MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

FINANCIAL STATEMENTS 2014-15

MASTER BUILDERS ASSOCIATION OF THE ACT AND
CONTROLLED ENTITY - ABN 52 853 376 568

RESIDENTIAL
SUBCONTRACTORS
SUPPLIERS
PROFESSIONAL
COMMERCIAL
CIVIL

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2015

Your Members of the Council of Management present this report on Master Builders Association of the ACT and its controlled enity (the Association) for the financial year ended 30 June 2015.

MEMBERS OF THE COUNCIL OF MANAGEMENT
The names of the Members of the Council of Management for the reporting period is as follows:

Mr Hans Sommer (Resigned: 9 October 2014)
Ms Gracie Ferreira
Mr Frank Porreca (Treasurer)
Mr Valdis Luks (President)
Mr Nigel Forde
Mr Andrew Crompton
Mr Peter Naylor
Mr Marc Rowland
Mr David Colbertaldo
Mr Stephen Wise
Mr Bryan Leeming (Appointed: 9 October 2014)
Mr Richard Corver
Ms Annalisa O'Sullivan

Members of the Council of Management have been in Council for the entire reporting period, unless otherwise indicated.

RIGHT OF MEMBERS TO RESIGN
As required to be disclosed by the *Fair Work (Registered Organisations) Act 2009,* and in accordance with Rule 8 of the Association's rule a member may resign from the Association by written notice addressed and delivered to a person designated for the purpose in the rules of Association.

TRUSTEE OR DIRECTOR OF TRUSTEE COMPANY OF SUPERANNUATION ENTITY OR EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME - S254(2)(d)
No officer, or member of the reporting unit, to the best of our knowledge, holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

REVIEW OF OPERATIONS
The consolidated loss of the Association amounted to $188,374 (2014: surplus of $160,942). The loss of the parent entity amounted to $256,223 (2014: surplus of $285,607).

A review of operations of the Association and its subsidiary during the financial year noted that the following were contributing factors to the financial performance:

- Large demand for short course training in the first quarter of the financial year decreasing though out the remainder of financial year;
- Reduced commissions from the MBA Fidelity Fund due to slow land release and the flow on effects; and
- Lower apprentice numbers led to reduced employer reimbursements.

OPERATING REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

PRINCIPAL ACTIVITIES - s254(2)(9a)
The principal activities of the Association are to promote, protect and advance the interest of its members engaged in any manner of the construction and building industry within the ACT and its surrounding region by being a representative body for the building and construction industry.

The Association provides professional services, information and advice including industrial relations advice, dispute resolution, training (including, but not limited to, business, apprentice and workplace health and safety), changes to acts and legislation, changes to awards rates of and work practices to members of the reporting entity throughout Australian Capital Territory.

The MBA also represents its members at all levels of Government and holds events and seminars throughout the year to engage and support its membership to connect and network.

The subsidiary of the Association, MBA Group Training Limited, engages in Registered Training Organisation (RTO) and Group Training Organisation (GTO) activities including hiring, placing and training of apprentices. The education and training of apprentices is essential in the continued growth, development and success of the construction and building industry in the ACT through educating the future tradespeople in the ACT and the surrounding region.

MBA Group Training Limited also undertakes short course training for the wider building industry to train and maintain skills for the broader community which engages with the construction and building industry in the ACT.

RESULTS OF PRINCIPAL ACTIVITIES
The Association has undertaken more training to the wider building and construction industry than ever before with a current focus on workplace health and safety (WH&S) and asbestos training. The reporting entity continues to undertake all aspects of the services listed above.

SIGNIFICANT CHANGES IN STATE OF FINANCIAL AFFAIRS - s254(2)(b)
Apart from the changes listed in the review of operating, no significant changes in the Association's state of financial affairs occurred during the financial year.

SIGNIFICANT CHANGES IN NATURE OF PRINCIPAL ACTIVITIES - s254(2)(a)
There were no significant changes in the nature of the Association’s principal activities during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE
No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
The association expects to maintain the present status and level of operations. Likely developments in the operations of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the association.

ENVIRONMENTAL REGULATION
The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

OPERATING REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

NUMBER OF MEMBERS

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 1,035 (2014: 1,157).

NUMBER OF EMPLOYEES

The number of persons who were, at the end of the financial year, employees of the Association was 17, measured on a full equivalent basis (2014: 13).

Signed in accordance with a resolution of the Members of the Council of Management.

Valdis Luks
President

Dated:17 September 2015

Frank Porreca
Treasurer

Dated:17 September 2015

STATEMENT BY MEMBERS OF THE COUNCIL OF MANAGEMENT

On the __ June 2015 the Members of the Council of Management of the Master Builders Association of the ACT passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2015:

We, V Luks and F Porreca, being two members of the Council of Management of the Master Builders Association of the ACT, do state on behalf of the Council that in the opinion of the Council:

(1) The financial statements and notes comply with the Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncement of the Australian Accounting Standard Board;

(2) The financial statements and notes comply with the *Fair Work (Registered Organisations) Act 2009;*

(3) The financial statements and notes give a true and fair value 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 Master Builders Association of the ACT will be able to pay its debts as and when they fall due; and

(5) During the financial year to which the financial report relates and since the end of that year

   (i) Meetings of the Council were held in accordance with rules of the organisation including the rules of the branch concerned;

   (ii) The financial affairs of the Master Builders Association of the ACT have been managed in accordance with rules of the organisation including the rules of the branch concerned;

   (iii) The financial records of the Master Builders Association on the ACT have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009;*

   (iv) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;

   (v) The information sought in any request of a member of the Master Builders Association of the ACT or a General Manager duly made under the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or General Manager; and

   (vi) There has been compliance with any order for inspection of financial records made by Fair Work Commission under *Fair Work (Registered Organisations) Act 2009.*

(6) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signed in accordance with the resolution of the Members of the Council of Management.

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Valdis Luks
President

Dated: 17 September 2015

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Frank Porreca
Treasurer

Dated: 17 September 2015

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Independent auditor’s report to the members of Master Builders Association of the ACT

We have audited the accompanying financial report of Master Builders Association of the ACT (“the Association”), which comprises the statements of financial position as at 30 June 2015, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, the statement by Members of the Council of Management of the Association and the consolidated entity comprising the Association and the entities it controlled at the year's end or from time to time during the financial year.

Members of the Council of Management’s Responsibility for the Financial Report

The Association’s Council of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) 2009*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity’s preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members of the Committee of Management, 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 have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion:

(a) the financial report presents fairly, in all material respects, the financial position of Master Builders Association of the ACT and consolidated entity as of 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*;

(b) the financial report complies with the requirements imposed by the Fair Work Reporting Guidelines; and

(c) management's use of the going concern basis of accounting in preparation of the Master Builders Association of the ACT's financial statements is appropriate.

Going Concern Basis of Accounting

Without modifying our opinion, we draw attention to Note 2(a) to the financial report which describes the basis of accounting. The Members of the Council of Management have declared that the Master Builders Association of the ACT will be able to pay its debts as and when they become due and payable. On this basis we have concluded that the use of the going concern basis of accounting in preparation of the Master Builders Association of the ACT's financial report is appropriate.

Ernst + Young

Ernst & Young

Ben Tansley
Partner
Registered Company Auditor: 342244
Member of the Institute of Chartered Accountants in Australia: 48000
Canberra
17 September 2015

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

	Note	CONSOLIDATED		PARENT	
		2015	2014	**2015**	2014
		$	$	**$**	$
Revenue	4(a)	**8,189,307**	8,136,163	**3,526,790**	3,797,538
Other income	4(b)	**136,969**	180,874	**70,602**	41,921
Finance income		**112,727**	126,966	**58,619**	63,209
Total revenue		**8,439,003**	8,444,003	**3,656,011**	3,902,668
Employee benefits expense - office holders		**-**	-	**-**	-
Employee benefits expense - other		**(5,199,910)**	(5,301,402)	**(1,850,445)**	(1,668,066)
Depreciation expense		**(380,353)**	(323,619)	**(315,534)**	(270,466)
Amortisation expense		**(14,076)**	(9,178)	**(14,076)**	(9,178)
Rent expense		**(38,694)**	(35,782)	**(38,694)**	(35,782)
Meetings and seminars - other expenses		**(18,032)**	(14,609)	**(18,032)**	(14,609)
Printing, postage and stationary expense		**(207,748)**	(188,009)	**(115,028)**	(146,748)
Subscriptions - affiliation fee to MBA Australia		**(171,960)**	(160,165)	**(151,777)**	(144,966)
Consultant expense		**(774,536)**	(827,296)	**(314,508)**	(443,404)
Motor vehicle expense		**(69,720)**	(75,641)	**(42,841)**	(43,721)
Grants or donations	5(b)	**(8,500)**	(7,775)	**(8,500)**	(7,775)
Building awards expense		**(395,444)**	(296,984)	**(395,444)**	(301,811)
Worker's compensation expense		**(192,482)**	(138,643)	**(10,987)**	(9,279)
Insurance expense		**(64,972)**	(70,783)	**(40,186)**	(39,161)
Skills Centre expenses		**(15,978)**	(9,285)	**(15,978)**	(9,285)
Doubtful debts (income)/expense		**(31,431)**	12,826	**-**	-
(Loss)/gain on disposal of fixed assets		**(4,336)**	(30,853)	**4,836**	(30,853)
Other expenses		**(1,039,205)**	(805,863)	**(585,040)**	(444,957)
Capitation fees		**-**	-	**-**	-
Legal costs		**-**	-	**-**	-
Penalties - via RO Act or RO Regulations		**-**	-	**-**	-
Fees/allowances - meeting and conferences		**-**	-	**-**	-
Compulsory levies		**-**	-	**-**	-
(Loss)/surplus for the year		**(188,374)**	160,942	**(256,223)**	282,607
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of land and buildings		**574,108**	-	**574,108**	-
Total comprehensive income for the year		**385,734**	160,942	**317,885**	282,607

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		PARENT	
		2015	2014	**2015**	2014
		$	$	**$**	$
ASSETS					
Current assets					
Cash	6	**3,025,000**	3,284,866	**2,253,020**	2,422,207
Trade and other receivables	7	**825,598**	926,979	**262,883**	339,736
Inventories		**2,837**	2,214	**2,837**	2,214
Prepayments		**101,106**	148,550	**38,489**	30,895
Financial assets	8	**1,959,921**	1,898,445	**777,089**	754,454
Total current assets		**5,914,462**	6,261,054	**3,334,318**	3,549,506
Non-current assets					
Property, plant and equipment	9	**8,913,565**	8,453,820	**8,675,751**	8,268,817
Intangible assets	11	**63,530**	34,374	**63,530**	34,374
Total non-current assets		**8,977,095**	8,488,194	**8,739,281**	8,303,191
Total assets		**14,891,557**	14,749,248	**12,073,599**	11,852,697
LIABILITIES AND EQUITIES					
Current liabilities					
Trade and other payables	12	**635,806**	673,825	**314,967**	333,397
Employee benefit liabilities	13	**354,833**	462,493	**118,564**	208,166
Other liabilities	14	**529,519**	551,067	**529,519**	551,067
Unearned income		**155,543**	237,813	**145,274**	116,523
Total current liabilities		**1,675,701**	1,925,198	**1,108,324**	1,209,153
Non-current liabilities					
Employee benefit liabilities	13	**15,158**	9,086	**10,593**	6,747
Total non-current liabilities		**15,158**	9,086	**10,593**	6,747
Total liabilities		**1,690,859**	1,934,284	**1,118,917**	1,215,900
EQUITY					
Retained earnings		**12,475,409**	12,632,482	**10,229,393**	10,485,616
Asset revaluation reserve	18	**725,289**	182,482	**725,289**	151,181
TOTAL EQUITY		**13,200,698**	12,814,964	**10,954,682**	10,636,797
TOTAL EQUITY AND LIABILITIES		**14,891,557**	14,749,248	**12,073,599**	11,852,697

The above statement of financial position should be read in conjunction with the accompanying notes.

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

	Retained earnings $	Asset revaluation reserve (Note 18) $	Total $
CONSOLIDATED			
At 1 July 2013	12,471,540	182,482	12,654,022
Surplus for the year	160,942	-	160,942
Other comprehensive income	-	-	-
Total comprehensive income for the year	160,942	-	160,942
At 30 June 2014	12,632,482	182,482	12,814,964

	Retained earnings $	Asset revaluation reserve (Note 18) $	Total $
At 1 July 2014	**12,632,482**	**182,482**	**12,814,964**
Loss for the year	**(188,374)**	**-**	**(188,374)**
Other comprehensive income	**-**	**574,108**	**574,108**
Total comprehensive (loss)/income for the year	**(188,374)**	**574,108**	**385,734**
Transfer of reserve to retained earnings on assets derecognised	**31,301**	**(31,301)**	**-**
At 30 June 2015	**12,475,409**	**725,289**	**13,200,698**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

	Retained earnings *$*	*Asset revaluation reserve (Note 18)* *$*	*Total* *$*
PARENT			
At 1 July 2013	10,203,009	151,181	10,354,190
Surplus for the year	282,607	-	282,607
Other comprehensive income	-	-	-
Total comprehensive income for the year	282,607	-	282,607
At 30 June 2014	10,485,616	151,181	10,636,797

	Retained earnings *$*	*Asset revaluation reserve (Note 18)* *$*	*Total* *$*
At 1 July 2014	**10,485,616**	**151,181**	**10,636,797**
Loss for the year	**(256,223)**	**-**	**(256,223)**
Other comprehensive income	**-**	**574,108**	**574,108**
Total comprehensive (loss)/income for the year	**(256,223)**	**574,108**	**317,885**
At 30 June 2015	**10,229,393**	**725,289**	**10,954,682**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		PARENT	
		2015	2014	**2015**	2014
		$	$	**$**	$
Operating activities					
Receipts from ordinary activities		**9,255,659**	9,349,699	**4,059,792**	4,240,272
Net interest received		**149,122**	126,966	**58,619**	63,209
Payments to employees and suppliers		**(8,871,365)**	(8,392,401)	**(3,879,315)**	(3,386,654)
GST remitted		**(418,248)**	(513,004)	**(198,892)**	(201,243)
Net cash flows from operating activities	19	**115,168**	571,260	**40,204**	715,584
Investing activities					
Proceeds from sale of property, plant and equipment		**95,384**	30,000	**76,293**	30,000
Purchase for property, plant and equipment		**(365,710)**	(334,091)	**(219,817)**	(308,673)
Purchase of intangible assets		**(43,232)**	(7,644)	**(43,232)**	(7,644)
Investment in term deposits		**(61,476)**	(72,570)	**(22,635)**	(30,655)
Net cash flows used in investing activities		**(375,034)**	(384,305)	**(209,391)**	(316,972)
Net (decrease)/increase in cash and cash equivalents		**(259,866)**	186,955	**(169,187)**	398,612
Cash and cash equivalents at 1 July		**3,284,866**	3,097,911	**2,422,207**	2,023,595
Cash and cash equivalents at 30 June	6	**3,025,000**	3,284,866	**2,253,020**	2,422,207

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 CORPORATE INFORMATION

The financial report of Master Builders Association of the ACT and its controlled entity (MBA Group Training Limited) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 17 September 2015.

The consolidated financial statements cover the Master Builders Association of the ACT and its controlled entity (MBA Group Training Limited), and the separate financial statements cover the Master Builders Association of the ACT as an individual parent enity.

The nature of the operations and principal activities of the Association are described in the Operating report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009.* The association is not-for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on the basis of historical costs except for property, plant and equipment which have been at fair value.

The financial report is presented in Australian dollars ($).

(b) Statement of compliance

The financial statements of the Association comply with Australian Accounting Standards as issued by the Australia Accounting Standards Board (AASB).

(c) Changes in accounting policy, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The Association applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 January 2014. The nature and the impact of the new standard and/or amendment is described below:

Remove Individual Key Management Personnel Disclosure Requirements – Amendments to AASB 124

This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. This amendment has resulted in reduced disclosures in the Association's financial statements.

All other accounting policies adopted are consistent with those of the previous financial year.

(ii) Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2015. The Members of the Council of Management have not early adopted any of these new or amended standards or interpretations. The Members of the Council of Management have determined that none of these will have a material impact on the Association.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and the subsidiary as at 30 June 2015. Control is achieved when the Association is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Association controls an investee if and only if the Association has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Association has less than a majority of the voting or similar rights of an investee, the Association considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Association's voting rights and potential voting rights

The Association re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Association obtains control over the subsidiary and ceases when the Association loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Association gains control until the date the Association ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Association and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Association's accounting policies. All intra-Association assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Association are eliminated in full on consolidation.

(e) Current versus non-current classification

The Association presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Association classifies all other liabilities as non-current.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income tax

No provision for income tax is necessary as the association is exempt under Section 50-15 of the *Income Tax Assessment Act 1997.*

(g) Inventories

Inventories held for sale are measured at the lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are initially recognised at cost. Following initial recognition, property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Land and buildings are shown at fair value based on periodic, but at least triennial, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluaiton is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The depreciation rates are as follows:

Class of fixed asset	**Depreciation rate**
Land and Building	2.5%
Plant and Equipment	6.7 - 50.0%
Motor vehicles	22.5%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Association is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straightline basis over the lease term.

(j) Financial assets (Investments)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Association has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the effective interest rate (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in the statement of profit or loss and other comprehensive income as finance costs.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Association of similar financial assets) is primarily de-recognised (i.e. removed from the Association’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ”pass-through” arrangement; and either (a) the Association has transferred substantially all the risks and rewards of the asset, or (b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial assets (Investments) (continued)

Derecognition(continued)

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Association continues to recognise the transferred asset to the extent of the Association's continuing involvement. In that case, the Association also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Association has retained.

Impairment of financial assets

The Association assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(k) Impairment of non-financial assets

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Association expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

(l) Intangible assets

Computer software

Websites and Database are recognised at cost. Website and Database have a finite life and are carried at cost less any accumulated amortisation and impairment lossess. It has an estimated useful life of 3 years. It is assessed annually for impairment.

(m) Provisions for employee benefits

General

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Association expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

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

(m) Provisions for employee benefits (continued)

(i) Short-term obligations

Liabilities for wages and salaries, annual leave and registered days off (RDO) expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for short term employee benefits is recognised in trade and other payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in provision and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(n) Cash

Cash in the statement of financial position comprise cash at bank and on hand.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash as defined above.

(o) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold and services rendered in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 2(j) for further discussion on the determination of impairment losses.

(p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Association has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue recognition (continued)

Interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other revenue in the statement of profit or loss and other comprehensive income.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

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

Revenue from sponsorship is recognised when it is received.

Revenue from commissions is recognised either at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the good and the cessation of all involvement in those goods for commission on goods, or upon the delivery of the service to the customer for commission on services provided.

Revenue from the annual dinner and other events is recognised upon the delivery of the service to the customer.

Revenue from User Choice is recognised when training has been delivered to the customer.

Revenue from training and rebates is recognised upon completion of the training course held.

Revenue from Employer reimbursements is recognised upon the delivery of the service to the customer.

Revenue from Office of Training and Education (TAE) and Industries Training Fund (ITF) funding and grants is recognised when control of the funding is obtained.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the association prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management evaluates estimates and judgments incorporated into the financial statements 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 - general

The plant and equipment assets were independently valued at 30 June 2012 by Pickles Valuation Services. The valuation was based on fair value (the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The critical assumptions adopted in determing the valuation included the age of the assets, the task they perform, life expectancy and cost to replace the asset.

The land and building assets were independently valued at 30 June 2012 by Knight Frank Valuations Canberra. The valuation was based on fair value with regard to recent sales within Fyshwick, Canberra, ACT. The critical assumptions adopted in determining the valuation included the location and current zoning of the land, the site not being contaminated, the property has structural integrity and the construction costs and plans provided are accurate.

Provision for impairment of receivables

Included in trade and other receivables at the end of the reporting period are amounts that senior management considers to be doubtful for collection. These amounts are disclosed as provision for impairment in Note 7.

4 REVENUE

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
(a) Revenue				
Revenue from employer reimbursement, sales, subscription, sponsorship, government grants and other grants				
Employer reimbursement	**2,839,754**	2,956,015	**-**	-
Government grants	**184,500**	270,350	**-**	-
Industry Training Fund	**276,756**	292,875	**-**	-
Project income	**36,184**	39,528	**-**	-
Publication sales	**44,653**	44,204	**44,653**	44,204
Sponsorship	**344,690**	351,745	**344,690**	351,745
Subscriptions - affiliation fee to MBA Australia	**763,601**	784,053	**763,601**	782,053
TAE funding	**103,350**	114,858	**-**	-
Training and rebates	**1,609,387**	847,767	**-**	-
User choice	**590,885**	706,693	**-**	-
CAMS funding	**73,260**	74,057	**-**	-
Commissions and fees	**689,948**	897,699	**689,948**	897,699
Rent	**-**	-	**477,405**	463,500
Annual dinner and social events	**477,049**	511,302	**477,049**	516,129
Building centre rent	**98,752**	101,448	**98,752**	101,448
Journal advertising	**56,538**	143,569	**56,538**	143,569
Service fee	**-**	-	**574,154**	497,191
Financial support to other reporting entities	**-**	**-**	**-**	**-**
Donations received	**-**	**-**	**-**	**-**
Compulsory levies	**-**	**-**	**-**	**-**
	8,189,307	8,136,163	**3,526,790**	3,797,538
(b) Other income				
Sundry income	**114,177**	112,450	**70,602**	41,921
Worker's compensation reimbursement	**22,792**	68,424	**-**	-
	136,969	180,874	**70,602**	41,921

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

5 EXPENSES

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
(a) Employee expenses				
Holders of office:				
Wages and salaries	**-**	-	**-**	-
Superannuation	**-**	-	**-**	-
Leave and other entitlements	**-**	-	**-**	-
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**-**	-	**-**	-
	-	-	**-**	-
Employees other than office holders:				
Wages and salaries	**4,515,859**	4,496,983	**1,421,318**	1,365,307
Superannuation	**427,224**	415,126	**161,177**	134,885
Leave and other entitlements	**166,771**	311,532	**212,523**	121,544
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**90,056**	77,761	**55,427**	46,330
	5,199,910	5,301,402	**1,850,445**	1,668,066
Total employee expenses	**5,199,910**	5,301,402	**1,850,445**	1,668,066
(b) Grants or donations				
Donations:				
Total paid that were $1,000 or less	**-**	650	**-**	650
Total paid that exceeded $1,000	**-**	7,125	**-**	7,125
	-	7,775	**-**	7,775

6 CASH

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash on hand	**1,050**	850	**450**	450
Cash at bank	**3,010,505**	3,258,662	**2,252,570**	2,421,757
Industry Training Fund Cash at Bank	**13,445**	25,354	**-**	-
	3,025,000	3,284,866	**2,253,020**	2,422,207

Reconciliation to cash

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

Cash and cash equivalents	**3,025,000**	3,284,866	**2,253,020**	2,422,207

7 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT	
	2015	*2014*	**2015**	*2014*
	$	*$*	**$**	*$*
Current				
Accounts receivable	**709,164**	749,491	**255,331**	338,945
Provision for impairment	**(44,677)**	(13,245)	**-**	-
Sundry debtors	**145,852**	139,079	**1,061**	791
Interest receivable/(payable)	**15,259**	51,654	**6,491**	-
	825,598	926,979	**262,883**	339,736

(a) Provision for impairment of receivables

Movements in the provision for impairment of receivables are as follows:	CONSOLIDATED		PARENT	
	2015	*2014*	**2015**	*2014*
	$	*$*	**$**	*$*
At 1 July	**13,245**	25,011	**-**	-
Charge/(reversal) for the year	**31,432**	(11,766)	**-**	-
At 30 June	**44,677**	13,245	**-**	**-**

As at June 30, the ageing analysis of accounts receivables is as follows:

	CONSOLIDATED		PARENT	
	2015	*2014*	**2015**	*2014*
	$	*$*	**$**	*$*
Less than 30 days	**549,721**	492,319	**152,536**	271,786
30-60 days	**197,313**	158,254	**60,987**	22,548
61-90 days	**21,132**	25,288	**15,765**	24,935
More than 90 days	**85,280**	73,630	**26,116**	19,676
	853,446	749,491	**255,404**	338,945

8 FINANCIAL ASSETS (INVESTMENTS)

	CONSOLIDATED		PARENT	
	2015	*2014*	**2015**	*2014*
	$	*$*	**$**	*$*
Current				
Held-to-maturity investments				
Term deposits	**1,959,921**	1,898,445	**777,089**	754,454
	1,959,921	1,898,445	**777,089**	754,454

The term deposits are held for investment purposes to generate income through the receipt of interest.

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

9 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Land and buildings				
At fair value	**8,343,641**	8,266,871	**8,343,641**	8,266,871
Accumulated depreciation	**-**	(351,833)	**-**	(351,833)
Net carrying amount	**8,343,641**	7,915,038	**8,343,641**	7,915,038
Plant and equipment				
At fair value	**308,348**	249,587	**196,742**	159,987
Accumulated depreciation	**(155,875)**	(81,812)	**(109,871)**	(55,243)
Net carrying amount	**152,473**	167,775	**86,871**	104,744
Motor vehicles				
At fair value	**579,179**	517,315	**344,245**	336,269
Accumulated depreciation	**(161,728)**	(146,308)	**(99,006)**	(87,234)
Net carrying amount	**417,451**	371,007	**245,239**	249,035
Total property, plant and equipment				
At fair value	**9,231,168**	9,033,773	**8,884,628**	8,763,127
Accumulated depreciation	**(317,603)**	(579,953)	**(208,877)**	(494,310)
Net carrying amount	**8,913,565**	8,453,820	**8,675,751**	8,268,817

(a) Reconciliation of carrying amounts at the beginning and end of the year

	CONSOLIDATED	PARENT
	2015	**2015**
	$	**$**
Land and buildings		
Balance at the beginning of the year		
Balance at the beginning of the year	**7,915,038**	**7,915,038**
Additions	**33,627**	**33,627**
Revaluation adjustment	**574,108**	**574,108**
Depreciation charge for the year	**(179,132)**	**(179,132)**
Balance at the end of the year - Net carrying amount	**8,343,641**	**8,343,641**
Plant and equipment		
Balance at the beginning of the year		
Balance at the beginning of the year	**167,775**	**104,744**
Additions	**58,829**	**36,823**
Depreciation charge for the year	**(74,131)**	**(54,696)**
Balance at the end of the year - Net carrying amount	**152,473**	**86,871**

9 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Reconciliation of carrying amounts at the beginning and end of the year (continued)

	CONSOLIDATED **2015** $	*PARENT* **2015** $
Motor vehicles		
Balance at the beginning of the year	**371,007**	**249,035**
Additions	**273,254**	**149,367**
Disposals	**(211,392)**	**(141,392)**
Depreciation charge for the year	**(127,090)**	**(81,706)**
Depreciation write back	**111,672**	**69,935**
Balance at the end of the year - Net carrying amount	**417,451**	**245,239**
Total Property, plant and equipment		
Balance at the beginning of the year	**8,453,820**	**8,268,817**
Additions	**365,710**	**219,817**
Disposals	**(211,392)**	**(141,392)**
Revaluation adjustment	**574,108**	**574,108**
Depreciation charge for the year	**(380,353)**	**(315,534)**
Depreciation write back	**111,672**	**69,935**
Balance at the end of the year - Net carrying amount	**8,913,565**	**8,675,751**

10 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the consolidated group's assets.

		Fair value measurement using		
	Total	**Quoted prices in active markets (Level 1)** $	**Significant observable inputs (Level 2)** $	**Significant unobeservable inputs (Level 3)** $
Land and buildings	8,343,641	-	1,300,000	7,043,641
Plant and equipment	152,473	-	152,473	-
Motor vehicles	417,451	-	417,451	-

There have been no transfers between Level 1 and Level 2 during the period.

The Association's assets are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation.

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

10 FAIR VALUE MEASUREMENT (continued)

Land, plant and equipment and motor vehicles (Level 2)
The fair value of the land was determined using the sales comparison approach. The key inputs under this approach are the price per square metre from the current financial year sales of comparable land sales in the area.

The fair value of plant and equipment and motor vehicles was determined using a current replacement cost approach. The key inputs under this approach are the the cost to replace the asset, factoring in the age of the asset, life expectancy and the task the asset performs.

Buildings (Level 3)
The fair value of the buildings was determined using the depreciated replacement cost approach. The key input under this approach is the estimated gross current replacement cost which is based on the expected useful lives and any adjustment for deterioration and obsolescence.

11 INTANGIBLE ASSETS

	CONSOLIDATED		*PARENT*	
	2015	*2014*	***2015***	*2014*
	$	*$*	***$***	*$*
Capitalised website development costs				
Cost (gross carrying amount)	**77,995**	34,697	**77,995**	34,697
Accumulated amortisation	**(35,579)**	(28,953)	**(35,579)**	(28,953)
Net carrying amount	**42,416**	5,744	**42,416**	5,744
Capitalised database development costs				
Cost (gross carrying amount)	**67,083**	67,083	**67,083**	67,083
Impairment	**(45,969)**	(38,453)	**(45,969)**	(38,453)
Net carrying amount	**21,114**	28,630	**21,114**	28,630
Total intangible assets				
Cost (gross carrying amount)	**145,078**	101,780	**145,078**	101,780
Accumulated amortisation and impairment	**(81,548)**	(67,406)	**(81,548)**	(67,406)
Net carrying amount	**63,530**	34,374	**63,530**	34,374

(a) Reconciliation of carrying amounts at the beginning and end of the year (continued)

	CONSOLIDATED 2015 $	PARENT 2015 $
(a) Reconciliation of carrying amount at beginning		
Capitalised website development costs		
Balance at the beginning of the year	**5,744**	**5,744**
Additions	**43,232**	**43,232**
Amortisation charge	**(6,560)**	**(6,560)**
Balance at the end of the year - Net carrying	**42,416**	**42,416**
Capitalised database development costs		
Balance at the beginning of the year	**28,630**	**28,630**
Additions	**-**	**-**
Amortisation charge	**(7,516)**	**(7,516)**
Balance at the end of the year - Net carrying	**21,114**	**21,114**
Total intangible assets		
Balance at the beginning of the year	**34,374**	**34,374**
Additions	**43,232**	**43,232**
Amortisation charge	**(14,076)**	**(14,076)**
Balance at the end of the year - Net carrying	**63,530**	**63,530**

12 TRADE AND OTHER PAYABLES

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Trade payables	**78,233**	107,161	**38,917**	43,320
Goods and services tax payable	**177,474**	246,111	**71,027**	90,166
PAYG - Tax payable	**72,295**	63,798	**37,780**	31,366
Accrued expenses	**307,804**	256,755	**167,243**	168,545
	635,806	673,825	**314,967**	333,397

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

13 EMPLOYEE BENEFIT LIABILITIES

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Office Holders				
Annual leave	**-**	**-**	**-**	**-**
Long service leave	**-**	**-**	**-**	**-**
Separations and redundancies	**-**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**
Subtotal — office holders	**-**	**-**	**-**	**-**
Employees other than office holders:				
Annual leave	**217,835**	231,828	**61,328**	64,898
Long service leave	**152,156**	223,063	**67,829**	150,015
Separations and redundancies	**-**	-	**-**	-
Other	**-**	16,688	**-**	-
Subtotal - other than office holders	**369,991**	471,579	**129,157**	214,913
Total employee benefit liabilities	**369,991**	471,579	**129,157**	214,913
Current	**354,833**	462,493	**118,564**	208,166
Non Current	**15,158**	9,086	**10,593**	6,747
Total employee benefit liabilities	**369,991**	471,579	**129,157**	214,913

Short-term employee benefits

Short-term employee benefits represents amounts accrued for annual leave. The current portion for this payable includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave classified as as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

14 OTHER LIABILITIES

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Work in progress	**28,519**	146,747	**28,519**	-
Funds held for third parties	**1,000**	4,320	**1,000**	151,067
Loan – ACT Community Services	**500,000**	400,000	**500,000**	400,000
	529,519	551,067	**529,519**	551,067

In November 2003, Master Builders Association of the ACT was provided a $500,000 loan. Under the terms of the loan there is no interest payable. This loan will be repaid in the future, with the current terms of the agreement having the loan repaid in May 2016.

15 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Non-cancellable operating leases

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Within one year	**26,494**	-	**22,384**	-
After one year but not more than five years	**87,514**	-	**72,443**	-
More than five years	**-**	-	**-**	-
	114,008	-	**94,827**	-

The telephone system lease commitments is a non-cancellable operating lease with a 60 month term, with rent payable monthly in advance. The contract started on 15th of September 2008.

(b) Finance lease commitments

Finance leases

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Within one year	**-**	9,365	**-**	9,365
After one year but not more than five years	**-**	14,679	**-**	14,679
More than five years	**-**	-	**-**	-
	-	24,044	**-**	24,044

The finance lease commitments includes two leases for photocopiers.

(c) Contingencies

There are no contingent liabilities or assets as at the date of this report (2014: nil).

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

The following Members of the Council and their related companies have had financial transactions with the Association during the financial year. All monies received from the Members of Council or their related companies related to subscriptions or normal trading operations of the Association.

Consolidated

Revenue received from the Members of the Council and their related companies includes the following:

Executive Member	Related Company		Events	Advertising	Industrial Relations	Subscriptions	Sponsorship	Office rent	Training	Other
			$	$	$	$	$	$	$	$
Hans Sommer	The Village Building	**2015**	**6,495**	**-**	**-**	**3,295**	**25,700**	**-**	**19,790**	**8,812**
	Co. Limited	2014	669	-	-	6,520	20,700	-	-	-
Gracie Ferreira	Pacific Formwork	**2015**	**1,860**	**-**	**-**	**1,125**	**-**	**-**	**8,640**	**-**
		2014	-	-	-	995	-	-	900	-
Franc Porreca	Benchmark Projects	**2015**	**-**	**-**	**-**	**680**	**-**	**-**	**540**	**-**
		2014	90	-	-	660	-	-	-	607
Valdis Luks	Shaw Building Group	**2015**	**6,033**	**-**	**-**	**3,125**	**1,500**	**-**	**6,330**	**330**
		2014	4,725	2,200	-	3,075	2,350	-	44,150	-
Gareth Powell	LLD Pty Ltd	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2014	-	-	-	504	-	-	-	-
Richard Corver	ABC Construction	**2015**	**-**	**-**	**-**	**900**	**-**	**-**	**-**	**-**
		2014	-	-	-	-	-	-	-	-
Annalisa O'Sullivan	CTR Construction	**2015**	**2,530**	**-**	**-**	**1,125**	**-**	**-**	**-**	**60**
		2014	-	-	-	-	-	-	-	-

16 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with key management personnel (continued)

Consolidated (continued)

Executive Member	Related Company		Events	Advertising	Industrial Relations	Subscriptions	Sponsorship	Office rent	Training	Other
			$	$	$	$	$	$	$	$
David Morgan	A Murray & Sons	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2014	-	-	-	1,677	-	-	320,513	-
Nigel Forde	Cord Civil	**2015**	**-**	**-**	**-**	**1,350**	**875**	**-**	**1,835**	**770**
		2014	6,505	120	-	1,295		8,426	19,210	-
Andrew Crompton	Chincivil Pty Limited	**2015**	**2,625**	**-**	**660**	**3,850**	**-**	**-**	**2,850**	**275**
		2014	1,850	-	-	3,481	-	-	1,835	-
Peter Naylor	IQON	**2015**	**8,335**	**-**	**660**	**12,600**	**-**	**-**	**2,115**	**795**
		2014	8,650	5,655	-	12,500	-	-	3,720	-
Marc Rowland	Elevated Constructions	**2015**	**-**	**-**	**-**	**680**	**-**	**-**	**1,440**	**767**
		2014	2,565	-	-	660	-	-	1,280	137
David Colbertaldo	Hindmarsh	**2015**	**10,055**	**-**	**-**	**23,000**	**-**	**-**	**330**	**11,080**
		2014	7,774	-	-	22,900	-	-	6,350	-
Stephen Wise	Wise Choice Projects	**2015**	**180**	**-**	**-**	**570**	**-**	**-**	**235**	**-**
		2014	-	-	-	504	-	-	-	-

16 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with key management personnel (continued)

Parent

Revenue received from the Members of the Council and their related companies includes the following:

Executive Member	Related Company		Events $	Advertising $	Industrial Relations $	Subscriptions $	Sponsorship $	Office rent $	Training $	Other $
Simon Butt	Manteena Pty Limited	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2014	-	-	-	-	-	-	-	-
Hans Sommer	The Village Building Co	**2015**	**6,495**	**-**	**-**	**3,295**	**25,700**	**-**	**19,790**	**-**
	Limited	2014	669	-	-	6,520	20,700	-	-	-
Gracie Ferreira	Pacific Formwork	**2015**	**1,860**	**-**	**-**	**1,125**	**-**	**-**	**8,640**	**-**
		2014	-	-	-	995	-	-	-	-
Franc Porreca	Benchmark Projects	**2015**	**-**	**-**	**-**	**680**	**-**	**-**	**540**	**-**
		2014	90	-	-	660	-	-	-	607
Valdis Luks	Shaw Building Group	**2015**	**6,033**	**-**	**-**	**3,125**	**1,500**	**-**	**6,330**	**330**
		2014	4,725	2,200	-	3,075	2,350	-	-	-
Gareth Powell	LLD Pty Ltd	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2014	-	-	-	504	-	-	-	-
Richard Corver	ABC Construction	**2015**	**-**	**-**	**-**	**900**	**-**	**-**	**-**	**-**
		2014	-	-	-	-	-	-	-	-
Annalisa O'Sullivan	CTR Construction	**2015**	**2,530**	**-**	**-**	**1,125**	**-**	**-**	**-**	**60**
		2014	-	-	-	-	-	-	-	-

16 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with key management personnel (continued)

Parent (continued)

Executive Member	Related Company		Events $	Advertising $	Industrial Relations $	Subscriptions $	Sponsorship $	Office rent $	Training $	Other $
David Morgan	A Murray & Sons	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2014	-	-	-	1,677	-	-	-	-
Nigel Forde	Cord Civil	**2015**	**-**	**-**	**-**	**1,350**	**875**	**-**	**1,835**	**770**
		2014	6,505	120	-	1,295	-	8,426	-	-
Andrew Crompton	Chincivil Pty Limited	**2015**	**2,625**	**-**	**660**	**3,850**	**-**	**-**	**2,850**	**275**
		2014	1,850	-	-	3,481	-	-	-	-
Peter Naylor	IQON	**2015**	**8,335**	**-**	**660**	**12,600**	**-**	**-**	**2,115**	**795**
		2014	8,650	5,655	-	12,500	-	-	-	-
Marc Rowland	Elevated Constructions	**2015**	**-**	**-**	**-**	**680**	**-**	**-**	**1,440**	**767**
		2014	2,565	-	-	660	-	-	-	137
David Colbertaldo	Hindmarsh	**2015**	**10,055**	**-**	**-**	**23,000**	**-**	**-**	**330**	**11,080**
		2014	7,774	-	-	22,900	-	-	-	-
Stephen Wise	Wise Choice Projects	**2015**	**180**	**-**	**-**	**570**	**-**	**-**	**235**	**-**
		2014	-	-	-	504	-	-	-	-

There were no expenses paid to related parties, amounts owed by related parties, amounts owed to or loans from or to related parties or assets transferred from or to related parties in the current financial year (2014: nil).

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

16 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with key management personnel (continued)

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

(b) Compensation of key management personnel
Any person having authority and responsibility for planning, directing and controlling the activities of association, directly or indirectly, including its council membrs, is considerd key management personnel.

	CONSOLIDATED		*PARENT*	
	2015	*2014*	***2015***	*2014*
	$	*$*	***$***	*$*
Key mangement personnel compensation:				
Short-term employee benefits				
Salary (including annual leave taken)	**725,454**	778,437	**595,929**	657,410
Annual leave accrued	**16,088**	24,226	**7,810**	18,768
Reportable fringe benefit	**93,033**	-	**76,325**	-
Total short-term employee benefits	**834,575**	802,663	**680,064**	676,178
Post-employment benefits				
Superannuation	**118,245**	155,669	**97,419**	144,352
Total post-employment benefits	**118,245**	155,669	**97,419**	144,352
Other long-term benefits:				
Long-service leave	**-**	100,629	**-**	84,618
Total other long-term benefits	**-**	100,629	**-**	84,618
Termination benefits	**-**	-	**-**	-
Total	**952,820**	1,058,961	**777,483**	905,148

17 EVENT AFTER BALANCE DATE

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may signifficantly affect, the operations of the Association, the results of those operation or the state of affairs of the association or economic entity in subsequent financial years.

18 RESERVE

Asset revaluation reserve
The asset revaluation reserve records the revaluation of non-current assets.

	CONSOLIDATED	*PARENT*
	$	**$**
At 1 July 2013	182,482	151,181
At 30 June 2014	182,482	151,181
Reversal of reserve	**(31,301)**	**-**
Revaluation surplus	**574,108**	**574,108**
At 30 June 2015	**725,289**	**725,289**

18 RESERVE (continued)

Revaluation of land and buildings

In accordance with the property, plant and equipment accounting policy of Master Builders Association of the ACT, an independent valuation was performed over land and buildings at 30 June 2015. The independent valuation was performed by Knight Frank Valuations Canberra for the property located at 1 Iron Knob Street, Fyshwick with the valuation assessed at $8,343,641 on the valuation date. The independent valuation conducted resulted in a revaluation surplus of $574,108 being recognised.

During the year, management has assessed that due to previously revalued assets no longer being held by MBA Group Training Ltd, the revaluation reserve of $31,301 was transferred to retained earnings. This has no impact on profit or net assets, as it is a correction to the presentation of the statement of changes in equity.

19 STATEMENT OF CASH FLOWS RECONCILIATION

	CONSOLIDATED		*PARENT*	
	2015	*2014*	***2015***	*2014*
	$	*$*	***$***	*$*
(a) Reconciliation of (loss)/surplus for the year after tax to net cash flows from operations				
(Loss)/surplus for the year	**(188,374)**	160,942	**(256,223)**	282,607
Adjustments for:				
Depreciation and amortisation	**394,429**	332,797	**329,610**	279,644
Net loss/(gain) on disposal of fixed asset	**4,336**	30,853	**(4,836)**	30,853
Changes in assets and liabilities				
(Increase)/Decrease in trade and other receivable	**101,381**	122,671	**76,853**	(473)
(Increase)/Decrease in inventories	**(623)**	(798)	**(623)**	(799)
(Increase)/Decrease in other assets	**47,444**	(85,198)	**(7,594)**	23,162
(Decrease)/Increase in trade and other payable	**(38,019)**	51,717	**(18,430)**	104,871
(Decrease)/Increase in employee benefit liabilities	**(101,588)**	(18,350)	**(85,756)**	13,066
(Decrease)/Increase in other liabilities	**(21,548)**	12,918	**(21,548)**	12,918
(Decrease)/Increase in unearned income	**(82,270)**	(36,292)	**28,751**	(30,265)
Net cash flows from operating activities	**115,168**	571,260	**40,204**	715,584

20 AUDITORS' REMUNERATION

During the period the following fees were paid or payable for services provided by the auditor of the parent enitity, its related practices and non-related audit firms:

	CONSOLIDATED		*PARENT*	
	2015	*2014*	***2015***	*2014*
	$	*$*	***$***	*$*
Amounts received or due and receivable by Ernst & Young(Australia)				
Audit and other assurance services				
- Audit of financial statements	**34,400**	32,000	**16,600**	16,000
- Compilation of financial statements	**9,100**	8,000	**4,200**	4,000
	43,500	40,000	**20,800**	20,000

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

21 FINANCIAL RISK MANAGEMENT

Financial risk management objectives
The main risk arising from the Association’s financial instruments is the liquidity risk.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset are disclosed in Note 2 to the financial statements.

Financial risk management objectives
The Association manages its exposure to the liquidity risk in accordance with the Association’s policies. The objective of the policy is to support the delivery of the Association’s services whilst protecting financial security. The liquidity risk is mainly monitored through the development of cash flow forecasts and maintaining adequate cash reserves.

Market risk
Foreign currency risk
The Association is not exposed to any foreign currency risk. The Association does not have any foreign currency dealings or transactions.

Price risk
The Association is not exposed to any significant price risk. The Association's revenues and expenses are not significantly impacted by market prices.

Interest rate risk
The Association is not exposed to any significant interest rate risk. The Association has very limited exposure to interest rate risk as there is no debt with interest component.

Credit risk
The Association is not exposed to any significant credit risk. Credit risk is managed through close management of all debtors. Historically, the Association has had very few issues with the collection of debts.

Liquidity risk
Vigilant liquidity risk management requires the Association to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Association manages liquidity risk by maintaining adequate cash reserves by countinuously monitoring actual and forecast cash flows and matching maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Association's financial liabilities.

2015

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years
	$	$	$	$	$
Trade payables	-	**87,100**	-	-	-
GST payable	-	**326,491**	-	-	-
PAYG tax payable	-	**72,295**	-	-	-
Loan – ACT Community Services	-	-	-	**500,000**	-
Other payables	-	**337,323**	-	-	-
	-	**823,209**	-	**500,000**	-

21 FINANCIAL RISK MANAGEMENT (continued)

2014

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years
	$	$	$	$	$
Trade payables	-	107,161	-	-	-
GST payable	-	246,111	-	-	-
PAYG tax payable	-	63,798	-	-	-
Loan – ACT Community Services	-	400,000	-	-	-
Other payables	-	256,755	-	-	-
	-	1,073,825	-	-	-

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

22 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, which read 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).

23 ECONOMIC DEPENDENCY

Master Builders Association of the ACT will provide financial support to its subsidiary, MBA Group Training, in the event that financial support is required to pay debts as and when they fall due.

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

24 OTHER REQUIREMENTS FOR PRESENTATION AND DISCLOSURES UNDER FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the reporting guidelines made under section 255 of the *Fair Work (Registered Organisations) ACT 2009,* the attention of members is drawn to the following:

(a) There has been no asset nor liability acquired during the financial year as a result of:
  a. an amalgamation under Part 2 of Chapter 3, of the *Fair Work (Registered Organisations) ACT 2009* in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
  b. a restructure of the branches of the organisation; or
  c. a determination by the General Manager under subsection 245(1) of the *Fair Work (Registered Organisations) ACT 2009* of an alternative reporting structure for the organisation; or
  d. a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) ACT 2009* of a certificate issued to an organisation under subsection 245(1).

(b) There were no capitation fees paid to another reporting unit during the financial year;

(c) There were no expenses incurred as consideration for employers making payroll deductions of membership subscriptions during the financial year;

(d) There were no affiliation fees paid to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters during the financial year;

(e) There were no receivables or payables with another reporting unit as at 30 June 2015;

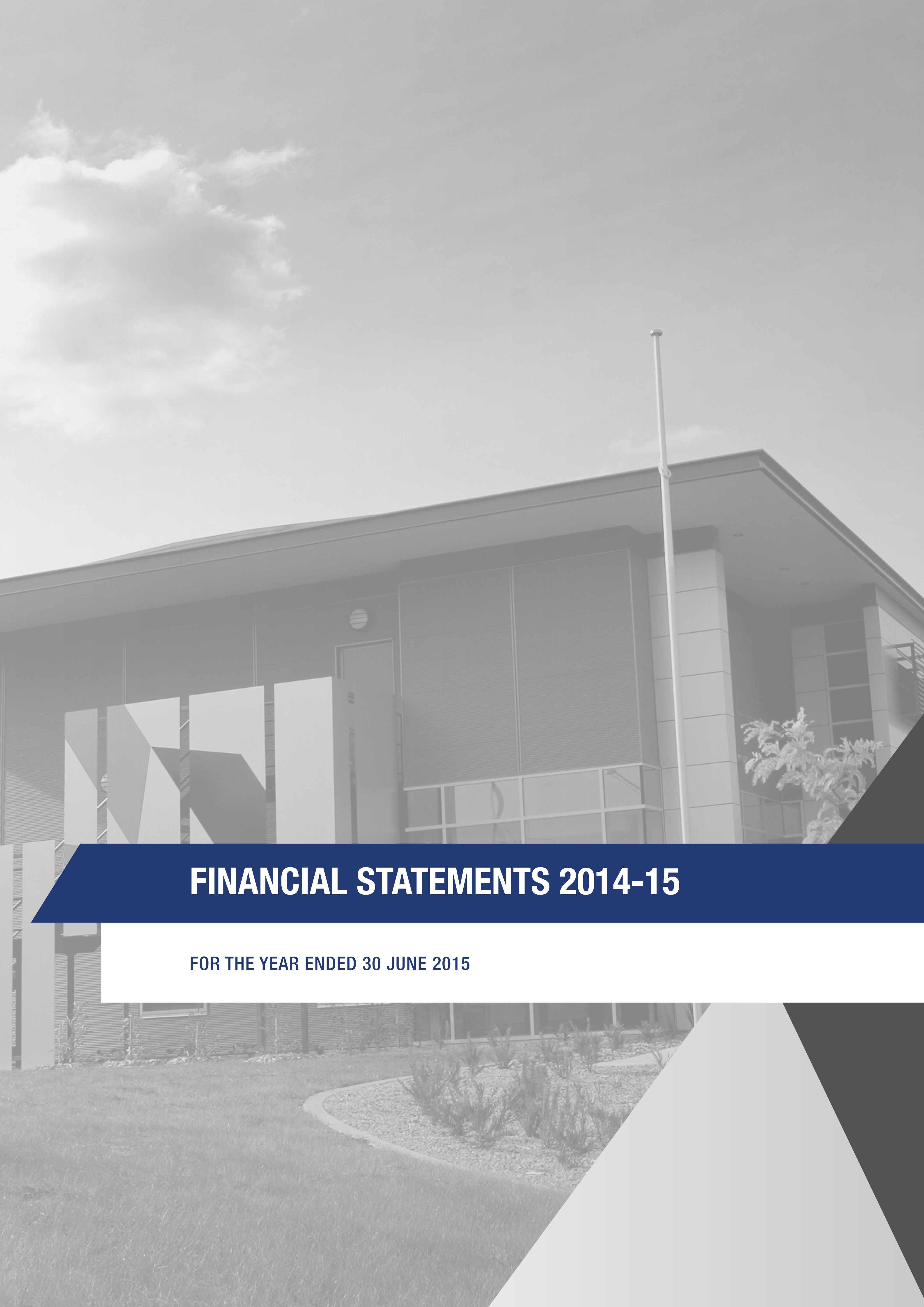
(f) There were no payables to employers as a consideration for the employers making payroll deductions of membership subscriptions as at 30 June 2015;

(g) There were no payables in respect of legal costs and other expenses related to litigation or other legal matters as at 30 June 2015; and

(h) There was no cash flow to or from another reporting unit during the financial year.

25 RECOVERY OF WAGES ACTIVITY

	CONSOLIDATED		PARENT	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash assets in respect of recovered money at beginning of year	**-**	-	**-**	-
Receipts				
Amounts recovered from employers in respect of wages	**-**	-	**-**	-
Total receipts	**-**	-	**-**	-
Payments				
Deductions of amounts due in respect of membership for:				
12 months or less	**-**	-	**-**	-
Greater than 12 months	**-**	-	**-**	-
Deductions of donations or other contributions to accounts or funds of:				
The reporting unit:				
name of account	**-**	-	-	-
name of fund	**-**	-	-	-
Name of other reporting unit of the organisation:				
name of account	**-**	-	**-**	-
name of fund	**-**	-	**-**	-
Name of other entity:				
name of account	**-**	-	**-**	-
name of fund	**-**	-	**-**	-
Deductions of fees or reimbursement of expenses	**-**	-	**-**	-
Payments to workers in respect of recovered money	**-**	-	**-**	-
Total payments	**-**	**-**	**-**	**-**
Cash assets in respect of recovered money at end of year	**-**	**-**	**-**	**-**
Number of workers to which the monies recovered relates	**-**	**-**	**-**	**-**
Aggregate payables to workers attributable to recovered monies but not yet distributed				
Payable balance	**-**	**-**	**-**	**-**
Number of workers the payable relates to	**-**	**-**	**-**	**-**
Fund or account operated for recovery of wages				
[Insert fund or account name. If invested in assets include value of each asset]	**-**	**-**	**-**	**-**



FINANCIAL STATEMENTS 2014-15

FOR THE YEAR ENDED 30 JUNE 2015

FINANCIAL STATEMENTS 2014-15

FOR THE YEAR ENDED 30 JUNE 2015