,750	70,272	698,132
Other receivables	501,537	-	-	-	-	-	501,537
Total	2,143,785	125,760	285,613	295,442	165,750	70,272	1,199,669
2014							
Trade receivables	1,923,022	196,412	-	433,692	550	9,774	1,282,594
Other receivables	289,471	-	-	-	-	-	289,471
Total	2,212,493	196,412	-	433,692	550	9,774	1,572,065

The Association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
NOTE 7: TRADE AND OTHER RECEIVABLES (CONT'D)			
Financial assets classified as trade and other receivables			
Trade and other receivables:			
- total current	17	2,018,025	2,016,081
Collateral Pledged or Held as Security			
No collateral has been pledged or held as security for any of the trade and other receivable balances.			
NOTE 8: OTHER ASSETS			
CURRENT			
Prepayments		50,717	25,800
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
Freehold land - at independent valuation		227,000	-
BUILDINGS			
At independent valuation		748,000	-
At directors valuation		200,000	-
Less accumulated amortisation		(31,215)	-
		168,785	-
Total land and buildings		916,785	-
Plant and equipment - at cost		783,905	842,585
Less accumulated depreciation		(415,852)	(738,614)
		368,053	103,971
Motor Vehicles - at cost		212,996	218,720
Less accumulated depreciation		(73,077)	(77,028)
		139,919	141,692
Total property, plant and equipment		1,651,757	245,663

Movements in Carrying Amounts

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

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
2015				
Balance at the beginning of the year	-	103,971	141,692	245,663
Additions	1,296,251	346,195	76,224	1,718,670
Impairment	(121,251)	-	-	(121,251)
Disposals	-	(48,951)	(42,523)	(91,474)
Depreciation expense	(31,215)	(33,162)	(35,474)	(99,851)
Carrying amount at end of year	1,143,785	368,053	139,919	1,651,757

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in Carrying Amounts (cont'd)

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

	Land and Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
2014				
Balance at the beginning of the year	3,994,957	137,391	155,394	4,287,742
Additions	24,300	10,019	41,559	75,878
Disposals	(3,990,134)	-	(15,801)	(4,005,935)
Depreciation expense	(29,123)	(43,439)	(39,460)	(112,022)
Carrying amount at end of year	-	103,971	141,692	245,663

	2015	2014
	\$	\$
NOTE 10: INVESTMENT PROPERTY		
Freehold land – at cost	1,396,636	620,972
Buildings – at cost	850,776	850,776
Less accumulated amortisation	(120,527)	(103,511)
	730,249	747,265
Work in progress - buildings	1,016,881	-
Total investment property	3,143,766	1,368,237

Although the investment property is valued at cost, an independent valuation was conducted by Certified Practising Valuers on 30 June 2015. Valuations were made on the basis of open market values which are as follow:

Valuer: Charter Keck Cramer	Property: Unit 5, 302-306 Albert Street, Brunswick \$1,450,000
Valuer: Charter Keck Cramer	Property: 7-11 Fullard Road, Narre Warren \$1,500,000
Valuer: Preston Rowe Paterson Geelong Pty Ltd	Property: 14-16 Currier Street, Breakwater \$425,000

Movements in Carrying Amounts

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

	Freehold Land	Buildings	Work in progress	Total
	\$	\$	\$	\$
2015				
Balance at the beginning of the year	620,972	747,265	-	1,368,237
Additions	775,664	-	1,016,881	1,792,545
Depreciation expense	-	(17,016)	-	(17,016)
Carrying amount at end of year	1,396,636	730,249	1,016,881	3,143,766
2014				
Balance at the beginning of the year	1,573,324	867,000	-	2,440,324
Additions	419,248	-	-	419,248
Disposals	(1,371,600)	(102,719)	-	(1,474,319)
Depreciation expense	-	(17,016)	-	(17,016)
Carrying amount at end of year	620,972	747,265	1,016,881	1,368,237

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
NOTE 11: FINANCIAL ASSETS			
CURRENT			
Held-to-maturity investments			
- deposits in financial institution	17	684,362	
NON-CURRENT			
Available-for-sale financial assets			
- shares in listed corporations at fair value	17	1,000	15,999
Held-to-maturity investments			
- deposits in financial institution	17	-	12,916,737
Available-for-sale financial assets			
- shares in listed corporations at fair value	17	4,578,567	-
		<u>4,579,567</u>	<u>12,932,736</u>

Included in financial assets is a balance of \$175,437 (2014: \$Nil) held in trust for the Wylie Scholarship Fund. The corresponding liability is disclosed in Note 12.

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade and other payables		841,375	1,373,261
Income received in advance		358,784	690,792
Employee benefits		414,982	406,307
Funds held in trust	6	179,611	173,710
		<u>1,794,752</u>	<u>2,644,070</u>

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- Total current		1,794,752	2,644,070
- Total non-current		-	-

		1,794,752	2,644,070
Less: Income received in advance		(358,784)	(690,792)
Less: Leave entitlements (employee benefits)		(414,982)	(406,307)
Financial liabilities as trade and other payables	17	<u>1,020,986</u>	<u>1,546,971</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
NOTE 13: PROVISIONS		
CURRENT		
Employee benefits	12,419	18,052
NON-CURRENT		
Employee benefits	82,575	55,104
	Employee Entitlements	Employee Entitlements
	\$	\$
Opening balance at 1 July	73,156	70,412
Additional net provisions recognised during the year	21,838	2,744
Closing balance at 30 June	94,994	73,156

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1. The below analysis summarises employee benefits which are shown in Note 12 Trade and Other Payables \$414,982 (2014: \$406,307) and Note 13 Provisions \$94,994 (2014: \$73,156).

Analysis of Employee benefits

Employee benefits – other employees		
Annual leave	360,550	366,042
Long service leave	63,425	39,196
Separation and redundancies	-	8,942
Other employee expenses – RDO's	47,398	-
Employee benefits – holders of office		
Annual leave	54,432	40,265
Long service leave	31,569	33,960

NOTE 14: RESERVES

Financial asset revaluation reserve	(123,588)	-
Asset revaluation reserve	-	-
Balance at 30 June 2015	(123,588)	-
Asset revaluation reserve		
Balance at beginning of financial year	-	3,793,148
Movement for the year	-	(3,793,148)
Balance at end of financial year	-	-
Financial asset revaluation reserve		
Balance at beginning of financial year	-	-
Movement for the year	(123,588)	-
Balance at end of financial year	(123,588)	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	987,078	5,269,740
Non-cash flows in profit:		
Depreciation and amortisation	116,867	112,022
(Gain)/loss on sale of fixed assets	60,619	(5,054,632)
Impairments	121,251	27,197
Bad and doubtful debts	-	154,922
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(1,944)	(298,201)
(Increase) / decrease in other assets	(24,917)	(2,288)
Increase / (decrease) in trade and other payables	(1,311,698)	832,466
Increase / (decrease) in provisions	484,218	2,744
Net cash provided by operating activities	431,474	1,043,970

NOTE 16: RELATED PARTY TRANSACTIONS

There were no related party transaction between members of the Board and the Association for the year except for:

- reimbursement of expenses;
- payment of membership fees and provision of membership services on the same basis as other members;
- use of Group Training Scheme on a normal commercial basis; and
- provision of plumbing services on a normal commercial basis.

As at the end of the financial year, the Association has shareholding, or is a member, in the following entities:

Entity	Percentage Controlled	
	2015 (%)	2014 (%)
Australian Plumbing Industries Educational Foundation Holdings Pty Ltd	100%	100%
Master Plumbers Victoria Pty Ltd	100%	100%
Master Plumbers Insurance Brokers Pty Ltd	100%	100%
Australian Master Plumbers Pty Ltd	100%	100%
Master Plumbers and Mechanical Services Association of Victoria Limited	100%	100%
Plumbing Staff Solutions Pty Ltd	100%	100%
Plumbing Industry Training Pty Ltd	50%	50%

As per AASB 10, it was assessed that the Association did control these entities during or at the end of the financial year. Australian Plumbing Industries Educational Foundation Holdings Pty Ltd had transactions for the financial year which totalled \$243.00 and held cash at bank of \$1,516.00 as at 30 June 2015. All other entities did not have any transactions during the financial year and had no assets or liabilities as at 30 June 2015. Therefore, considering materiality, consolidated financial statements have not been prepared.

NOTE 17: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: FINANCIAL RISK MANAGEMENT (CONT'D)

	Note	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	6	5,551,459	1,055,126
Trade and other receivables	7	2,018,025	2,016,081
Available-for-sale financial assets:			
- equity investments (shares in Green Invest Ltd)	11	1,000	15,999
- shares in listed corporations at fair value	11	4,578,567	-
Held-to-maturity investments:			
- deposits in financial institution	11	684,362	12,916,737
		12,833,413	16,003,943
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	12	1,020,986	1,546,971
		1,020,986	1,546,971

Financial Risk Management Policies

The Association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the executive board.

The treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

The Association is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Association are not considered significant.

b. Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: FINANCIAL RISK MANAGEMENT (CONT'D)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle finance leases reflect the earliest contractual settlement dates.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding employee benefits and income received in advance)	1,020,986	1,546,971	-	-	-	-	1,020,986	1,546,971
Total expected outflows	1,020,986	1,546,971	-	-	-	-	1,020,986	1,546,971
Financial assets — cash flows realisable								
Cash and cash equivalents	5,551,459	1,055,126	-	-	-	-	5,551,459	1,055,126
Trade and other receivables	2,018,025	2,016,081	-	-	-	-	2,018,025	2,016,081
Available-for-sale financial assets	-	-	4,579,567	15,999	-	-	4,579,567	15,999
Held-to-maturity investments	684,362	-	-12,916,737	-	-	-	684,362	-12,916,737
Total anticipated inflows	8,253,846	3,071,207	4,579,567	12,932,736	-	-	12,833,413	16,003,943

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. **Foreign exchange risk**

The Association is not exposed to fluctuations in foreign currencies.

d. **Credit risk**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: FINANCIAL RISK MANAGEMENT (CONT'D)

The Association has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	2015	2014
	\$	\$
Cash and cash equivalents		
- AA rated	5,551,459	1,055,126
	5,551,459	1,055,126

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

e. Price risk

The Association is not exposed to any material commodity price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2015	2014
	\$	\$
Change in profit		
+/- 2% in interest rates	+/- 124,716	+/- 261,700
Change in equity		
+/- 2% in interest rates	+/- 124,716	+/- 261,700

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgment and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: FINANCIAL RISK MANAGEMENT (CONT'D)

	Note	Footnote	2015		2014	
			Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
			\$	\$	\$	\$
Financial assets						
Cash and cash equivalents		(i)	5,551,459	5,551,459	1,055,126	1,055,126
Trade and other receivables		(i)	2,018,025	2,018,025	2,016,081	2,016,081
Financial assets — available for sale		(ii)	4,579,567	4,579,567	15,999	15,999
Financial assets — held-to-maturity		(iii)	684,362	684,362	12,916,737	12,916,737
Total financial assets			12,833,413	12,833,413	16,003,943	16,003,943
Financial liabilities						
Trade and other payables		(i)	1,020,986	1,020,986	1,546,971	1,546,971
Total financial liabilities			1,020,986	1,020,986	1,546,971	1,546,971

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual leave which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets (shares in Green Invest Ltd), closing quoted bid prices at reporting date are used.
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets:				
Available-for-sale financial assets	4,579,567	-	-	4,579,567
Held-to-maturity financial assets	684,362	-	-	684,362
	5,263,929	-	-	5,263,929

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: FINANCIAL RISK MANAGEMENT (CONT'D)

2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets:				
Available-for-sale financial assets	15,999	-	-	15,999
Held-to-maturity financial assets	12,916,737	-	-	12,916,737
	<u>12,932,736</u>	-	-	<u>12,932,736</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

NOTE 18: CAPITAL MANAGEMENT

The Board members control the capital of the Association in order to maintain a good debt-to-equity ratio and to ensure that the Association can fund its operations and continue as a going concern. The Association's debt and capital includes financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

The Board members effectively manage the Association's capital by assessing the Association's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Association since the prior year. This strategy is to ensure that there is sufficient cash to meet trade and other payables and borrowings.

The gearing ratios for the year ended 30 June 2015 and 30 June 2014 are as follows:

	2015	2014
	\$	\$
Trade and other payables	1,020,986	1,546,971
Less cash and cash equivalents	<u>(5,551,459)</u>	<u>(1,055,126)</u>
Net debt/ (equity)	(4,530,473)	491,845
Total equity	<u>15,813,257</u>	<u>14,949,767</u>
Total capital	<u>20,343,730</u>	<u>15,441,612</u>
Gearing ratio	22.3%	3.2%

NOTE 19: OPERATING LEASE COMMITMENTS

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable- minimum lease payments

	2015	2014
	\$	\$
Not later than 12 months	-	123,288
Between 12 months and 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>123,288</u>

**MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2015.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association.

NOTE 22: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

Unit 15, 306 Albert Street
Brunswick VIC 3056
AUSTRALIA

NOTE 23: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1), (2), and (3), of Section 272 of the Act which reads as follows:

- (1) A member of a reporting unit, or the General Manager, 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).

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

EXECUTIVE BOARD'S CERTIFICATE

On 26th October 2015, the Executive Board of the Master Plumbers' & Mechanical Services Association of Australia ("reporting unit") passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2015.

The Executive Board declares in relation to the general purpose financial report that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work of Australia (FWA);
3. 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;
4. 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;
5. during the financial year to which this general purpose financial report relates and since the end of the year:
 - i) meetings of the Executive Board were held in accordance with the rules of the organisation;
 - ii) the financial affairs of the reporting unit have been managed in accordance with rules of the organisation;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and *Fair Work (Registered Organisations) Regulations 2009*;
 - iv) no information has been sought in any request of a member of the reporting unit or a General Manager of FWA duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
 - v) no orders have been made for inspection of financial records made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*;
 - vi) that the Executive Board's Certificate be signed by the President.

For and on behalf of the Executive Board by:



Scott Dowsett

Dated in Melbourne on this 26th day of October 2015.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's Report
To The Members of Master Plumbers' and Mechanical Services Association of Australia
("MPMSAA")**

We have audited the accompanying financial report of Master Plumbers' and Mechanical Services Association of Australia ("MPMSAA"), which comprises the statement of financial position as at 30 June 2015 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the executive boards' certification.

Executive Boards' Responsibility for the Financial Report

The executive board of the MPMSAA is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 (*the Act*), the requirements imposed by Part 3 of Chapter 8 of the Act and for such internal control as the executive board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

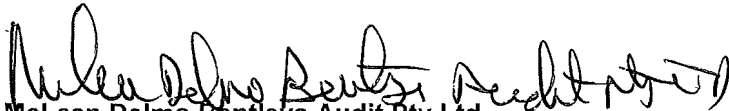
**Independent Auditor's Report
To The Members of Master Plumbers' and Mechanical Services Association of Australia
("MPMSAA") (Continued)**


Opinion

In our opinion the financial report of MPMSAA presents fairly, in all material respects, the financial position of MPMSAA as at 30 June 2015 and its financial performance for the year then ended in accordance with Australian Accounting Standards and the reporting requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Going Concern

We declare that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.


McLean Delmo Bentleys Audit Pty Ltd


Martin Fensome
Partner
Registered Company Auditor

Hawthorn
26 October 2015

ICANZ Member Number: 28742

**MASTER PLUMBERS' & MECHANICAL SERVICES
ASSOCIATION OF AUSTRALIA**

ABN 56 296 473 997

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

OPERATING REPORT

Your executive board members submit the financial report of the Master Plumbers' & Mechanical Services Association of Australia for the financial year ended 30 June 2015.

Members of Executive Board

The names of executive board members throughout the year and at the date of this report are:

Scott Dowsett	(President)
Ken Gardner	(Secretary)
Adrian Murphy	(Treasurer from 16 April 2015)
Michael Ball	(Treasurer until retirement on 16 April 2015)
Norm Anderson	(Vice President)
Peter Jensen	(Vice President)
Kevin Shinnars	(Board Member)
Greg Tink	(Board Member)
Grant Donald	(Board Member)
Glenn Howard	(Board Member – appointed 16 April 2015)

Number of Members

As at 30 June 2015, the Association had 840 members (2014: 868).

Number of Employees

As at 30 June 2015, the total number of employees of the Association was 218 (2014:178).

Principal Activities

The principal activities of the Association during the financial year were to provide services, training and advice on industrial law to the membership and the Australian plumbing sector. The Association achieved results in the following areas:

- Delivered training to the Australian plumbing sector.
- National Green Plumbers program.
- On going development of Asbestos, Plumbing Careers Online and other industry safety web sites.
- High level Federal and State Government lobbying on plumbing related issues.

Significant Changes

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

Operating Result

The operating profit for the financial year after providing for income tax amounted to \$987,078 (2014: \$5,269,740).

Events Subsequent to the End of the Reporting Period

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 statement of affairs of the Association in subsequent years.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

OPERATING REPORT

Manner of Resignation

- (1) A member of the Association or an affiliate member may resign from membership by written notice addressed and delivered to the Secretary or Executive Director.
- (2) A notice of resignation from membership of the Association takes effect;
 - (a) where the member ceases to be eligible to become a member of the Association;
 - (i) on the day on which the notice is received by the Association; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 - whichever is later; or
 - (b) in any other case:
 - (i) at the end of 14 days after the notice is received by the Association; or
 - (ii) on the day specified in the notice;
- (3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not in-valid because it was not addressed and delivered in accordance with subsection (1).
- (6) A resignation from membership of the Association is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.



Scott Dowsett

Dated in Melbourne on this 26th day of October 2015.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Information on Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2015. The financial statements and disclosures in the concise financial report are derived from the 2015 financial report of Master Plumbers' & Mechanical Services Association of Australia ("MPMSAA"). A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request to Member Support on 1800-133-871. The concise financial report can be accessed on the internet at www.plumber.com.au.

The following discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on MPMSAA financial statements and the information contained in concise financial report has been derived from the full 2015 Financial Report of MPMSAA.

Statement of Profit of Loss and Other Comprehensive Income

MPMSAA recorded an operating profit of \$987,078 (2014: \$5,269,740).

Revenue from operating activities increased by \$4,155,127 to \$15,062,623. This was attributable to the increase in average apprentice numbers and host trainer revenue.

Total expenses increased by \$3,531,199 to \$14,641,946. This was attributable to the increase in average apprentice numbers.

Statement of Financial Position

Net assets increased by \$863,490 to \$15,813,257
Total assets increased by \$36,010 to \$17,703,003
Total liabilities decreased by \$827,480 to \$1,889,746

Statement of Cash Flows

The Association generated a cash inflow from operating activities of \$431,474 during the financial year. During the same period, a net cash inflow of \$4,064,859 was provided from investing activities. These net inflows contributed to the increase in cash holding by \$4,496,333 as compared to the previous financial year end.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Revenue	2	15,629,024	16,380,487
Employee benefit expenses		(11,739,764)	(8,648,886)
Marketing expenses		(105,566)	(193,919)
Occupancy expenses		(229,108)	(204,133)
Members services expenses		(51,046)	(46,018)
Professional services fees		(377,256)	(387,965)
Travel and accommodation expenses		(58,375)	(38,113)
Insurance expenses		(156,158)	(159,474)
Computer expenses		(168,017)	(179,551)
Motor vehicle expenses		(48,765)	(77,458)
Printing, postage and stationery expenses		(249,042)	(357,671)
Legal expenses		(23,181)	(12,806)
Subscriptions to industrial bodies		(58,141)	(43,064)
Impairment expenses		(121,251)	(27,197)
Other expenses		(1,256,276)	(734,492)
Total expenses		(14,641,946)	(11,110,747)
Profit before income tax		987,078	5,269,740
Income tax expense		-	-
Profit from operations		987,078	5,269,740
Other comprehensive income			
Loss on revaluation of financial asset	5	(123,588)	-
Total comprehensive income for the year		863,490	5,269,740

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	5,551,459	1,055,126
Trade and other receivables	2,018,025	2,016,081
Other current assets	50,717	25,800
Financial assets	684,362	-
TOTAL CURRENT ASSETS	<u>8,304,563</u>	<u>3,097,007</u>
NON-CURRENT ASSETS		
Financial assets	4,579,567	12,932,736
Property, plant and equipment	1,651,757	245,663
Investment property	3,143,766	1,368,237
Intangibles	23,350	23,350
TOTAL NON-CURRENT ASSETS	<u>9,398,440</u>	<u>14,569,986</u>
TOTAL ASSETS	<u>17,703,003</u>	<u>17,666,993</u>
CURRENT LIABILITIES		
Trade and other payables	1,794,752	2,644,070
Provisions	12,419	18,052
TOTAL CURRENT LIABILITIES	<u>1,807,171</u>	<u>2,662,122</u>
NON-CURRENT LIABILITIES		
Provisions	82,575	55,104
TOTAL NON-CURRENT LIABILITIES	<u>82,575</u>	<u>55,104</u>
TOTAL LIABILITIES	<u>1,889,746</u>	<u>2,717,226</u>
NET ASSETS	<u>15,813,257</u>	<u>14,949,767</u>
EQUITY		
Retained earnings	15,936,845	14,949,767
Reserves	(123,588)	-
TOTAL EQUITY	<u>15,813,257</u>	<u>14,949,767</u>

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2013	5,886,879	3,793,148	9,680,027
Profit for the year	5,269,740	-	5,269,740
Revaluation of freehold land and building	3,793,148	(3,793,148)	-
Balance at 30 June 2014	14,949,767	-	14,949,767
Profit for the year	987,078	-	987,078
Other comprehensive income	-	(123,588)	(123,588)
Balance at 30 June 2015	15,936,845	(123,588)	15,813,257

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members and customers	16,769,349	12,526,799
Interest received	434,645	67,429
Payments to suppliers and employees	(16,772,520)	(11,550,258)
Net cash provided by operating activities	431,474	1,043,970
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,718,670)	(34,319)
Proceeds from sale of property, plant and equipment	30,855	10,510,343
Purchase of investment property	(1,792,545)	(419,247)
Proceeds from/ (purchase of) financial assets	7,545,219	(10,966,734)
Net cash provided by/ (used in) investing activities	4,064,859	(909,957)
Net increase in cash held	4,496,333	134,013
Cash at beginning of financial year	1,055,126	921,113
Cash at end of financial year	5,551,459	1,055,126

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: BASIS OF PREPARATION OF CONCISE FINANCIAL REPORT

The concise financial report is an extract for the full financial report for the year ended 30 June 2015. The concise financial report has been prepared in accordance with Accounting Standards AASB 1039: Concise Financial Reports.

The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of Master Plumbers' & Mechanical Services Association of Australia ("MPMSAA"). The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and operating and investing activities of MPMSAA as the full financial report.

The presentation currency used in this concise financial report is Australian dollars.

	2015	2014
	\$	\$
NOTE 2: REVENUE		
Revenue from operating activities		
- Government grants	231,521	352,386
- Host trainer revenue	11,599,272	7,118,200
- Members' subscriptions and related services	909,725	921,744
- Training services	1,680,957	1,727,057
- Royalties	291,811	432,823
- Magazines sales	349,337	355,286
	<u>15,062,623</u>	<u>10,907,496</u>
Other revenue		
- Rental from properties	110,614	252,057
- Interest income	377,249	127,607
- Other revenue	37,533	35,337
- Gain from disposal of properties	-	5,057,990
- Investment income	41,005	-
	<u>566,401</u>	<u>5,472,991</u>
Total Revenue	<u>15,629,024</u>	<u>16,380,487</u>
Interest revenue from		
- Other persons	377,249	127,607
Total interest revenue	<u>377,249</u>	<u>127,607</u>

NOTE 3: EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1), (2), and (3), of Section 272 of the Act which reads as follows:

- (1) A member of a reporting unit, or the General Manager, 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 5: ANALYSIS OF OTHER COMPREHENSIVE INCOME

Movement in financial asset reserve

2015	2014
\$	\$
123,588	-


MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997
CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

EXECUTIVE BOARD'S DECLARATION

The Executive Board of Master Plumbers' & Mechanical Services Association of Australia declare that the concise financial report of Master Plumbers' & Mechanical Services Association of Australia for the financial year ended 30 June 2015, as set out on pages 4 to 9:

- a. complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b. is an extract from the full financial report for the year ended 30 June 2015 and has been derived from and is consistent with the full financial report of Master Plumbers' & Mechanical Services Association of Australia.

This declaration is made in accordance with a resolution of the Board and is signed for and on behalf of the Executive Board by:



Scott Dowsett

Dated in Melbourne on this 26th day of October 2015



Independent Auditor's Report

To the members of Master Plumbers' & Mechanical Services Association of Australia

Report on the concise financial report

The accompanying concise financial report of Master Plumbers' & Mechanical Services Association of Australia ("MPMSAA") comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and related notes, derived from the audited financial report of MPMSAA for the year ended 30 June 2015, and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Directors' responsibility for the concise financial report

The executive board of MPMSAA is responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of MPMSAA for the year ended 30 June 2015. Our Audit report on the financial report for the year was signed on 13 October 2015 and was not subject to modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

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



MCLEAN DELMO BENTLEYS AUDIT PTY LTD

MARTIN FENSOME
Partner

Hawthorn
26 October 2015

