

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY

ABN 52 853 376 568

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
FOR THE YEAR ENDED 30 JUNE 2020**

CONTENTS

	Page
Certificate by prescribed designated officer	3
Independent audit report	4
Report required under subsection 255(2A)	7
Operating report	8
Statement by members of the council of management	11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes of the financial statements	16
Officer declaration statement	51

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
FOR THE YEAR ENDED 30 JUNE 2020

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2020

I, Graciete Ferreira, being the President of the Master Builders Association of the ACT certify:

- that the documents lodged herewith are copies of the full report for the *Master Builders Association of the ACT* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 21 September 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 21 September 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Graciete Ferreira

Title of prescribed designated officer: President

Dated: 21/09/2020

Signature of prescribed designated officer:

Name of prescribed designated officer: FRANK PORRECA

Title of prescribed designated officer: Treasurer

Dated: 21/09/2020

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300

F +61(0) 2 6217 0401

www.rsm.com.au

Independent Audit Report to the Members of Master Builders Association of the ACT and its Controlled Entity

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Master Builders Association of the ACT and its Controlled Entity (the Group) which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies; and the statement by members of the council of management, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Master Builders Association as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Council of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 at Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Council of Management for the Financial Report

The council of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Council of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the council of management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the council of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Council of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.



RSM Australia Pty Ltd



Rodney Miller
Director

Canberra, Australia Capital Territory

Dated: 21 September 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/144

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
FOR THE YEAR ENDED 30 JUNE 2020

Report required under subsection 255(2A)

For the year ended 30 June 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the Master Builders Association of the ACT (the "Parent") and its controlled entity (collectively the "Association") for the year ended 30 June 2020.

	2020	2019
	\$	\$
Categories of expenditures		
Remuneration and other employment-related costs and expenses - employee	6,036,727	6,064,145
Advertising	48,866	30,506
Operating costs	1,385,581	1,856,839
Donations to political parties	-	-
Legal costs	25,465	2,108

Signature of designated officer:

Name and title of designated officer: *Graciela Ferreira - President*

Dated: *21/09/2020*

Signature of designated officer:

Name and title of designated officer: *FRANK PORRECA*

Dated: *21/09/2020*

Operating report

For the year ended 30 June 2020

The Council of Management present their report on the Master Builders Association of the ACT (the "Parent") and its controlled entity (collectively the "Association") for the financial year ended 30 June 2020.

Results of principal activities

The Association has expanded short course training this year, including workplace health and safety (WH&S) and asbestos training. The Association continues to undertake all aspects of the services listed above.

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 changes in the state of financial affairs - s254(2)(b)

Apart from the changes listed in the review of operations, no significant changes in the Association's state of financial affairs occurred during the financial year.

Rights of members to resign -s245(2)(c)

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.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position - 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.

Number of members

The number of persons who, at the end of the financial year were recorded on the Register of Members was 1,074 (2019: 1,094).

Number of employees

The number of persons who were, at the end of the financial year employees of the Association was 19 (2019:19), measured on a full equivalent basis.

Names of committee of management members and period positions held during the financial year

The names of the Members of the Council of Management during the year and to the date of this report are:

Ms Graciete Ferreira (President)	
Mr Frank Porreca (Treasurer)	
Ms Rosa Josifoski	
Mr Stephen Wise	Resigned 4 May 2020
Mr Bryan Leeming	
Mr Richard Corver	
Mr Simon Butt	
Mr Matthew Rayment	
Ms Karen Porter	Resigned 1 May 2020
Ms Anisha Sachdeva	
Mr John Nikolic	
Mr Valdis Luks	
Mr Nick Zardo	Appointed 31 July 2019

Operating report (continued)

For the year ended 30 June 2020

Names of committee of management members and period positions held during the financial year (continued)

Members of the Council of Management have been in Council since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

The consolidated profit of the Association amounted to \$600,218 (2019: profit of \$349,965). The profit of the parent entity amounted to \$71,100 (2019: loss of \$23,025).

A review of operations of the Association and its controlled entity during the financial year noted that the following were contributing factor to the financial performance:

- Higher than anticipated revenues from short course training.
- Lower than anticipated salary and related costs due to a restructure of the Association.
- Higher than anticipated revenue due to receipt of Federal Government COVID-19 stimulus payments.

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 and work practices to members of the Association throughout Australian Capital Territory.

The Association 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 controlled entity 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 trades people 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.

Novel Coronavirus (COVID-19)

The COVID-19 outbreak in a number of countries is expected to have an impact on the financial performance and liquidity of the Association in 2020. As at the time of completion of the 2020 Financial Statements, there is no impact on membership dues. All member benefits continue to be provided and no membership was placed on suspension or membership term deferred due to Covid-19. There was no decrease in member renewals or hardship claims as a result of Covid-19.

The entity continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves.

There were no other events that occurred after 30 June 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Operating report

For the year ended 30 June 2020

Significant events after the reporting period

At the time of signing this report, 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.

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

Signature of designated officer:

Name and title of designated officer: Graack Ferreira

Dated: 24/09/2020

Signature of designated officer:

Name and title of designated officer: FRANK PORRATA

Dated: 21/09/2020

Statement by Members of the Council of Management

On the 21 September 2020, 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 (GPFR) for the year ended 30 June 2020:

We, G Ferreira 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,
- 2) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- 3) The financial statements and notes give a true and fair value of the financial performance, financial position and cash flows of the Association and its controlled entity for the financial year to which they relate;
- 4) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; 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; and
 - (ii) the financial affairs of the Association have been managed in accordance with rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the Association have been kept and maintained in accordance with the RO Act; and
 - (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; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Members of the Council of Management.

Signature of designated officer:

Name and title of designated officer: *Graciele Ferreira - President*

Dated: *21/09/2020*

Signature of designated officer:

Name and title of designated officer: *FRANK PORRECA*

Dated: *21/09/2020*

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidation		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue from contracts with customers					
Membership subscription		1,169,958	1,083,755	1,169,958	1,083,755
Capitation fees and other revenue from another reporting unit		-	-	-	-
Levies		-	-	-	-
Total revenue from contracts with customers		1,169,958	1,083,755	1,169,958	1,083,755
Income for furthering objectives					
Grants and/or donations	3D	442,940	380,620	-	-
Total income for furthering objectives		442,940	380,620	-	-
Other income					
Investment income	3A	50,186	71,710	25,607	45,509
Rental revenue	3B	51,845	45,904	286,841	275,904
Other revenue	3C	8,220,796	8,316,677	2,172,795	2,690,508
Net gains from sale of assets	3E	41,638	7,955	1,547	-
Total other income		8,364,465	8,442,246	2,486,790	3,011,921
Total income		9,977,363	9,906,621	3,656,748	4,095,676
Expenses					
Employee expense	4A	(6,036,727)	(6,064,145)	(2,332,771)	(2,317,748)
Capitation fees and other expenses to another reporting unit		-	-	-	-
Affiliation fees		-	-	-	-
Administration expenses	4B	(1,453,816)	(1,269,562)	(211,628)	(466,089)
Grants or donations	4C	(23,374)	(3,588)	(13,374)	(3,588)
Depreciation and amortisation	4D	(342,425)	(276,092)	(290,206)	(232,468)
Finance costs	4E	(19,001)	(21,972)	(6,031)	(8,549)
Legal fees	4F	(25,465)	(2,108)	(25,465)	(2,108)
Audit fees		(41,890)	(31,844)	(23,320)	(20,812)
Other expenses	4G	(1,434,447)	(1,887,345)	(682,853)	(1,067,339)
Surplus (deficit) for the year		600,218	349,965	71,100	(23,025)
Other comprehensive income					
Gain/(loss) on revaluation of land and buildings		(412,200)	834,161	(412,200)	834,161
Total comprehensive income for the year		188,018	1,184,126	(341,100)	811,136

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

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		Consolidation		Parent	
		2020	2019	2020	2019
	Note	\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	5A	4,438,799	4,185,678	1,719,057	2,366,326
Trade and other receivables	5B	889,478	1,163,897	204,371	173,030
Inventories		3,625	2,517	3,625	2,517
Prepayments		208,470	47,717	168,240	22,997
Total current assets		5,540,372	5,399,809	2,095,293	2,564,870
Non-current assets					
Property, plant and equipment	6A	10,123,069	9,308,381	10,015,764	9,227,467
Intangibles assets	6B	186,170	63,007	178,356	50,932
Other financial assets	6C	120,000	120,000	120,000	120,000
Right-of-use asset	6D	106,690	-	46,083	-
Total non-current assets		10,535,929	9,491,388	10,360,203	9,398,399
Total assets		16,076,301	14,891,197	12,455,496	11,963,269
Liabilities					
Current liabilities					
Trade payables	7A	280,012	595,840	105,639	267,384
Other payables	7B	1,794,660	668,371	1,233,569	359,103
Employee provisions	8A	409,407	337,936	159,110	86,612
Lease liabilities	6D	26,570	-	12,431	-
Total current liabilities		2,510,649	1,602,147	1,510,749	713,099
Non- current liabilities					
Employee provisions	8A	57,176	50,173	44,690	43,269
Lease liabilities	6D	81,582	-	34,256	-
Total non-current liabilities		138,758	50,173	78,946	43,269
Total liabilities		2,649,407	1,652,320	1,589,695	756,368
Net assets		13,426,894	13,238,877	10,865,801	11,206,901
Equity					
Retained earnings		12,305,299	11,705,081	9,744,206	9,673,107
Asset revaluation reserve		1,121,595	1,533,795	1,121,595	1,533,795
Total equity		13,426,894	13,238,876	10,865,801	11,206,902

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

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Asset revaluation reserve \$	Retained earnings \$	Total equity \$
<u>Consolidated</u>			
Balance as at 1 July 2018	699,634	11,355,116	12,054,750
Surplus / (deficit)	834,161	349,965	1,184,126
Balance as at 30 June 2019	<u>1,533,795</u>	<u>11,705,081</u>	<u>13,238,876</u>
Surplus / (deficit)	(412,200)	600,218	188,018
Balance as at 30 June 2020	<u><u>1,121,595</u></u>	<u><u>12,305,299</u></u>	<u><u>13,426,894</u></u>
<u>Parent</u>			
Balance as at 1 July 2018	699,634	9,696,132	10,395,766
Surplus / (deficit)	834,161	(23,025)	811,136
Balance as at 30 June 2019	<u>1,533,795</u>	<u>9,673,107</u>	<u>11,206,902</u>
Surplus / (deficit)	(412,200)	71,100	(341,100)
Balance as at 30 June 2020	<u><u>1,121,595</u></u>	<u><u>9,744,207</u></u>	<u><u>10,865,802</u></u>

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

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidation		Parent	
	Note	2020	2019	2020	2019
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		10,990,815	10,593,341	3,815,015	4,569,143
Payments to suppliers and employees		(9,134,285)	(10,285,351)	(2,870,146)	(4,604,985)
Interest paid on lease liability		(4,167)	-	(1,712)	-
Interest received		50,186	71,710	25,607	45,509
Net cash from/(used by) operating activities	10	1,902,549	379,700	968,764	9,667
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,532,935)	(124,587)	(1,471,924)	(87,180)
Proceeds from sale of property, plant and equipment		43,409	7,955	3,316	-
Purchase of intangible assets		(137,065)	(57,417)	(137,065)	(44,632)
Net cash from/(used by) investing activities		(1,626,591)	(174,049)	(1,605,673)	(131,812)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities		(22,836)	-	(10,361)	-
Net cash from/(used by) financing activities		(22,836)	-	(10,361)	-
Net increase/(decrease) in cash held		253,121	205,651	(647,269)	(122,145)
Cash at the beginning of the financial year		4,185,678	3,980,027	2,366,326	2,488,471
Cash at the end of the financial year	5A	4,438,799	4,185,678	1,719,057	2,366,326

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

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

Index to the notes of the financial statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial instruments
Note 15	Fair value measurements
Note 16	Section 272 Fair Work (Registered Organisations) Act 2009

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

General information

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

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

Note 1. Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the RO Act. For the purpose of preparing the general purpose financial statements, the Association is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

The prior year comparatives have been adjusted to conform to the changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Fair value measurement hierarchy

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.3 Significant accounting judgements and estimates (continued)

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions.
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

No accounting standard has been adopted earlier than the application date stated in the standard.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Association. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Association adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Association recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, Association has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Association's financial statements and there was no impact on opening retained earnings as a result of the adoption.

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Association is the lessor.

The Association has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Association elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019. Instead, the Association applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The Association has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of AASB 16, the Association classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the Association applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.12 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Association.

Leases previously classified as finance leases

The Association did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied to these leases from 1 July 2019.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

Leases previously accounted for as operating leases

The Association recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Association also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 July 2019:

- Right-of -use assets of \$66,948 were recognised and presented separately in the statement of financial position.
- Additional lease liabilities of \$66,948 (included in lease liabilities) were recognised.
- There was no impact on opening retained earnings as a result of the adjustments above.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Operating lease commitments disclosed as at 30 June 2019	
Discounted using the Association's weighted average incremental borrowing rate of 4%	69,717
Add: Finance lease liabilities recognised as at 30 June 2019	—
(Less): Short-term leases recognised on a straight-line basis as an expense	—
(Less): Low-value leases recognised on a straight-line basis as an expense	—
Add/(less): Adjustments as a result of a different treatment of extension and termination options	—
Add/(less): effect of discounting using the incremental borrowing rate as at the date of initial application	(2,769)
Lease liability recognised as at 1 July 2019	<u>66,948</u>

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Association include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

1.5 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *AASB 5 Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the joint venture. When the share of losses of the joint venture exceeds the interest in the joint venture, the Association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

1.6 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Master Builders Association of the ACT as at 30 June 2020 and the results of a subsidiary for the year then ended.

Subsidiaries are all those entities over which the Association has control. The Association controls an entity when the Association is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Association. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Association are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Association.

Where the Association loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Association recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.7 Revenue recognition

The association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Association has a contract with a customer, the Association recognises revenue when or as it transfers control of goods or services to the customer. The Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscription

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the association.

If there is only one distinct membership service promised in the arrangement, the association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the association's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the association charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the association at their standalone selling price, the association accounts for those sales as a separate contract with a customer.

Donation income

Donation income is recognised when it is received.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.7 Revenue recognition

Rental income

Leases in which the Association as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Income of the Association as a Not-for-Profit Entity

Consideration is received by the association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the association's recognition of the cash contribution does not give to any related liabilities.

During the year, the association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

1.8 Gains

From sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) 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 when the asset is derecognised.

1.9 Capitation fees and levies

Where the Association's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Association recognises the capitation fees promised under that arrangement when or as it transfers the Association specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other Association.

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Association transfers the goods or services to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the association will recognise capitation fees and levies as income upon receipt.

1.10 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.10 Employee benefits (continued)

Liabilities for short-term employee benefits (as defined in *AASB 119 Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Association recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.12 Leases

The Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Association as a lessee

The association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the association and payments of penalties for terminating the lease, if the lease term reflects the association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1. Summary of significant accounting policies (continued)

1.12 Leases (continued)

In calculating the present value of lease payments, the association uses the **implicit interest rate** or **incremental borrowing rate** if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.13 Financial Instruments

Financial assets and financial liabilities are recognised when the Association entity becomes a party to the contractual provisions of the instrument.

1.14 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Association's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised 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.

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 its continuing involvement together with associated liability.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Association recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.15 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Association's financial liabilities include trade and other payables.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.15 Financial liabilities (continued)

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.16 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the association performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The association's refund liabilities arise from customers' right of return. The liability is measured at the amount the association's ultimately expects it will have to return to the customer. The association updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.17 Land, buildings, plant and equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1. Summary of significant accounting policies (continued)

1.17 Land, buildings, plant and equipment (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Land and building	2.5%
Motor vehicles	22.5%
Plant and equipment	6.7% to 33%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Association's intangible assets is:

Software	10% to 33%
----------	------------

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. 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.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Summary of significant accounting policies (continued)

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

The Association is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.22 Fair value measurement

The Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1. Summary of significant accounting policies (continued)

1.22 Fair value measurement (continued)

- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.23 Going concern

The Association is not reliant on the agreed financial support of another association to continue as a going concern basis.

The Association has not agreed to provide financial support to another association to ensure they can continue as a going concern basis.

1.24 Impact of COVID-19

As at the time of completion of the 2020 Financial Statements, there is only minor impacts on the key aspects of the organisation. There has been no impact on membership dues. In accordance with COVID-19 restrictions, awards nights and member events have been postponed, rescheduled or moved to an online format.

The entity continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves.

There were no other events that occurred after 30 June 2020, and/or prior to the signing of the Financial Statements, that would affect the ongoing structure and financial activities of the Association.

Note 2. Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the association.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

There were no other events that occurred after 30 June 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3: Income	Consolidation		Parent	
	2020	2019	2020	2019
3A: Investment income				
Interest - Deposits	50,186	71,710	25,607	45,509
Total investment income	50,186	71,710	25,607	45,509
3B: Rental revenue				
Properties	51,845	45,904	286,841	275,904
Total rental revenue	51,845	45,904	286,841	275,904
3C: Other revenue				
Annual dinner and social events	-	275,359	-	275,359
Building awards and other events	36,674	273,759	36,674	273,759
Commission and fees	787,854	821,032	787,854	821,032
Government subsidies	829,761	-	272,500	-
Employer reimbursements	3,016,937	3,282,581	-	-
Industry Training Fund funding	264,625	268,196	-	-
Advertising fees	146,217	171,668	146,217	171,668
Miscellaneous events	35,429	34,036	35,429	34,036
Publication sales	32,906	35,760	32,906	35,760
Service agreement fee	-	-	771,840	672,864
Sponsorships	63,399	393,826	63,399	393,826
Training fees and rebates	2,356,075	2,074,365	-	-
User choice training fees	594,374	630,691	-	-
Sundry income	40,989	15,920	25,976	12,204
Worker's compensation insurance reimbursement	15,556	39,484	-	-
Total other revenue	8,220,796	8,316,677	2,172,795	2,690,508
3D: Grants and/or donations				
Grants	125,440	150,620	-	-
Donations	317,500	230,000	-	-
Total grants and donations	442,940	380,620	-	-
3E: Net gains from sale of assets				
Plant and equipment	41,638	7,955	1,547	-
Total net gain from sale of assets	41,638	7,955	1,547	-
3F: Revenue from recovery of wages activity				
Amounts recovered from employers in respect of wages	-	-	-	-
Total revenue from recovery of wages activity	-	-	-	-

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 4: Expenses				
4A: Employee expense				
Holders of office:	-	-	-	-
Wages and salaries	-	-	-	-
Superannuation	-	-	-	-
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
Subtotal employee expenses holders of office	-	-	-	-
Employees other than office holders:				
Wages and salaries	5,321,683	5,373,983	1,944,534	1,969,025
Superannuation	462,757	482,578	174,880	181,247
Leave and other entitlements	74,409	511	73,919	-
Separation and redundancies	-	-	-	-
Other employee expenses	177,878	207,073	139,438	167,476
Subtotal employee expenses employees other than office holders	6,036,727	6,064,145	2,332,771	2,317,748
Total employee expenses	6,036,727	6,064,145	2,332,771	2,317,748
4B: Administration expenses				
Total paid to employers for payroll deductions of membership subscriptions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances - meetings and conferences	-	-	-	-
Conference and meeting expenses	-	-	-	-
Consultants	1,100,751	1,003,572	114,855	280,874
Office expenses	42,251	58,876	18,670	39,761
Property expenses	283,544	171,455	53,297	118,994
Information communications technology	27,270	35,659	24,806	26,460
Total administrative expenses	1,453,816	1,269,562	211,628	466,089
4C: Grants or donations				
Grants:				
Total expensed that were \$1,000 or less	-	-	-	-
Total expensed that exceed \$1,000	-	-	-	-
Donations:				
Total expensed that were \$1,000 or less	374	418	374	418
Total expensed that exceed \$1,000	23,000	3,170	13,000	3,170
Total grants or donations	23,374	3,588	13,374	3,588

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 4: Expenses (continued)	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
4D: Depreciation and amortisation				
Depreciation:				
Land & buildings	203,842	186,352	203,842	186,352
Property, plant and equipment	100,383	82,865	65,758	39,951
Right of use asset	24,298	-	10,965	-
Total depreciation	328,523	269,217	280,565	226,303
Amortisation:				
Intangibles	13,902	6,875	9,641	6,165
Total amortisation	13,902	6,875	9,641	6,165
Total depreciation and amortisation	342,425	276,092	290,206	232,468
4E: Finance costs				
Bank charges	19,001	21,972	6,031	8,549
Total finance costs	19,001	21,972	6,031	8,549
4F: Legal costs				
Litigation	14,824	2,108	14,824	2,108
Other legal costs	10,641	-	10,641	-
Total legal costs	25,465	2,108	25,465	2,108
4G: Other expenses				
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-	-	-
Advertising expense	48,866	30,506	48,866	30,506
Catering	80,882	335,346	49,473	290,584
Compliance costs	46,985	49,662	-	-
Doubtful debts expense	78,946	(16,671)	3,000	(21,715)
Entertainment	16,431	28,738	16,431	28,738
Insurance	53,430	52,319	31,254	32,608
Material expenses	53,437	57,440	-	-
Meetings and seminars	18,297	23,031	13,233	20,989
Members subscriptions	229,948	234,650	158,248	182,539
Motor vehicle expense	29,424	41,257	12,595	17,151
Printing, postage and stationary	112,529	251,950	54,732	136,379
Rent	37,819	37,640	37,819	37,636
Repairs and maintenance	161,451	171,106	133,400	141,975
Worker's compensation	236,575	187,253	16,802	13,595
Interest expense on lease liability	4,167	-	1,712	-
Other expenses	225,260	403,118	105,288	156,354
Total other expenses	1,434,447	1,887,345	682,853	1,067,339

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 5: Current assets

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 5A: Cash and cash equivalents				
Cash at bank	2,537,949	1,369,403	1,518,607	665,876
Cash at bank - Industry Training Fund	0	15,425	-	-
Cash on hand	850	850	450	450
Short term deposits	1,900,000	2,800,000	200,000	1,700,000
Total cash and cash equivalent	4,438,799	4,185,678	1,719,057	2,366,326

Note 5B: Trade and other receivables

Receivables from other reporting unit[s]	-	-	-	-
Less allowance for expected credit losses	-	-	-	-
Receivable from other reporting unit[s] (net)	-	-	-	-

Trade receivables

Accounts receivable	1,000,668	1,209,283	218,765	180,183
Less allowance for expected credit losses	(115,000)	(54,500)	(15,000)	(12,000)
Total trade receivables (net)	885,668	1,154,783	203,765	168,183

Other receivables

Interest receivable	3,810	9,114	606	4,847
Total other receivables	3,810	9,114	606	4,847
Total trade and other receivables (net)	889,478	1,163,897	204,371	173,030

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	54,500	84,171	12,000	46,715
Provision for expected credit losses	78,946	5,044	3,000	-
Write back of provision for expected credit losses	-	(34,715)	-	(34,715)
Write-off	(18,446)	-	-	-
At 30 June	115,000	54,500	15,000	12,000

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 5: Current assets (continued)

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
The Association has recognised the following assets and liabilities related to contracts with customers:				
Receivables	1,000,668	1,209,283	218,765	180,183
Receivables - current	1,000,668	1,209,283	218,765	180,183
Receivables – non-current	-	-	-	-
Contract assets	-	-	-	-
Contract assets - current	-	-	-	-
Contract assets – non-current	-	-	-	-
Other contract liabilities	-	-	-	-
Contract liabilities - current	-	-	-	-
Contract liabilities – non-current	-	-	-	-

Note 6: Non-current assets

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6A: Property, plant and equipment				
Land and buildings - at independent valuation	9,745,806	9,846,626	9,745,806	9,846,626
Less: accumulated depreciation	-	(734,243)	-	(734,243)
Total land and building	9,745,806	9,112,383	9,745,806	9,112,383
Motor vehicles - at cost	162,173	169,830	85,293	54,715
Less: accumulated depreciation	(51,745)	(100,081)	(34,609)	(20,007)
Total motor vehicles	110,428	69,749	50,684	34,708
Plant and equipment - at cost	688,412	477,254	484,482	295,977
Less: accumulated depreciation	(421,577)	(351,005)	(265,208)	(215,601)
Total plant and equipment	266,835	126,249	219,274	80,376
Total property, plant and equipment	10,123,069	9,308,381	10,015,764	9,227,467

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 6: Non-current assets (continued)

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6A: Property, plant and equipment (continued)				
<i>Reconciliation of opening and closing balances of property, plant and equipment</i>				
<i>Land and buildings</i>				
Balance at the beginning of the year	9,112,381	8,417,642	9,112,381	8,417,642
Additions	1,249,467	46,930	1,249,467	46,930
Revaluations	(412,200)	834,161	(412,200)	834,161
Disposals	-	-	-	-
Depreciation for the year	(203,842)	(186,352)	(203,842)	(186,352)
Balance at the end of the year	9,745,806	9,112,381	9,745,806	9,112,381
<i>Motor vehicles</i>				
Balance at the beginning of the year	69,750	66,797	34,709	47,020
Additions	68,941	36,618	30,579	-
Disposals	-	-	-	-
Depreciation for the year	(28,263)	(33,665)	(14,604)	(12,311)
Balance at the end of the year	110,428	69,750	50,684	34,709
<i>Plant and equipment</i>				
Balance at the beginning of the year	126,248	134,410	80,374	67,767
Additions	214,528	41,040	191,879	40,250
Disposals	(1,769)	-	(1,769)	-
Depreciation for the year	(72,172)	(49,202)	(51,209)	(27,643)
Balance at the end of the year	266,835	126,248	219,274	80,374
<i>Total property, plant and equipment</i>				
Balance at the beginning of the year	9,308,379	8,618,849	9,227,464	8,532,429
Additions	1,532,935	124,588	1,471,924	87,180
Revaluations	(412,200)	834,161	(412,200)	834,161
Disposals	(1,769)	-	(1,769)	-
Depreciation for the year	(304,277)	(269,219)	(269,655)	(226,306)
Balance at the end of the year	10,123,069	9,308,379	10,015,764	9,227,464

The revalued land and buildings consist of \$1,600,000 of Land and \$8,145,806 of Buildings. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 6: Non-current assets (continued)

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 30 June 2020, the properties' fair values are based on valuations performed by Knight Frank, an accredited independent valuer.

The market that the property is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation, the valuers consider that there is a Market Uncertainty resulting Significant Valuation Uncertainty.

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6B: Intangibles				
Website development costs - at cost				
Purchased	97,430	97,430	97,430	97,430
Less: accumulated depreciation	(97,430)	(97,430)	(97,430)	(97,430)
Total website development costs	-	-	-	-
Database development costs - at cost				
Purchased	269,964	132,900	257,179	120,115
Less: accumulated depreciation	(83,794)	(69,893)	(78,823)	(69,183)
Total database development costs	186,170	63,007	178,356	50,932
Total intangibles	186,170	63,007	178,356	50,932

Reconciliation of opening and closing balances of intangibles

<i>Website development costs</i>				
Balance at the beginning of the year	-	1,320	-	1,320
Additions	-	-	-	-
Amortisation for the year	-	(1,320)	-	(1,320)
Balance at the end of the year	-	-	-	-
<i>Database development costs</i>				
Balance at the beginning of the year	63,007	11,145	50,932	11,145
Additions	137,065	57,417	137,065	44,632
Amortisation for the year	(13,902)	(5,555)	(9,641)	(4,845)
Balance at the end of the year	186,170	63,007	178,356	50,932
<i>Total intangibles</i>				
Balance at the beginning of the year	63,007	12,465	50,932	12,465
Additions	137,065	57,417	137,065	44,632
Amortisation for the year	(13,902)	(6,875)	(9,641)	(6,165)
Balance at the end of the year	186,170	63,007	178,356	50,932

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6C: Other financial assets				
Financial assets at fair value through profit or loss				
Non-listed equity shares	120,000	120,000	120,000	120,000
Total other financial assets	120,000	120,000	120,000	120,000

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6D: Leases				
		Restated		Restated

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right of use asset

Balance at the beginning of the year	-	-	-	-
Additions	130,988	-	57,048	-
Depreciation for the year	(24,298)	-	(10,965)	-
Balance at the end of the year	106,690	-	46,083	-

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Lease liabilities

Balance at the beginning of the year	-	-	-	-
Additions	130,988	-	57,048	-
Accretion of interest	4,167	-	1,712	-
Payments	(27,003)	-	(12,073)	-
Balance at the end of the year	108,152	-	46,687	-
Current	26,570	-	12,431	-
Non Current	81,582	-	34,256	-

The maturity analysis of lease liabilities is disclosed in Note 14D

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	(24,298)	-	(10,965)	-
Interest expense on lease liabilities	(4,167)	-	(1,712)	-
Total amount recognised in profit or loss	(28,465)	-	(12,677)	-

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 6D: Leases (continued)

	Fixed payments	Variable payments	Total
	\$	\$	\$
2019			
Fixed rent	-	-	-
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	-	-	-
2020			
Fixed rent	27,003	-	27,003
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	27,003	-	27,003

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
	\$	\$	\$
2020			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-
2019			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 7: Current liabilities

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 7A: Trade payables				
Trade creditors and accrual	280,012	595,840	105,639	267,384
Subtotal trade creditors	280,012	595,840	105,639	267,384
Payables to other reporting unit[s]	-	-	-	-
Subtotal payables to other reporting unit[s]	-	-	-	-
Total trade payables	280,012	595,840	105,639	267,384

Note 7B: Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
Legal costs - Litigation	-	-	-	-
GST payable	138,309	284,472	45,448	146,041
PAYG tax payable	95,811	91,067	50,627	50,228
Unearned revenue	1,242,186	275,800	1,115,828	145,800
Other payables	318,354	17,032	21,666	17,034
Total other payables	1,794,660	668,371	1,233,569	359,103
Total other payables are expected to be settled in:				
No more than 12 months	1,794,660	668,371	1,233,569	359,103
More than 12 months	-	-	-	-
Total other payables	1,794,660	668,371	1,233,569	359,103

Note 8: Provisions

Note 8A: Employee provisions

Office holders:

Annual leave	-	-	-	-
Long service leave	-	-	-	-
Separations and redundancies	-	-	-	-
Others	-	-	-	-
Subtotal employee benefits - office holders	-	-	-	-

Employees other than office holders:

Annual leave	299,422	253,234	127,532	79,024
Long service leave	125,998	97,869	76,268	50,857
Separations and redundancies	-	-	-	-
Others	41,163	37,006	-	-
Subtotal employee benefits other than office holders	466,583	388,109	203,800	129,881
Total employee provisions	466,583	388,109	203,800	129,881

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 8: Provisions (continued)

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 8A: Employee provisions (continued)				
Current	409,407	337,936	159,110	86,612
Non-current	57,176	50,173	44,690	43,269
Total employee provisions	466,583	388,109	203,800	129,881

Note 9: Equity

Note 9A: Other Specific disclosures - funds

Compulsory levy/voluntary contribution fund - if invested in assets

	-	-	-	-
Balance as at start of year	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
Balance as at end of year	-	-	-	-

Note 10: Cash flow

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$

Note 10A: Cash flow reconciliation

Reconciliation of cash and cash equivalent as per balance sheet to cash flow statement

Cash and cash equivalent as per:

Cash flow statement	4,438,799	4,185,678	1,719,057	2,366,326
Balance sheet	4,438,799	4,185,678	1,719,057	2,366,326
Difference	-	-	-	-

Reconciliation of profit (deficit) to net cash from operating activities:

Profit (deficit) for the year	600,218	349,965	71,100	(23,025)
-------------------------------	---------	---------	--------	----------

Adjustments for non-cash items

Depreciation/amortisation	342,425	276,092	290,206	232,468
Gain on disposal of assets	(41,638)	(7,955)	(1,547)	-

Changes in assets and liabilities:

(Increase)/decrease in net receivables	274,419	(200,820)	(31,341)	116,900
(Increase)/decrease in prepayments	(160,753)	(15,199)	(145,243)	(2,648)
(Increase)/decrease in inventories	(1,108)	(292)	(1,108)	(292)
Increase/(decrease) in supplier payables	(315,828)	(167,826)	(161,745)	(334,868)
Increase/(decrease) in other payables	1,126,340	71,058	874,523	(26,608)
Increase/(decrease) in employee provisions	78,474	74,677	73,919	47,742
Increase/(decrease) in other liabilities	-	-	-	-
Net cash flows (used in) from operating activities	1,902,549	379,700	968,764	9,669

Consolidation

Parent

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$	2020 \$	2019 \$
Note 10B: Cash flow information				
Cash inflows				
Master Builders Association of the ACT	3,843,938	4,614,652	3,843,938	4,614,652
MBA Group Training Limited	7,240,472	6,058,354	-	-
Total cash inflows	11,084,410	10,673,006	3,843,938	4,614,652
Cash outflows				
Master Builders Association of the ACT	4,491,207	4,736,797	4,491,207	4,736,797
MBA Group Training Limited	6,340,081	5,730,558	-	-
Total cash outflows	10,831,288	10,467,355	4,491,207	4,736,797

Note 11: Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Operating lease commitments - as lessor

Master Builders ACT has a current rental and service agreement in place with Master Builders Fidelity Fund. There are no provisions for fixed increases although increases are agreed upon by both parties at approximately 3% per annum. Note, rent will not be increased in 2020, and will be reviewed after COVID-19 recovery.

MBA ACT has a current agreement in place with MBA Insurance Services, (now branded as Master Builders Insurance Brokers), which includes licence to occupy office space with fees to be reviewed on an annual basis.

Risk management for rights retained in the underlying assets

The office space occupied by Master Builders Fidelity Fund and Master Builders Insurance Brokers is located at the same premises as Master Builders ACT and as such is subject to ongoing observation. Risks associated with any rights retained in underlying assets are mitigated given that MBA ACT reviews monthly financial reports and audited financials of both entities to assess their ability to service their agreements. Risk is also mitigated given the reciprocal nature of both entities with MBA ACT.

Within one year	51,845	51,845	286,841	286,841
After one year but not more than five years	-	-	-	-
	51,845	51,845	286,841	286,841

Note 12: Related party disclosures

Note 12A: Related party transactions for the reporting period

Revenue received from MBA Group

Training Limited includes the following:

Rent	-	-	234,996	230,004
Service fee	-	-	771,840	672,864

Revenue received from MBA Skills Centre

Building Fund includes the following:

Rent	117,500	230,000	-	-
Donation	200,000	-	-	-

Note 12: Related party disclosures (continued)

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Consolidation		Parent	
2020	2019	2020	2019
\$	\$	\$	\$

Note 12A: Related party transactions for the reporting period
(continued)

Revenue received from Master Builders Fidelity Fund includes the following:

Commission	787,854	821,032	787,854	821,032
Rent	51,845	45,900	51,845	45,900

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. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2020, the Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party.

Consolidation		Parent	
2020	2019	2020	2019
\$	\$	\$	\$

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	705,157	746,130	705,157	746,130
Annual leave accrued	57,675	32,367	57,675	32,367
Reportable fringe benefit	119,964	126,150	119,964	126,150
	882,796	904,647	882,796	904,647

Post-employment benefits

Superannuation	66,990	71,405	66,990	71,405
	66,990	71,405	66,990	71,405

Other long-term benefits

Long service leave	30,489	18,855	30,489	18,855
	30,489	18,855	30,489	18,855

Termination benefits

Redundancy	-	-	-	-
	-	-	-	-
	980,275	994,907	980,275	994,907

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 12: Related party disclosures (continued)

		Consolidation		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Note 12C: Transactions with key management personnel					
Executive member	Revenue received from				
Gracie Ferreira	Pacific Formwork	3,531	3,110	1,391	1,545
Frank Porreca	Benchmark Projects	655	727	655	727
Valdis Luks & Jack Harris	Shaw Building Group	20,471	13,134	10,141	10,614
Peter Middleton	Woden Contractors	-	93,290	-	14,341
Richard Corver	ABC Construction	941	1,045	941	1,045
Martin Boyd	Huon		5,432	-	5,432
Anisha Sachdeva	Huon	7,163	7,655	5,543	-
Marc Rowland	Elevated Constructions	-	5,081	-	1,136
Stephen Wise	Wise Choice Projects	573	636	573	636
Michelle Tifan	Manteena Pty Limited	38,829	26,067	7,314	
Simon Butt	Manteena Pty Limited		17,200	-	17,200
Matthew Rayment	PBS Building	13,668	18,353	9,424	17,798
Bryan Leeming	Connected Projects	1,063	936	1,063	936
John Nikolic	Meyer Vandenberg Lawyers	3,768	909	3,768	909
Rosa Josifoski	MPR Scaffolding	634	705	634	705
Karen Porter	Solace Creations	705	705	705	705
Nick Zardo	Guidline ACT	7,694	-	4,889	-
Ben McGeechan	Bal Building	160,245	-	675	-
		259,939	194,986	47,714	73,730

Loans to/from key management personnel

-	-	-	-
---	---	---	---

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 13: Auditor's remuneration				
Audit of financial statements	33,100	32,100	18,150	17,600
Assistance with the compilation of financial statements	4,650	4,500	3,100	3,000
	<u>37,750</u>	<u>36,600</u>	<u>21,250</u>	<u>20,600</u>

No other services were provided by the auditors of the financial statements.

Note 14. Financial instruments

	Consolidation		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 14A: Categories of financial instruments				
<u>Financial assets</u>				
Loans and receivables				
Loans and receivables	889,478	1,163,897	204,371	173,030
Carrying amount of financial assets	<u>889,478</u>	<u>1,163,897</u>	<u>204,371</u>	<u>173,030</u>
<u>Financial liabilities</u>				
Other financial liabilities	2,074,672	1,006,307	1,339,208	626,487
Carrying amount of financial liabilities	<u>2,074,672</u>	<u>1,006,307</u>	<u>1,339,208</u>	<u>626,487</u>

Note 14B: Net income and expense from financial assets

<u>Held-to-maturity</u>				
Interest revenue	50,186	71,710	25,607	12,000
Gain/loss on disposal	41,638	7,955	1,547	-
Net gain/(loss) from loans and receivables	<u>91,824</u>	<u>79,665</u>	<u>27,154</u>	<u>12,000</u>

Note 14C: 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.

Consolidated 30 June 2020	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	11%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	1,000,668		-	-	-	-
Expected credit loss	115,000		-	-	-	-

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 14. Financial instruments (continued)

Parent 30 June 2020	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	6.8%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	218,765		-	-	-	-
Expected credit loss	15,000		-	-	-	

The association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 (nil) is the carrying amounts as illustrated in Note 14C.

Note 14D: Liquidity risk

Vigilant liquidity risk management required 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 continuously monitoring actual and forecast cash flows and matching maturity profiles of financial assets and liabilities.

Lease liability maturities for 2020 (Consolidated)

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Lease liabilities	-	26,570	26,075	55,507	-	108,152
Total	-	26,570	26,075	55,507	-	108,152

Lease liability maturities for 2020 (Parent)

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Lease liabilities	-	12,431	11,360	22,896	-	46,688
Total	-	12,431	11,360	22,896	-	46,688

Note 14E: 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 revenue 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.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 14. Financial instruments (continued)

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Effect on Equity \$
Interest rate risk	\$50,186	+1%	502	502
Interest rate risk	\$50,186	-1%	(502)	(502)

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Effect on Equity \$
Interest rate risk	\$71,710	+1%	717	717
Interest rate risk	\$71,710	-1%	(717)	(717)

Note 15: Fair value measurement

Fair value hierarchy

The following tables detail the Association's asset and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 2020				
<i>Assets</i>				
Land and buildings	-	-	9,745,806	9,745,806

There have been no transfers between levels during the year.

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

Further information is set out below.

Land (Level 3)

The land was last revalued on 30 June 2020. 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 sales of comparable land in the area. Professional judgment of the value is used to determine the comparability of sales overdue which is unbearable.

Buildings (Level 3)

The buildings were last revalued on 30 June 2020. The fair value of the buildings was determined using the depreciated replacement cost approach. The subject asset is considered to represent a specialised, purpose-built facility, for which there is no active market, or a very limited market. 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.

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 15A. Financial assets and liabilities

Management of the Association assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Association's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2020 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Association's financial assets and liabilities:

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial assets				
Non-listed equity shares	120,000	120,000	120,000	120,000
Total	120,000	120,000	120,000	120,000
Financial liabilities				
Financial liabilities	-	-	-	-
Total	-	-	-	-

Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2020

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Land and buildings	-	-	9,745,806
Non-listed equity shares	-	-	120,000
Total	-	-	9,865,806
Liabilities measured at fair value			
Liabilities measured at fair value	-	-	-
Total	-	-	-

MASTER BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 15B. Financial and non-financial assets and liabilities fair value hierarchy (continued)

Fair value hierarchy – 30 June 2019

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Land and building	-	-	9,112,383
Non-listed equity shares	-	-	120,000
Total	-	-	9,232,383
Liabilities measured at fair value			
Liabilities measured at fair value	-	-	-
Total	-	-	-

Note 16: Section 272 Fair Work (Registered Organisations) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 BUILDERS ASSOCIATION OF THE ACT AND ITS CONTROLLED ENTITY
OFFICER DECLARATION STATEMENT**

**Master Builders Association of the ACT and its Controlled Entity
OFFICER DECLARATION STATEMENT**

I, Graciek Ferreira.....being the President..... of the **Master Builders Association of the ACT and its Controlled Entity**, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the Commissioner, Fair Work Commission
- incur expenses due to holding a meeting as required under the rules of the organisation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have moneys from a fund or account been invested in assets
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 21.09.2020