



AUSTRALIAN INDUSTRIAL REGISTRY

1st Floor, Commonwealth Law Courts
39-41 Davey Street, Hobart, TAS 7000
GPO Box 1232M, Hobart, TAS 7001
Telephone: (03) 6214 0200
Fax: (03) 6214 0202

Mr C Atkins
Executive Director
The Masters Builders' Association of Tasmania
GPO Box 992K
HOBART TAS 7001

Dear Mr Atkins,

RE: FINANCIAL RETURNS FOR THE YEAR ENDED 30 JUNE 2001 - F NO. 2001/379

Receipt is acknowledged of the financial documents of The Masters Builders' Association of Tasmania for the year ended 30 June 2001. The documents were lodged in the Tasmanian Registry on 22 August 2001.

The documents have been filed.

The following matters are advised for assistance in the preparation of future documents; no further action is requested in respect of the financial documents of the year ended 30 June 2001.

Certificate prepared auditor's report

The auditor in his report is required to give a opinion in respect of accounts and statements prepared in accordance with section 273 of the Act; such accounts include the certificates of the accounting officer and the committee of management.

The dates of the certificates supplied would indicate preparation after the auditor made his report. Would you please bring this matter to your auditor's attention?

A number of references to *Industrial Relations Act 1988*

There are a number of references to the now repealed *Industrial Relations Act 1998*, e.g. the Auditor's report and the notes to and forming part of the financial accounts.

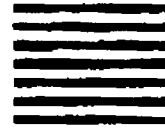
The documents should reflect the appropriate provisions of the *Workplace Relations Act 1996*.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on 6214 0211.

Yours sincerely,

Sarscha Wardlaw
for DEPUTY INDUSTRIAL REGISTRAR

28 August 2001




Sarscha Wardlaw
Industrial Registrar
6214 0202

Wise Lord & Ferguson

advice to advantage

FROM: Harvey Gibson
DATE: 27 August 2001

 Chartered Accountants
Representative of Ernst & Young in Tasmania
ABN 23 563 132 864

RE: THE MASTER BUILDERS ASSOCIATION OF TASMANIA INC.

Mr Chris Atkins has requested I advise you of the reason for changes between the accounts for the year ended 30 June 2000 and the comparative 2000 figures in the accounts for the year ended 30 June 2001.

The following comparative figures for 2000 were changed to provide a more accurate disclosure in the 2001 accounts and to make the comparative figures more meaningful as is allowed by Australian Accounting Standards.

	<u>2000 Accounts</u>	<u>2001 Accounts</u>	<u>Difference</u>
Revenue			
Fee for Service	141,721	49,581	(92,140)
GST Seminar	-	92,840	92,840
Housing Indemnity	203,016	203,026	10
Starcard	4,776	4,778	2
Expenses			
Consultancies	42,963	3,033	39,930
GST Seminars	-	39,930	(39,930)
Salaries	227,358	298,376	(71,018)
Salaries GST	19,790	-	19,790
Sick Leave	(11,362)	-	(11,362)
Superannuation	62,590	-	62,590
Telephone	28,328	29,040	(712)

Please contact me if you require any additional information.

Regards,

H J Gibson
PARTNER

Wise Lord & Ferguson
111-113 Collins Street Hobart TAS 7000 GPO Box 1083 Hobart TAS 7001
Tel: (03) 6223 6155 Fax: (03) 6223 8993 Email: email@wlf.com.au



Partners: Brent Palfreyman, Malcolm Groom, Peter Beven, Robert Whitehouse, Harvey Gibson,
Danny McArthur, Peter Thompson, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck
Managers: Joanne Moran, Ian Wheeler

The
MASTER
BUILDERS'
ASSOCIATION

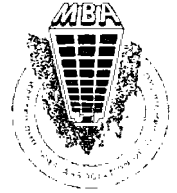
FR NO 2001 379

'Construction House', 2nd Floor, 83-89 Brisbane St, Hobart 7000

of
TASMANIA INC.

(Established 1891)
ABN: 70 540 112 530

Telephone: (03) 6234 3810
Facsimile: (03) 6234 3860
Email: mbat@mbatas.org.au



Our Reference: CONCOMMITTEES/Share Council/FINANCIAL/MBR. By report letter 2001/June 1.56

Date: 21 August 2001

Address all communications to:
Executive Director
The Master Builders' Association of Tasmania Inc.
GPO Box 992K
Hobart, Tas. 7000



Deputy Industrial Registrar
GPO Box 1232M
HOBART TAS 7001

Dear Sir

FINANCIAL REPORTS – MBAT INC.

Please find enclosed a copy of the Association's audited financial reports for the year ended 30 June 2001.

The subject reports were tabled at the Annual General Meeting of the Association held on the 9th August 2001.

Yours faithfully

C. Atkins.
Executive Director.

**THE MASTER BUILDERS' ASSOCIATION OF
TASMANIA INC.**



**BALANCE SHEET
AND
STATEMENT OF ACCOUNTS
YEAR ENDED 30 JUNE 2001**

**To be presented to the Annual General Meeting of the Master Builders'
Association Inc. to be held in Hobart on
Thursday 9th August 2001**

Treasurers Report

Gentlemen, I have much pleasure in being able to present the audited accounts highlighting the financial performance of the Association during the 2000/2001 financial year together with the 2001 Auditor's report.

Once again the Association has recorded an operating surplus in the order of \$30,811, however we must be mindful that had it not been for the revenue generated from non-operating activities, a modest deficit would have been recorded for the period.

Like most businesses operating under the New Tax System the introduction of GST has had an adverse impact on income with a consequential impact on our revenue, albeit in adverse proportions to the previous year, leading to a lower level of profitability.

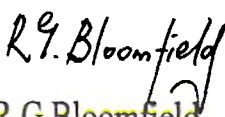
Whilst generating over \$1 million dollars in revenue, the inability to fully tenant the available space at 'Construction House' has once again recorded a deficit against the budget. Occupancy rates in Hobart are low as they have been for sometime. The number of businesses operating in the Hobart CBD is declining as businesses are leaving the State or decentralising their operations. The resulting surplus office space has made the market extremely competitive. Whilst it has proved difficult to attract long-term tenants, it is hoped that the forecast improvement in the Tasmanian economy will see a reversal of the current trend.

The collapse of the HIH Insurance group, who were underwriters for our Housing Indemnity Scheme, had a consequential adverse impact on our financial performance. A shortfall of \$56,000 was recorded against the Association's budget for this item. As a consequence of the collapse the Association and its members have experienced a high degree of angst as a valuable members service has been lost. The reinstatement of this service has seen a dramatic change in access requirements, as the commercially focused DEXTA Corporation, has imposed access requirements and insurance limits not previously experienced by MBA members.

As previously mentioned annual expenses have been contained. Major contributors to these savings have been indemnity premiums, with \$38,000 of expenses being wiped out due to the HIH collapse. The revaluation of 'Construction House' following our submission to the Valuer General, has saved \$25,500 in rates and taxes with general building expenses also falling against budget. The cost of publishing the Association's flagship magazine the 'Tasmanian Master Builder' also generated savings against the budget, with tighter control over printing and editorial costs.

I am sure you will agree that with the challenges the Association faced this year which included the introduction of the 'New Tax System', the collapse of our major insurer, the diminishing number of projects and the overall decline in economic performance, our financial results are better than could be expected. However, I must strongly recommend that our future performance will require close monitoring and the tight fiscal policy continue to ensure the Association's current financial position is sustained.

Members, I commend the financial statements and auditors' reports to you as being the financial position of the Master Builders' Association of Tasmania for the period ended 30th June 2001.


R G Bloomfield
TREASURER

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

INDEPENDENT AUDIT REPORT

To the Members of the Master Builders' Association of Tasmania Inc.

Scope

We have audited the accompanying Statement of Financial Performance, Statement of Financial Position and Notes to the accounts of the Master Builders' Association of Tasmania Inc. for the year ended 30 June 2001, being special purpose financial accounts. The members of the committee of management and the accounting officer are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Master Builders' Association of Tasmania Inc.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Industrial Relations Act 1988 so as to present a view of the entity which is consistent with our understanding of its financial position and the results of its operations. The financial statements have been prepared as a special purpose financial report.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

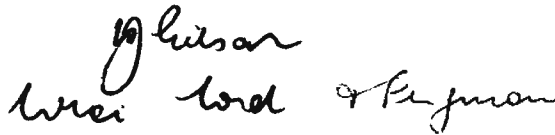
In our opinion:-

- (i) there were kept by the Association in relation to the year satisfactory accounting records detailing the source and nature of the income of the Association (including income from members) and the nature and purposes of the expenditure; and

the attached accounts and statements prepared under the historical cost convention; and in accordance with Section 273 of the Industrial Relations Act 1988 are properly drawn up so as to give a true and fair view of:-

- (a) the financial affairs of the Association as at 30 June 2001; and
- (b) the income and expenditure, and the surplus of the Association for the year ended on that date.

we have received all the information and explanations as required for the conduct of the audit.



**H J GIBSON
PARTNER
WISE LORD & FERGUSON**

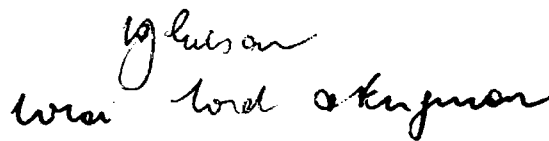
160 Collins Street
HOBART TAS 7000

Dated: 25 July 2001

The Commissioner
Corporate Affairs
GPO Box 249C
HOBART TAS 7001

I advise that, as at the 30 June 2001 the following persons were Committee Members of the Master Builders' Association of Tasmania Inc. for the purposes of the Association's Incorporations Act 1964.

President	Mr PR Ibbott	21 Stony Rise Road, DEVONPORT 7310
Senior Vice President	Mr GF Keating	805 Sandy Bay Road, SANDY BAY 7005
Vice President	Mr JA Rosevear	124a Tolosa Street, GLENORCHY 7010
Treasurer	Mr RG Bloomfield	PO Box 338, KINGSTON 7051
Executive Councillor	Mr DJ Reid	60 Gormanstone Road, MOONAH 7004
Councillors	Mr P Baier	40 Drysdale Avenue, KINGSTON 7050
	Mr JW Beswick	56 Alexander Road, ULVERSTONE 7315
	Mr NR Bingham	300 Palooa Road, PALOONA 7310
	Mr IG Dent	67 Elphin Road, NEWSTEAD 7250
	Mr DS Gray	61 Cypress Street, NEWSTEAD 7277
	Mr MR Hardacre	7 Stephensdale Drive, RIVERSIDE 7250
	Mr T Holmes	PO Box 302, SORELL 7177
	Mr D Moody	116 King Street, SANDY BAY 7005
	Mr MR Nichols	22 Whitewater Crescent, KINGSTON 7050
	Mr C Rimmer	20 Trowutta Road, SMITHTON 7330
	Mr A Streefland	116a Outram Street, SUMMERHILL 7250



H J GIBSON
Partner
WISE LORD & FERGUSON

160 Collins Street
HOBART TAS 7000

Registered Company Auditor
Under the Corporations Law
Section 1280 (2)

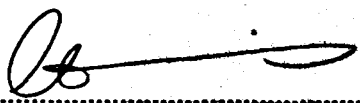
Dated: 25 July 2001

ACCOUNTING OFFICERS CERTIFICATE

I, Christopher Atkins, being the officer responsible for keeping the accounting records of the Master Builders' Association of Tasmania Inc., certify that as of 30th June 2001 the number of members of the organisation were 463 (of which 276 were Builder Members).

In my opinion,

- i) The attached accounts show a true and fair value of the financial affairs of the organisation as at 30th June 2001;
- ii) A record has been kept of all moneys paid by, or collected from, Members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the organisation;
- iii) Before any expenditure was incurred by the organisation, approval of the incurring of expenditure was obtained in accordance with the rules of the organisation;
- iv) With regard to funds of the organisation raised by compulsory levies or voluntary contributions from Members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund or purpose other than for which the fund was operated;
- v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the organisation, were made to persons holding office in the organisation;
- vi) The register of Members of the organisation was maintained in accordance with the Act.



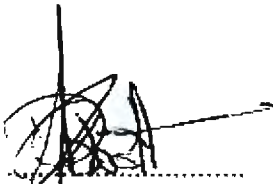
C ATKINS
EXECUTIVE DIRECTOR

01 August 2001

COMMITTEE OF MANAGEMENT CERTIFICATE

We, Paul Reiby Ibbott and Richard Gary Bloomfield, being two members of the committee of Management of the Master Builders' Association of Tasmania Inc., do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- i) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 30th June 2001;
- ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30th June 2001;
- iii) To the knowledge of any members of the Committee, there have been no instances where records of the organisation of other documents (not being documents containing information made available to an Industrial Relations Act, 1988, as amended) or copies of those records or have not been furnished, or made available, to members in accordance with the requirements of the Industrial Relations Act, 1988, as amended, the Regulation thereto, or the rules of the organisation; and
- iv) The organisation has complied with sub-section 279 of the Act in relation to the financial accounts in respect of the year ended 30 June 2000 and the Auditor's report thereon.



PAUL R IBBOTT
PRESIDENT



RICHARD GARY BLOOMFIELD
TREASURER

01 August 2001

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2001**

	<u>2001</u>	<u>2000</u>
<u>Accumulated Funds</u>		
General Fund Beginning of Period	2,403,130	2,262,512
Surplus for Period	30,811	140,618
Total Equity	<u><u>2,433,941</u></u>	<u><u>2,403,130</u></u>
<u>Current Assets</u>		
Accrued Income	-	25,000
Cash on Hand	1,500	1,500
Commonwealth Trading Bank	43,168	91,047
Interest Receivable	2,946	3,341
Prepaid Expenses	13,219	4,653
Provision for Discounts	(2,500)	(1,000)
Stock of Documents	12,043	10,016
Tasmanian Trustees	699,646	671,423
Trade Debtors	133,841	138,549
Provision for Bad Debts	(2,882)	(845)
Total Current Assets	<u><u>900,980</u></u>	<u><u>943,684</u></u>
<u>Current Liabilities</u>		
Accrued Expenses	9,100	56,200
BBMPP Research Grant	1,899	875
GST Liability	-	392
Income Received in Advance	17,665	23,202
Provision for Holiday Pay	23,832	28,210
Provision for Long Service Leave	13,497	
Provision for Sick Leave	39,385	49,386
Trade Creditors	73,517	39,798
Total Current Liabilities	<u><u>178,894</u></u>	<u><u>198,063</u></u>
Working Capital	<u><u>722,085</u></u>	<u><u>745,621</u></u>

The accompanying notes form part of this financial report

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

STATEMENT OF FINANCIAL PERFORMANCE

FOR YEAR ENDING 30 JUNE 2001

	<u>2001</u>	<u>2000</u>
<u>Revenues from Ordinary Activities</u>		
Associate Specialist Contractor	33,649	29,228
Associate Supplier Exchange	16,791	16,525
Service Provider	5,036	
Building Journal Income	41,428	39,540
Documents	15,170	17,719
Fee for Service	64,904	49,581
Funding Grant	-	66,140
GST Seminar	75,400	92,840
Housing Indemnity	146,862	203,026
Insurance Rebates	18,803	16,783
Interest Received	40,215	10,984
NO Secretarial Recovery	2,188	1,078
Project Fees	227,490	202,500
Property Income	79,000	86,851
Room Hire	957	570
Starcard	3,114	4,778
Subscriptions & Turnover Levies	195,629	191,208
<u>Revenues from Non-Operating Activities</u>		
Write back of Contingency Reserve	35,000	29,686
Profit on Sale of Freehold Property	817	119,040
Total Income	<u>1,002,451</u>	<u>1,178,077</u>
<u>Expenses</u>		
Accounting & Audit	4,056	3,522
Advertising	26,251	15,364
Annual Dinner Expenses	8,571	5,761
Bad & Doubtful Debts Expense	2,037	50
Bank Charges	3,291	2,834
Building Journal Expenses	44,373	72,695
Catering & Meeting Costs	7,424	4,567
Catering & Meeting Costs - GST	-	4,850
Chairman's Expenses	406	330
Cleaning	11,063	9,821
Consultancies	15,520	3,033
Depreciation	66,865	62,035
Documents	19,284	5,970
Entertainment & PR	1,833	6,960

The accompanying notes form part of this financial report

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

STATEMENT OF FINANCIAL PERFORMANCE CONT.

FOR YEAR ENDING 30 JUNE 2001

	<u>2001</u>	<u>2000</u>
<u>Expenses Cont.</u>		
Federal Subs & Levies	29,722	26,223
Fringe Benefits Tax	5,196	6,496
GST Seminars	15,172	39,930
Housing Awards	-	3,626
Housing Indemnity	98,852	136,745
Insurances	16,905	15,190
Legal Expenses	3,625	2,103
Light & Power	12,484	10,500
Long Service Leave	2,517	9,022
Loss on Sale of Fixed Asset	-	1,612
Northern Office Rental	28,616	28,002
Office Equipment Maintenance	4,139	4,854
OHS & QA	-	67,123
Papers Publications & Library	7,213	3,083
Postage & Stamps	16,634	13,344
Presidents Expenses	3,000	
Printing and Photocopying	13,192	3,449
Printing and Photocopying - GST	-	12,201
Prizes & Awards	750	1,735
Property Expenses Rates	38,858	64,530
Property Maintenance	19,212	9,403
Salaries	355,318	298,376
Staff Training	1,562	240
Stationery	8,974	4,064
Stationery - GST	-	4,947
Telephone	26,008	29,040
Toilet Supplies	2,328	2,087
Travel Meals & Accommodation	26,471	8,881
Travel Meals & Accommodation - GST	-	13,543
Vehicle Running	23,920	19,318
Total Expenses	<u>971,641</u>	<u>1,037,459</u>
Operating Surplus for the Period	<u>30,811</u>	<u>140,618</u>

The accompanying notes form part of this financial report

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

STATEMENT OF FINANCIAL POSITION CONT.

AS AT 30 JUNE 2001

	2001	2000
<u>Non Current Assets</u>		
Freehold Properties at Cost	<u>1,572,601</u>	<u>1,562,601</u>
Motor Vehicles at Cost	112,631	82,864
Accumulated Depreciation	(46,856)	(58,780)
Written Down Value	<u>65,775</u>	<u>24,084</u>
Equipment, Furniture at Cost	382,326	377,227
Accumulated Depreciation	(217,428)	(160,006)
Written Down Value	<u>164,898</u>	<u>217,221</u>
Total Non-Current Assets	<u>1,803,274</u>	<u>1,803,906</u>
<u>Non Current Liabilities</u>		
Provision for Long Service Leave	16,418	46,397
Contingency Reserve		
- Housing Indemnity	75,000	100,000
Total Non-Current Liabilities	<u>91,418</u>	<u>146,397</u>
Net Assets	<u>2,433,941</u>	<u>2,403,130</u>

The accompanying notes form part of this financial report

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2001

1. ACCOUNTING METHODS

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Tasmania. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act Tasmania and the following Australian Accounting Standards:

AAS 1	Statement of Financial Performance
AAS 4	Depreciation
AAS 5	Materiality
AAS 6	Accounting Policies
AAS 15	Revenue
AAS 21	Acquisition of Assets
AAS 36	Statement of Financial Position

No other Australian Accounting Standards, Urgent Issues Group Consensus View or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The accounts have been prepared on an accrual basis and is based on historic costs and does not take into account changing money values.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Fixed Assets

Freehold land and buildings are brought to account at cost.

Except for freehold property, depreciation of fixed assets is calculated on the reducing balance basis in order to write the assets off over their useful life. It has not been the policy of the Association in the past to depreciate Freehold Property (land and buildings).

The Association obtained an independent valuation on both the Hobart and Devonport premises on the 20 September 2000 by McNamara Taplin & Associates Proprietary. In particular to the Brisbane Street property the valuation document indicated a value of \$1,150,000. This is significantly lower than the value recorded in the Statement of Financial Position, being \$1,426,882. The property was valued on the assessed gross income produced by the property. As a result the valuation conducted in September 2000 is lower than cost due to the fact of the low occupancy rate of the building. If this situation improved so to would the valuation.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2001

1. ACCOUNTING METHODS CONT.

(b) Employee Entitlements

Provisions for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.

(c) Income Tax

The provision for income tax is not necessary as "Employers' Associations" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

(d) Stamp Duty

Stamp duty is collected on behalf of members by The Master Builders' Association of Tasmania and forwarded on to the Government.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act 1988 the attention of members is drawn to the provisions of sub-sections (1) (2) and (3) of section 274 of that Act, which reads as follows:-

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

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

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