



FAIR WORK
AUSTRALIA

4 November 2011

Mr Philip Storey
President
Master Builders Association of the Northern Territory
Lot 1450 Winnellie Road
Winnellie NT 0821

Attention: Jeff Colver
Via Facsimile: (08) 8922 9600

Dear Mr Storey,

RE: Financial Report for year ending 30 June 2011 - FR2011/2774
Fair Work (Registered Organisations) Act 2009 - (RO Act)
Fair Work (Registered Organisations) Regulations 2009 - (RO Regs)

I acknowledge receipt of the financial report for the Master Builders Association of the Northern Territory trading as Master Builders Northern Territory for the year ending 30 June 2011. The document was lodged with Fair Work Australia on 20 October 2011.

The 2011 financial report has been filed. Please attend to points 1 and 2 immediately. The remaining points are to be implemented when preparing future financial reports.

1. Failure to lodge new Designated Officer's Certificates for 2009 and 2010 financial reports

It is noted that the financial reports for years ended 2009 and 2010 remain outstanding. Further to the correspondence sent to you on 21 October 2011 from Mr Andrew Schultz from our office, you were requested to send confirmation in the form of a designated officer's certificate that the final versions of the 2009 and 2010 full reports have been provided to the organisation members. The designated officer's certificates must be lodged with Fair Work Australia immediately.

2. Operating Report

It is noted that the Operating Report was signed 30 September 2011, the same day the full report was presented to the general meeting of members.

It is a requirement under s265(5)(a) of the RO Act that copies of the full report must be provided to members at least 21 days before the general meeting. Furthermore, s265(1)(a) defines the full report to consist of the Auditor's Report, the General Purpose Financial Report (which includes the Committee of Management Statement) and the Operating Report.

Accordingly, the Operating Report must immediately be provided to your members either directly or via the organisation website.

3. Full Report must be provided to members 21 days before General Meeting

The full financial report was provided to members on 16 September 2011 and presented to a General Meeting of members on 30 September 2011. As mentioned above the full report must be provided to members at least 21 days before being presented to a general meeting. This time requirement must be adhered to in future.

4. Documents must be lodged with Fair Work Australia within 14 days of General Meeting

It is a requirement under s268 of the RO Act that the financial documents be lodged with Fair Work Australia within 14 days of the meeting at which they were presented. Please ensure this is done in future.

5. Full Time employees - Operating Report

Regulation 159(b) of the RO Regs requires an Operating Report to give a specific breakdown of employees e.g. *"the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis"*. In future please provide the number of employees measured on a full-time equivalent basis.

6. Significant change in financial affairs - Operating Report

The requirements in s254(2)(b) of the RO Act require an Operating Report to give details of any significant changes in the reporting unit's *financial affairs* during the year.

7. Auditor's qualifications

Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.

Notification to auditor

To ensure that these matters are addressed in the future preparation of your financial reports; a copy of this letter will be forwarded to your auditor, C J Sciacca of BDO.

If you have any queries regarding this letter, I may be contacted on (03) 8661 7775 (Thursday & Friday) or by email at christine.walker@fwa.gov.au.

Yours faithfully,



Christine Walker
Organisations, Research and Advice

cc: C J Sciacca
Audit Partner
BDO
GPO Box 4640
Darwin NT 0801

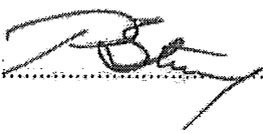


Designated Officer's Certificate

Section 268 *Fair Work (Registered Organisations) Act 2009**

I, Phil Storey being the President of the Master Builders Association of the Northern Territory Incorporated trading as Master Builders Northern Territory certify:

- i. that the financial documents for year ended .2010-2011 lodged with Fair Work Australia on 20 October 2011 are copies of the full financial report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- ii. that the full financial report was provided to members on 16 September 2011; and
- iii. that the full financial report was presented to the Annual General Meeting on 30 September 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed by elected officer: 

Name and title of elected officer Philip Robert Storey; President

Date: 19 October 2011

* Section 268 of the *Fair Work (Registered Organisations) Act 2009* provides as follows:

268 Reports etc. to be lodged with FWA

A reporting unit must, within 14 days (or such longer period as the General Manager allows) after the general meeting referred to in section 266, lodge with FWA:

- (a) a copy of the full report; and
- (b) if a concise report was provided to members—a copy of the concise report; and
- (c) a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

Note: This section is a civil penalty provision (see section 305).

ANNEXURE A.

**MASTER BUILDERS ASSOCIATION NORTHERN
TERRITORY INCORPORATED**

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2011**

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Association, being the Committee of Management for the purposes of the *Fair Work (Registered Organisation) Act 2009*, presents its operating report of the Master Builders Association Northern Territory Incorporated for the financial year ended 30 June 2011.

Committee of Management

The names of each committee member of the association during the relevant financial year were:

Andrea Moriarty	Matt Sharp
Charles Wright	Paul Nowland
Danny Jansen	Phil Storey
Dick Gult	Ray Somerville
Graham Kemp	Riarna McCarthy
Greg McLaughlin	Richard McElwee
James Taylor	Richard Riedel
John Brears	Roger Pearson
Kevin Page	Russell Lutzke
Kevin Peters	Sandy Kirsopp
Leanne Kison	Simon Lance
Maria Savvas	

Principal Activities

The principal activities of the association during the relevant financial year were:

To promote the interests of the building and construction industry in the Northern Territory;

To safeguard the interests of its members against injustice in their regular business and such activities as are ancillary to the building and construction industry;

To protect its members against injustice or oppression in the fair and proper execution of such works as they may undertake from time to time to carry out;

To establish a code of ethics and good business practice amongst members;

To take an active part in assisting or opposing such public movements as may appear likely to affect its members' interests in the carrying on of their business;

To secure to its members all the advantages of unity of action in any lawful manner whatsoever;

To maintain and improve conditions of contracts, forms of agreement, conditions of tendering and the like and to enter into agreements with the Royal Australian Institute of Architects or similar bodies, public authorities the Commonwealth and Northern Territory authorities and lending institutions.

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

**OPERATING REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

Results of Activities

The net loss of the Association for the financial period was \$53,950.

Significant Changes in Nature of Activities or Financial Affairs

No significant change in the nature of the activity occurred during the period.

Membership of the Association

The number of members of the Association at the end of the financial year was 258.

Employees of the Branch

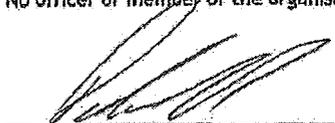
The number of persons employed by the Association during the financial year at one time was 7.

Rights of Members to Resign

Members retain their right to resign from the Master Builders Association Northern Territory Incorporated in accordance with section 10 of the Federal Rules and Section 174 of chapter 6 of *Fair Work (Registered Organisations) Act 2009*. In accordance with Section 174 Schedule 1 of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

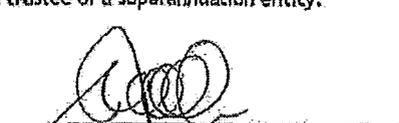
Superannuation Trustees

No officer or member of the organisation is a trustee of a superannuation entity.



Vice President

30 September 2011



Treasurer

30 September 2011

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

**STATEMENT BY THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED
30 JUNE 2011**

On the 12th of September 2011 the Committee of Management of the Master Builders Association of the Northern Territory Incorporated passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2011 as follows:

In our opinion -

- a) the financial report and notes comply with the Australian Accounting Standards;
- b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the accompanying financial report as set out on the following pages, being a general purposes financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2011 and the results of the Association for the year ended in the date;
- d) the accounts of the Association have been properly prepared in accordance with the books of account of the Association; and
- e) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

During the financial year ended 30 June 2011 and since the end of the financial year:

- a) meetings of the Committee of Management of the Association were held in accordance with the rules of the Association.
- d) the financial affairs of the Association have been managed in accordance with the rules of the Association.
- c) The financial records have been kept and maintained in accordance with Part 8 (records and Accounts) the Fair Work (Registered Organisation) Act 2009 and;
- e) The Association only consists of one reporting unit therefore the issue of consistency of financial reporting between the branches of an Association does not arise.
- f) No information has been sought in any request of a member of the Association or a register duly made Fair Work (Registered Organisation) Act 2009; and
- g) No orders for inspection of financial reports have been made by the Fair Work Australia under section 273 of Fair Work (Registered Organisation) Act 2009.


President


Treasurer



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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Master Builders Association Northern Territory Incorporated.

Report on the Financial Statements

We have audited the accompanying financial statements of Master Builders Association Northern Territory Incorporated, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the statement of management committee.

Management Committee's Responsibility for the Financial Report

The Management Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, *Northern Territory Associations Act* and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Management Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

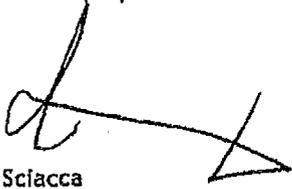
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Master Builders Association Northern Territory Incorporated as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, *Northern Territory Associations Act* and the *Fair Work (Registered Organisations) Act 2009*.

BDO

BDO Audit (NT)

A handwritten signature in black ink, appearing to read 'C J Sciacca', written over a horizontal line.

C J Sciacca
Audit Partner

Darwin: 15 September 2011

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenues	2	1,253,947	1,209,748
Expenses			
Affiliations		76,763	74,136
Audit fees	3	6,747	6,346
Depreciation		9,137	12,260
Financial Services		41,589	30,090
Impairment		45,040	-
Marketing, functions and events costs		182,054	180,146
Office administration		131,121	107,265
Product and services		56,178	43,890
Property costs		55,070	58,650
Sundry expenses		1,090	7,043
Training and projects costs		132,363	96,400
Travel and accommodation		31,984	27,302
Wages and salaries		538,761	590,455
Total Expenses		<u>1,307,897</u>	<u>1,233,983</u>
Surplus / (Deficit) For The Year		(53,950)	(24,235)
Other comprehensive income		-	-
Total Comprehensive Income (Loss)		<u>(53,950)</u>	<u>(24,235)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	182,821	260,709
Trade and other receivables	5	170,778	292,927
Inventory	6	8,072	9,304
Other assets	7	74,960	120,000
Total Current Assets		<u>436,632</u>	<u>682,940</u>
Non-Current Assets			
Property and equipment	8	22,594	31,731
Total Non-Current Assets		<u>22,594</u>	<u>31,731</u>
Total Assets		<u>459,226</u>	<u>714,671</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	9	190,619	235,901
Grant liabilities	10	50,431	205,431
Provisions	11	30,373	31,586
Total Current Liabilities		<u>271,423</u>	<u>472,918</u>
Total Liabilities		<u>271,423</u>	<u>472,918</u>
NET ASSETS		<u>187,803</u>	<u>241,753</u>
EQUITY			
Accumulated funds	12	187,803	241,753
Reserves	13	-	-
Total Equity		<u>187,803</u>	<u>241,753</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Accumulated Funds \$	Reserves \$	Total \$
Accumulated Funds			
Balance at 30 June 2009	265,988	-	265,988
Total comprehensive income (loss)	(24,235)	-	(24,235)
Asset revaluation reserve	-	70,000	70,000
Effect of correction of error (i)	-	(70,000)	(70,000)
Balance at 30 June 2010	<u>241,753</u>	<u>-</u>	<u>241,753</u>
Total comprehensive income (loss)	(53,950)	-	(53,950)
Balance at 30 June 2011	<u><u>187,803</u></u>	<u><u>-</u></u>	<u><u>187,803</u></u>

(i) Refer to Note 1(i)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flow from operating activities			
Cash receipts in the course of operations		1,422,368	1,001,086
Cash payments in the course of operations		(1,455,247)	(1,201,180)
Net cash provided by / (used in) operating activities	14(b)	<u>(32,879)</u>	<u>(200,094)</u>
Cash flow from investing activities			
Payment for property, plant and equipment		-	(11,564)
Net cash outflow from investing activities		<u>-</u>	<u>(11,564)</u>
Cash flow from financing activities			
Payment for purchase of shares		(30,235)	(4,858)
Net cash outflow from financing activities		<u>(30,235)</u>	<u>(4,858)</u>
Net increase / (decrease) in cash held		(63,114)	(216,516)
Cash and cash equivalents at the beginning of the financial year		150,007	366,523
Cash and cash equivalents at the end of the financial year	14(a)	<u>86,893</u>	<u>150,007</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements are a general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and complies with the *Fair Work (Registered Organisations) Act 2009*.

The financial statements have also been prepared on a historical basis and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other event is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) **Going Concern Basis**

The financial statements are prepared on a going concern basis.

(b) **Payables**

Trade payables and other accounts payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

(c) **Goods and Services Tax**

Revenues, expenses are recognised net of Goods and Service Tax (GST) except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

(d) **Income Tax**

The association is exempt from Income Tax under section 50-5 of the Income Tax Assessment Act 1997.

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(e) Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Association will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 60 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(f) Property and Equipment

All property and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

Depreciation on other assets is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Office equipment	3-8 years
Furniture and fittings	3-8 years

(g) Employee Benefit Provisions

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of balance sheet date are recognised in respect of employees' services rendered up to balance sheet date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual leave are included as part of Provisions for Employee Entitlements.

(h) Revenue Recognition

(i) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Association will comply with all the attached conditions. Grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(ii) Subscriptions

Revenue from subscriptions is recognised in the period to which it relates.

(i) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(f) Financial Instruments - continued...

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At the end of each reporting period the Association assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Prior period error

During the current period, the Association identified a prior period error in relation to the treatment of the loan for purchase of shares in MBA Insurance Services Pty Ltd. The impact of correcting this error is as follows:

	2011	2010
	\$	\$
Increase in loan from MBA Insurance Services Pty Ltd	-	70,000
Decrease in asset revaluation reserve	-	70,000

Comparative information has been restated to correct the above.

(j) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(j) Critical Accounting Estimates and Judgements - continued ...

Impairment of non-financial assets

The Association assess impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment has been recognised in respect of property, plant and equipment for the year ended 30 June 2011.

(k) Accounting Standards Issued But Not Yet Effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Committee Members' assessment of the impact of these new standards, amendments and interpretations are set out below.

(i) AASB 9 Financial Instruments, Amends the requirements for classification and measurement of financial assets.

Effective for annual reporting period beginning on or after 1 January 2013.

This amends the requirements for classification and measurement of financial assets. Due to the recent release of these amendments and that adoption is only mandatory for the 30 June 2014 year end, the Association has not yet made an assessment of the impact of these amendments.

(ii) AASB 13 Fair Value Measurement

Effective for annual reporting period beginning on or after 1 January 2013.

Due to the recent release of this standard, the Association has yet to conduct a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 July 2013.

(iii) AASB 119 Employee Benefits

Effective for annual reporting period beginning on or after 1 January 2013.

The Association currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to AASB 119 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012. Leave liabilities for any employees with significant balances of leave outstanding who are not expected to take their leave within 12 months will be discounted, which may result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
2	Revenue	
	Training and projects	444,545
	Membership and subscriptions	254,411
	Marketing, functions and events	264,782
	Government grants	169,558
	MBANT services	298,863
	Commission MBAIS	225,000
	Interest and finance	59,805
	HR/IR	107,505
	MBA Insurance Service	30,235
	Miscellaneous income	19,395
		16,405
		37,222
		28,534
		1,004
	Total Revenue	1,253,947
		1,209,748
3	Auditors' Remuneration	
	Audit services	6,747
	Accounting services	6,346
		-
		-
		6,747
		6,346
4	Cash and cash equivalents	
	Cash deposits with banks	182,321
	Cash on hand	260,209
		500
	Total cash and cash equivalents	182,821
		260,709
5	Trade and other receivables	
	Trade receivables	161,287
	Provision for doubtful debts	283,714
		-
		(740)
		161,287
		282,974
	Goods and services tax	9,491
		9,953
	Total receivables	170,778
		292,927

Age analysis of trade and other receivables that are past due but not impaired at the end of the reporting period.

Neither past due nor impaired	138,475	260,981
Past due [30] days	5,593	7,257
Past due [30-60] days	907	3,596
Past due [>60] days	16,312	11,880
	161,287	283,714
Analysis of allowance account		
Opening Balance	740	740
Provisions for doubtful receivables	(740)	-
Receivables written off during the year	-	-
Closing balance	-	740

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
6		
Inventory		
Standards and contracts	8,072	9,304
Total inventory	<u>8,072</u>	<u>9,304</u>
7		
Other assets		
Shares in MBA Insurance Services Pty Ltd		
Shares at cost	120,000	120,000
Less: impairment	(45,040)	-
Total other assets	<u>74,960</u>	<u>120,000</u>
The investment in MBA Insurance Services Pty Ltd has been impaired to reflect the net asset value of MBA Insurance Services Pty Ltd.		
8		
Property and equipment		
Motor vehicles	24,663	24,663
Less accumulated depreciation	(10,800)	(6,179)
Total motor vehicles	<u>13,863</u>	<u>18,484</u>
Furniture and fixtures	22,322	22,322
Less accumulated depreciation	(16,895)	(16,048)
Total furniture and fixtures	<u>5,427</u>	<u>6,274</u>
Office machines	26,074	26,074
Less accumulated depreciation	(22,770)	(19,101)
Total office machines	<u>3,304</u>	<u>6,973</u>
Total property and equipment	<u>22,594</u>	<u>31,731</u>
Reconciliation		
Carrying value at beginning of the year	31,731	32,427
Additions	-	11,564
Disposals	-	-
Depreciation	(9,137)	(12,260)
Carrying value at end of year	<u>22,594</u>	<u>31,731</u>
9		
Trade and other payables		
Trade creditors	39,802	43,554
Bank overdrafts	95,928	110,702
Other payables	15,124	11,645
Loan from MBA Insurance Services Pty Ltd	39,765	70,000
Trade and other payables	<u>190,619</u>	<u>235,901</u>

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
10 Grant liabilities		
Northern Territory Government OHS Subbies Pack	10,431	10,431
Northern Territory Government OHS	40,000	40,000
Northern Territory Government OHS	-	155,000
Total grant liabilities	<u>50,431</u>	<u>205,431</u>
11 Provisions		
Provision for annual leave	30,373	31,586
Total provision for annual leave	<u>30,373</u>	<u>31,586</u>
12 Accumulated funds		
Balance at the beginning of the financial year	241,753	265,988
Total comprehensive income (loss)	(53,950)	(24,235)
Balance at the end of the financial year	<u>187,803</u>	<u>241,753</u>
13 Reserves		
Asset revaluation reserve	-	-
Balance at the end of the financial year	<u>-</u>	<u>-</u>
Reconciliation		
Balance at the beginning of the year	-	-
Revaluation	-	70,000
Correction of error	-	(70,000)
Balance at the end of the financial year	<u>-</u>	<u>-</u>
14 Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
(a) Reconciliation of cash and cash equivalents		
Cash deposits with banks	182,321	260,209
Cash on hand	500	500
Bank overdrafts	(95,928)	(110,702)
Balance at the end of the year	<u>86,893</u>	<u>150,007</u>

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

14 Reconciliation of cash and cash equivalents - continued ...

	2011	2010
	\$	\$
(b) Reconciliation of profit from ordinary activities to net cash provided by operating activities		
Profit from ordinary activities	(53,950)	(24,235)
Add / (less) non-cash items		
Depreciation	9,137	12,260
Impairment	45,040	-
Net cash provided by operating activities before change in assets and liabilities	<u>227</u>	<u>(11,975)</u>
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	122,148	(204,032)
(Increase) / decrease in inventories	1,232	(4,633)
(Decrease) / increase in trade and other payables	(273)	16,497
(Decrease) / increase in provisions	(1,213)	9,864
(Decrease) / increase in unexpended grants	<u>(155,000)</u>	<u>(5,815)</u>
Net cash provided by / (used in) operating activities	<u>(32,879)</u>	<u>(200,094)</u>

15 Related Party Disclosures

(a) Transactions with Related Parties

The following persons held positions Committee during the reporting period:

Committee Members

Andrea Moriarty	Matt Sharp
Charles Wright	Paul Nowland
Danny Jansen	Phil Storey
Dick Guit	Ray Somerville
Graham Kemp	Riarna McCarthy
Greg McLaughlin	Richard McElwee
James Taylor	Richard Riedel
John Brears	Roger Pearson
Kevin Page	Russell Lutzke
Kevin Peters	Sandy Kirsopp
Leanne Kison	Simon Lance
Maria Savvas	

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

15 Related Party Disclosures - continued ...

	2011	2010
	\$	\$
(b) Balances with Related Parties		
(i) Amounts Payable to Related Parties		
Key Management Personnel		
Graham Kemp	-	1,504
	<u>-</u>	<u>1,504</u>
Other Branches - Current		
Master Builders Association of NSW Pty Ltd	911	114
Master Builders Australia Incorporated	14,071	1,125
MBA Insurance Services Pty Ltd	-	5,720
North Australian Insurance Brokers	8,417	-
	<u>23,399</u>	<u>6,959</u>

Outstanding payables are non interest bearing and are normally on a 30 day terms.

(ii) Amounts Receivable from Related Parties

Other Branches - Current		
MBA Insurance Services Pty Ltd	7,632	13,671
	<u>7,632</u>	<u>13,671</u>

Outstanding receivables are unsecured, interest free, settlement occurs in cash and generally have 30 day terms.

2011	2010
\$	\$

The following transactions took place with related parties during the reporting period:

Key Management Personnel		
Graham Kemp	20,292	6,151
	<u>20,292</u>	<u>6,151</u>
Other Branches		
Master Builders - Newcastle	-	150
Master Builders - NSW	152,745	-
Master Builders Association of WA	845	-
Master Builders Association (Qld)	6,195	5,340
Master Builders Association of NSW Pty Ltd	5,887	1,998
Master Builders Association Tasmania Incorporated	-	489
Master Builders Australia Incorporated	75,841	114,936
MBA Insurance Services Pty Ltd	36,692	71,873
	<u>278,205</u>	<u>194,786</u>

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

15	Related Party Disclosures - continued ...	2011 \$	2010 \$
	<i>Key Management Personnel Compensation</i>		
	<i>Key Management Compensation Information</i>		
	Short term employee benefits	250,429	196,122
	Other long term benefits	<u>22,539</u>	<u>17,651</u>
		<u>272,968</u>	<u>213,773</u>

Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel.

16 Compliance with Fair Work (Registered Organisations) Act 2009

272 Information to be provided to members or General Manager

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

17 CONTINGENT LIABILITIES - -

18 EVENTS SUBSEQUENT TO END OF REPORTING DATE

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

The carrying amount of assets and liabilities as recorded in the financial statements and the realisation and settlement amounts of assets and liabilities have not changed materially since end of reporting date.

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2011

19 FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

In common with all other businesses, the Association is exposed to risks that arise from its use of financial instruments. This note describes the Association's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Association hold the following financial instruments:

	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	182,821	260,709
Trade and other receivables	170,778	292,927
	<u>353,599</u>	<u>553,636</u>
Financial liabilities		
Trade and other payables	190,619	235,901
Unexpended grants	50,431	205,431
	<u>241,050</u>	<u>441,332</u>

The Committee Members has overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The Association's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Association where such impacts may be material. The Committee Members receives monthly reports from management through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Committee Members is to set policies that seek to reduce risk as far as possible without unduly affecting the Association's flexibility. Further details regarding these policies are set out below:

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2011

19 FINANCIAL RISK MANAGEMENT - continued...

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Association incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Association's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	182,821	260,709
Trade and other receivables	170,778	292,927
	<u>353,599</u>	<u>553,636</u>

(c) Liquidity risk

Maturity Analysis - 2011

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	190,619	190,619	190,619	-	-	-
Unexpended grants	50,431	50,431	50,431	-	-	-
TOTAL	241,050	241,050	241,050	-	-	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	161,287	161,287	161,287	-	-	-
Other receivables	9,491	9,491	9,491	-	-	-
TOTAL	170,778	170,778	170,778	-	-	-

MASTER BUILDERS ASSOCIATION NORTHERN TERRITORY INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2011

19 FINANCIAL RISK MANAGEMENT - continued...

(c) Liquidity risk

Maturity Analysis - 2010

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	235,901	235,901	235,901	-	-	-
Unexpended grants	205,431	205,431	205,431	-	-	-
TOTAL	441,332	441,332	441,332	-	-	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	282,974	282,974	282,974	-	-	-
Other receivables	9,953	9,953	9,953	-	-	-
TOTAL	292,927	292,927	292,927	-	-	-