Master Builders Association of Victoria

ACN 004 255 654

Annual Report - 30 June 2024

The Directors present the financial report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Master Builders Association of Victoria (referred to hereafter as the 'Association' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The names and details of the Directors of Master Builders Association of Victoria in office during the financial year and up to the date of this report are as follows. Directors were in office for the entire period unless otherwise stated:

Board of Management*	
Geoffrey Purcell	
Lisa Hollingsworth	
Gregory Cole	
Mark Phillips	
David Rowe	Resigned 31 July 2023
Danielle Bartolini	
Matthew Gilmour	
Monique Cotton	Resigned 9 April 2024
Raymond French	Appointed 27 February 2024
Stuart Allen	Appointed 27 February 2024

Principal activities
During the financial year, the principal continuing activities of the consolidated entity consisted of providing a range of products and services to members of the building and construction industry, including industry advocacy, safety, legal, technical and employment advice, and accredited and non-accredited industry training.

From 1 July 2021, MBA Building Services (MBABS) ceased commencing new projects, including issuing new building permits or any consultancy services to its customers. MBABS will continue to provide contracted services on ongoing projects until completion or until alternate arrangements are agreed upon. MBABS is expected to continue operating until performance obligations under existing contracts are completed and is then intended to exist as a legal entity for a period of time after the completion of the last project to meet specific contractual requirements under the insurance arrangements in place. Discussions are ongoing with the Victorian Building Authority over final arrangements for lapsed permits.

There were no other significant changes to the consolidated entity's principal activities during year.

Financial Results
The consolidated surplus from operating activities for the year was $2,061,561 (2023: $628,134).

Review of operations
The past year has seen robust activity across the Victorian building and construction sector. Significant challenges remain in the sector, while our members have continued to adapt to the industry conditions. Master Builders Victoria (MBV) has continued evolving to stay at the forefront of the issues our members face to support them effectively. Some of the organisation’s key achievements during the period include:

- Enhanced member relationships via events and support programs implemented for increased and improved engagement across metropolitan and regional Victoria.
- Revised and introduced new special member offers, including ‘birthday month’ and season specials.
- Official launch of MBV's eDocs (digital contracts) system.
- In FY24, MBV released 37 media releases advocating and raising awareness on important issues for our members and industry and sent out 202 EDMs (member communications emails), ensuring members were kept abreast of happenings within the industry and aware of opportunities for training and key events.
- Our team posted 496 social media posts throughout FY24, each released on LinkedIn, Facebook and Instagram, along with event and awards highlight videos on YouTube.
- Our team released our new MBV Podcast series, which will continue throughout FY25.
- Our team released TV, radio and billboard campaigns across regional Victoria and metropolitan areas, focusing on increasing consumer confidence in our members and the industry.
- The Enterprise Resource Planning software upgrade, including our new payments and billing platform, went live. The new website and member portal project development continued throughout the year, creating efficiencies for members and team members.
- We re-aligned the Policy team to strengthen the connection between the activities of the Policy area and the Building a Transition report by creating the Collaboration & Innovation team. This covers the future built environment, policy and industry collaboration, and skills needs.
- Our team continued their policy work and government submissions and assisted in industry events, including coordinating speakers for an industry breakfast on modern methods of construction.
- This year, we focused on our team members by celebrating cultural diversity and fostering continuous DEI learning. Our team celebrated Pride Month, NAIDOC Week, and several other celebrations and acknowledgements, in addition to hosting our first All Team Member Diversity Day. This event highlighted and educated our team about the rich cultural diversity within MBV, promoting unity and understanding.
- We were delighted to launch two new Advisory services, Technical and Builders Registration and People & Culture, enhancing the support we provide for our members.
- Following the launch of People & Culture Advisory, our team conducted the first Building Diversity Together Survey across various sectors within the Victorian building and construction industry. The findings in the Building Diversity Together Report highlight current human resources and diversity practices among MBV members.
- MBV has delivered training to 1991 participants over FY24.
- Development and pilot of the Zero Harm program – A simulated program developed to minimise the risk of psychological harm to construction industry workers in challenging stakeholder-facing roles.
- Signing of 3-to-5-year service agreements to deliver Active Client Training to Big Build agencies.
- Development of 4 e-learning modules for industry professional development (CPD) – SWMS, Working at Heights, Right of Entry and Dispute Resolution (Contracts).
- Commenced partnership with Melbourne Business School with the development and delivery of the Small Business Finance Essentials Program.
- Our team provided support and advocacy on behalf of members in negotiating the industry template (enterprise agreement).

Objectives

The purpose of the Association is to empower people to build a better future. The organisation aims to lead a future-ready industry that builds a better world. Our values are:

- To place members first, all the time, every time;
- To be brave enough to be different;
- To do the right thing, even when no one is watching;
- To always find a better way.

The MBV team will:

- Have a positive, can-do problem solving attitude;
- Be bold and brave leaders;
- Be customer centric with a focus on adding value;
- Be authentic and purpose driven.

Information on Directors

Name: Geoffrey Purcell
Information: Geoff has worked in the commercial construction industry for 29 years. His current role is Director at Kane Constructions. Geoff's qualifications include a Bachelor of Planning and Design, a Bachelor of Building (University of Melbourne), and a Graduate AICD. He holds current domestic/commercial builder registrations and has been involved with Master Builders Victoria for over 8 years.

Name: Lisa Hollingsworth
Information: Lisa is an accomplished business executive with over 20 years of experience in the domestic building industry. Lisa manages Latrobe Building Services Pty Ltd, a multigenerational business started in 1973 by her husband's father. Currently, her husband and son, both registered building practitioners, are active in the business. Latrobe Building Services Pty Ltd has a long-standing membership with Master Builders Victoria for 25 years to date.

Name: Gregory Cole
Information: Greg has worked in the construction industry for almost 44 years. His current role is Managing Director at Nuform Steel Fabrications. Greg has previously held a domestic builder's registration and has been involved with Master Builders Victoria on and off for over 20 years.

Name: Mark Phillips
Information: Mark is an experienced Sales & Marketing Professional who has worked in the FMCG, building materials, and retail sectors for over 20 years with varied ASX 100 businesses including Orica Limited, Dulux Group Limited, and currently at Bunnings Group Limited as Commercial Sales Manager – Southern Division (VIC/TAS). In addition to his position on the Board of Master Builders Victoria, Mark is Chairperson of the Materials, Manufacturing & Supply Sector Committee and sits on the Finance, Risk & Audit Committee.

Name: David Rowe (resigned 31 July 2023)
Information: David has worked in the construction industry for over 45 years. He has been involved with Master Builders Victoria for over 35 years and holds a domestic unlimited, commercial builder limited registration and an Architectural Draftsman registration. David was the Managing Director for Bond Homes and Managing Director for DR Design whilst a Director.

Name: Danielle Bartolini
Information: Danielle heads up business development and client management across Rock Up Group's three verticals: operations, training, and rentals. Rock Up is a sought-after authority in the concrete polishing industry Australia-wide. Dani is passionate about ensuring builders know what to expect from a polishing project to protect their liabilities.

Name: Matthew Gilmour
Information: Matt is a construction executive with 30 years of experience in all sectors of Construction, mainly in Melbourne, with several years in Sydney and Singapore. He is an experienced company director, construction manager, mentor and advisor and spent his earlier years as a project manager, estimator and in business development.

Name:	Monique Cotton (resigned 9 April 2024)
Information:	Monique is an ambitious and people-focused Executive Director with a laser-sharp focus on creating a sustainable and scalable business model within the construction industry. Coming from a SaaS, Automotive and eCommerce background, Monique is customer-centric, has a passion for solving complex problems and driving business growth through the implementation of various tech stack solutions and challenging the status quo through introducing innovative and new processes, ultimately achieving operational efficiencies in all aspects of the business.

Name:	Raymond French (appointed 27 February 2024)
Information:	Raymond has been part of the building industry in various capacities for 34 years, in various roles ranging from construction to management. He has been in his current role as Director of The Harry's Group Pty Ltd for over 14 years, specialising in home inspections, pest, termite control, and waterproofing for termite prevention. Raymond holds a Certificate IV in Building and Construction and has been a proud member of Master Builders Victoria for 9 years. Raymond is passionate about the building industry and being a strong voice for the industry to help make it even better.

Name:	Stuart Allen (appointed 27 February 2024)
Information:	Stuart is a Director of Stuart Allen Building, and he is currently in his 32nd year in the construction industry. Stuart holds a domestic building unlimited and commercial limited registration and has been an active member of Master Builders Victoria for 25 years.

Company Secretary
Tristan Moseley - Appointed 25 November 2019

Meetings of Directors
The number of meetings of the Association's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Board of Management	Meetings attended	Meetings eligible to attend
Geoffrey Purcell	11	11
Gregory Cole	11	11
Lisa Hollingsworth	9	9
Mark Phillips	9	11
David Rowe	2	2
Danielle Bartolini	10	11
Matthew Gilmour	10	11
Monique Cotton	6	7
Raymond French	4	5
Stuart Allen	5	5

Rights of Directors to resign
Directors' right to resign are set out in Item 16 of the constitution. In summary, a Director may resign from office by written notice addressed to the President and/or Chief Executive Officer of Master Builders Association of Victoria.

Significant changes
No significant changes in the state of affairs of the consolidated entity have occurred during the financial year.

Contracts with Directors
Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration of Directors shown in the accounts) by reason of a contract made by the Association with any Director, or with a firm of which a Director is a member, or with an Association in which a Director has a substantial financial interest.

Indemnity and Insurance of Directors and Auditors
During the financial year, the Association paid a total premium of $42,735 to insure each of the above Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Association, other than conduct involving a wilful breach of duty in relation to the Association.

The terms of the policy preclude disclosure as to the level of the coverage or the name of the insurer.

The Association has not otherwise, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Association or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against liability incurred as an officer for the costs or expenses to defend legal proceedings.

Officers and members who are superannuation fund trustees
No officer or member of the organisation, by virtue of their office or membership of the Master Builders Association of Victoria, is:

- A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation is defined under the Fair Work (Registered Organisations) Act 2009.

Number of employees
The number of employees of the Master Builders Association of Victoria and its controlled entities at the end of the financial year is 113 equivalent full-time staff (2023: 107 equivalent full-time staff).

Contributions on winding up
The Association is a public company, limited by guarantee, incorporated and operating in Victoria, Australia. In the event of the Association being wound up, ordinary members are required to contribute a maximum of $10 each. As at 30 June 2024, there were 6,176 members (2023: 6,267).

Subsequent events
No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

Future developments
The consolidated entity will continue to pursue the provision of services to members.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Mark Phillips (Sep 19, 2024 16:32 GMT+10)

Geoffrey Purcell	Mark Phillips
President	Chairperson, Finance, Audit and Risk Committee

19 September 2024

WilliamBuck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Master Builders Association of Victoria

As lead auditor for the audit of Master Builders Association of Victoria for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Master Builders Association of Victoria and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney
Director
Melbourne, 19 September 2024

General information

The financial statements cover both Master Builders Association of Victoria as an individual entity and the consolidated entity consisting of Master Builders Association of Victoria and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Master Builders Association of Victoria's functional and presentation currency.

Master Builders Association of Victoria is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

332 Albert Street
EAST MELBOURNE VIC 3002

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 September 2024. The Directors have the power to amend and reissue the financial statements.

Master Builders Association of Victoria
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2024

		Consolidated		Parent	
	Note	2024 $	2023 $	2024 $	2023 $
Revenue	3	25,057,375	23,204,345	25,022,088	23,020,862
Unrealised and realised gain on financial assets		206,372	145,598	206,372	145,598
		25,263,747	23,349,943	25,228,460	23,166,460
Expenses					
Employee benefits expense	4	(13,395,602)	(12,712,098)	(13,367,055)	(12,349,897)
Cost of goods sold		(246,085)	(261,241)	(228,540)	(209,524)
Premises expenses		(1,126,915)	(1,032,246)	(1,123,144)	(1,012,681)
Administrative expenses		(6,760,501)	(6,748,566)	(6,505,744)	(6,380,910)
Amortisation expense		(78,360)	(66,992)	(78,360)	(66,992)
Depreciation expense	4	(690,213)	(804,560)	(690,213)	(804,560)
Finance costs		(45,190)	(47,183)	(45,190)	(47,183)
Impairment (expense)/reversal	4	(12,950)	(557)	(408,929)	(901,095)
Travel, accommodation & motor vehicle expenses		(149,081)	(449,720)	(135,656)	(441,072)
Advertising expenses		(579,115)	(490,736)	(579,115)	(490,736)
Telephone & postage expenses		(118,174)	(107,910)	(116,533)	(105,505)
Surplus before income tax expense		2,061,561	628,134	1,949,981	356,305
Income tax expense		-	-	-	-
Surplus after income tax expense for the year attributable to the members of Master Builders Association of Victoria		2,061,561	628,134	1,949,981	356,305
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year attributable to the members of Master Builders Association of Victoria		2,061,561	628,134	1,949,981	356,305

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

Master Builders Association of Victoria
Statements of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Assets					
Current assets					
Cash and cash equivalents	5	25,285,986	17,495,237	25,239,243	17,419,356
Trade and other receivables	6	2,959,528	3,735,207	2,959,144	3,733,210
Inventories	7	195,853	105,265	195,853	105,265
Other assets	10	705,340	682,667	579,075	550,391
Total current assets		29,146,707	22,018,376	28,973,315	21,808,222
Non-current assets					
Other financial assets	8	4,222,005	3,894,654	4,222,009	3,894,658
Property, plant and equipment	11	13,987,840	12,946,514	13,987,840	12,946,514
Right-of-use assets	9	96,871	130,990	96,871	130,990
Total non-current assets		18,306,716	16,972,158	18,306,720	16,972,162
Total assets		47,453,423	38,990,534	47,280,035	38,780,384
Liabilities					
Current liabilities					
Trade and other payables	12	2,674,867	2,045,158	2,666,564	2,012,216
Contract liabilities	13	15,947,146	10,221,749	15,945,319	10,201,787
Lease liabilities	14	51,192	103,343	51,192	103,343
Provisions	15	1,051,677	1,036,324	1,051,677	932,321
Total current liabilities		19,724,882	13,406,574	19,714,752	13,249,667
Non-current liabilities					
Lease liabilities	14	46,702	29,085	46,702	29,085
Provisions	15	154,151	88,748	154,151	87,183
Total non-current liabilities		200,853	117,833	200,853	116,268
Total liabilities		19,925,735	13,524,407	19,915,605	13,365,935
Net assets		27,527,688	25,466,127	27,364,430	25,414,449
Equity					
Accumulated surpluses		27,527,688	25,466,127	27,364,430	25,414,449
Total equity		27,527,688	25,466,127	27,364,430	25,414,449

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

Master Builders Association of Victoria
Statements of changes in equity
For the year ended 30 June 2024

Consolidated	**Accumulated surpluses $**	**Total equity $**
Balance at 1 July 2022	24,837,993	24,837,993
Surplus after income tax expense for the year	628,134	628,134
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	628,134	628,134
Balance at 30 June 2023	25,466,127	25,466,127

Consolidated	**Accumulated surpluses $**	**Total equity $**
Balance at 1 July 2023	25,466,127	25,466,127
Surplus after income tax expense for the year	2,061,561	2,061,561
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,061,561	2,061,561
Balance at 30 June 2024	27,527,688	27,527,688

Parent	**Accumulated surpluses $**	**Total equity $**
Balance at 1 July 2022	25,058,144	25,058,144
Surplus after income tax expense for the year	356,305	356,305
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	356,305	356,305
Balance at 30 June 2023	25,414,449	25,414,449

Parent	**Accumulated surpluses $**	**Total equity $**
Balance at 1 July 2023	25,414,449	25,414,449
Surplus after income tax expense for the year	1,949,981	1,949,981
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,949,981	1,949,981
Balance at 30 June 2024	27,364,430	27,364,430

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

Master Builders Association of Victoria
Statements of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		33,456,867	34,959,227	33,436,302	34,923,753
Payments to suppliers and employees (inclusive of GST)		(24,713,080)	(26,721,418)	(24,265,947)	(25,809,931)
		8,743,787	8,237,809	9,170,355	9,113,822
Interest received		820,423	270,928	818,972	270,012
Interest and other finance costs paid		(45,190)	(47,183)	(45,190)	(47,183)
Net cash from operating activities	25	9,519,020	8,461,554	9,944,137	9,336,651
Cash flows from investing activities					
Payments for property, plant and equipment	11	(1,731,539)	(282,017)	(1,731,539)	(282,017)
Net proceeds from/(payments) for investments		42,108	29,424	42,108	29,424
Net payments from/(to) related parties		39,936	71,297	(356,043)	(829,248)
Net cash used in investing activities		(1,649,495)	(181,296)	(2,045,474)	(1,081,841)
Cash flows from financing activities					
Repayment of lease liabilities		(78,776)	(68,831)	(78,776)	(68,831)
Net cash used in financing activities		(78,776)	(68,831)	(78,776)	(68,831)
Net increase in cash and cash equivalents		7,790,749	8,211,427	7,819,887	8,185,979
Cash and cash equivalents at the beginning of the financial year		17,495,237	9,283,810	17,419,356	9,233,377
Cash and cash equivalents at the end of the financial year	5	25,285,986	17,495,237	25,239,243	17,419,356

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

Note 1. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements 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 Fair Work (Registered Organisation) Act 2009 (RO Act). For the purpose of preparing the general purpose financial statements, the consolidated entity is a not-for-profit entity.

Historical cost convention
The financial statements, except for cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at value, as explained in the accounting policies below. The financial statements are presented in Australian dollars.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Going concern
The consolidated entity is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.
The consolidated entity has agreed to provide MBA Building Services Pty Ltd (trustee of MBA Building Services Trust) with financial support to ensure they can continue on a going concern basis. This agreed support is to continue for at least 12 months from the time of signing the controlled entity's financial statements to ensure that they are able to pay their debts as and when they fall due.

Acquisition of assets and or liabilities that do not constitute a business combination
The consolidated entity 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Parent entity information
These financial statements include the results of both the parent entity and the consolidated entity in accordance with Corporations Instrument 2021/195, issued by the Australian Securities and Investments Commission.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Master Builders Association of Victoria ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Master Builders Association of Victoria and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

Note 1. Material accounting policy information (continued)

Where the consolidated entity 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 consolidated entity 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.

A list of controlled entities is contained in Note 23.

Revenue recognition
The consolidated entity enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of contracts with customers, membership subscriptions and grants.

Revenue from contracts with customers
When the consolidated entity has a contract with a customer, the consolidated entity recognises revenue when or as it transfer control of goods or services to the customer. The consolidated entity 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 subscriptions
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 consolidated entity.

The consolidated entity recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the consolidated entity's promise to provide assistance and support to the member as required.

Revenue from government grants
Revenue from government grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.

AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue
Dividend revenue is recognised when the right to receive a dividend has been established.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the consolidated entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include purchase costs only.

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

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

Financial assets

Recognition and derecognition
Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:
- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at fair value through profit or loss (FVTPL)

Note 1. Material accounting policy information (continued)

Classification of financial assets
The consolidated entity classifies its financial assets subsequently at amortised cost if the following conditions are met:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets;
- 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The relevant categories for the consolidated entity are:

Financial assets at amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Given the settlement terms of financial assets at amortised cost, amortised cost approximates fair value.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Material accounting policy information (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5%
Plant and equipment - office furniture	10% - 20%
Plant and equipment - computer equipment	20% - 40%
Plant and equipment - electrical	20%
Motor Vehicles	15% - 22.5%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 1. Material accounting policy information (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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

Contributions
Contributions are made by the consolidated entity to various employee superannuation funds and are charged as expenses when incurred. The funds are accumulation funds.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 1. Material accounting policy information (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024.

The consolidated entity does not expect the adoption of these amendments to have an impact on its financial statements.

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving the sale of services and goods
When recognising revenue in relation to the sale of services to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the service to the customer, as this is deemed to be the time that the performance obligations are met. Amounts received in advance represent unfulfilled performance obligations and are recognised as contract liabilities at the reporting date.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The consolidated entity 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.

Note 3. Revenue

Revenue	**Consolidated**		**Parent**	
	2024	**2023**	**2024**	**2023**
	$	$	**$**	**$**
Revenue from contracts with customers				
Membership subscriptions	5,932,789	5,896,800	5,932,789	5,896,800
Insurance commission	1,604,638	1,729,540	1,604,638	1,729,540
Sale of documents	637,614	655,875	637,614	655,875
Event income	1,635,114	1,173,950	1,635,114	1,173,950
Sundry income	444,542	1,773,733	444,542	1,773,733
Rental income	318,454	297,806	318,454	297,806
Planning and building services	33,836	182,567	-	-
Training division	1,982,980	1,332,344	1,982,980	1,332,344
Commercial income	206,450	154,280	206,450	154,280
Dividend income	215,587	215,303	215,587	215,303
Grants	11,224,948	9,521,219	11,224,948	9,521,219
	24,236,952	22,933,417	24,203,116	22,750,850
Other revenue				
Interest	820,423	270,928	818,972	270,012
	25,057,375	23,204,345	25,022,088	23,020,862

Financial support has not been received from another reporting unit.

Note 4. Surplus for the year

Surplus from ordinary activities has been determined after the following expenses/(income):

	Consolidated		**Parent**	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Revenue from recovery of wages activity				
Amounts recovered from employers in respect of wages	-	-	-	-
Interest received on recovered money	-	-	-	-
	-	-	-	-

	Consolidated		**Parent**	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Bad and doubtful debts				
Bad debt expense/(reversals)	12,950	557	408,929	901,095

	Consolidated		**Parent**	
	2024	**2023**	**2024**	**2023**
Depreciation of non-current assets				
Buildings	426,117	426,386	426,117	426,386
Plant and equipment	116,871	378,174	116,871	378,174
Grant funded assets	147,225	-	147,225	-
	690,213	804,560	690,213	804,560

Note 4. Surplus for the year (continued)

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Grants and/or donations				
Grants:				
Total paid that were $1,000 or less	-	-	-	-
Total paid that exceeded $1,000	-	-	-	-
	-	-	-	-
Donations:	-	-	-	-
Total paid that were $1,000 or less	594	-	594	1,150
Total paid that exceeded $1,000	-	-	-	14,320
	594	-	594	15,470

	Consolidated 2024	Consolidated 2023	Parent 2024	Parent 2023
Legal costs				
Litigation	-	27,663	-	-
Other legal matters	178,376	50,140	182,562	50,140
	178,376	77,803	182,562	50,140

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Revenue and expenses include the following items for which additional information is required by section 255 of the Fair Work (Registered Organisation Act 2009:				
Capitation fees	-	-	-	-
Levies	-	-	-	-
Consideration to employers for payroll deductions of membership subscriptions	-	-	-	-
Compulsory levies	-	-	-	-
Capitation fees and other expense to another reporting unit	-	-	-	-
Fees/allowance - meeting and conferences	-	-	-	-
Penalties - via RO Act or Fair Work	-	-	-	-
Affiliation fees - Master Builders Australia and other congress organisations	750,265	651,648	750,265	651,648
Other fees and subscriptions	173,230	139,871	165,151	130,700
Conference/meeting expenses	1,130	266	1,130	266

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Employee expenses - Holders of office				
Wages and salaries	-	-	-	-
Superannuation	-	-	-	-
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
	-	-	-	-

Note 4. Surplus for the year (continued)

	Consolidated 2024	Consolidated 2023	Parent 2024	Parent 2023
Employee expenses - Employees other than office holders				
Wages and salaries	10,049,031	10,032,401	9,943,306	9,720,890
Superannuation	1,202,378	1,042,459	1,190,550	1,006,929
Leave and other entitlements	916,546	780,049	915,127	764,889
Separation and redundancies	236,236	255,317	236,236	255,317
Other employee expenses	991,411	601,872	1,081,836	601,872
	13,395,602	12,712,098	13,367,055	12,349,897

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Categories of key expenditure - s 255(2A) requirements				
Remuneration and other employment-related costs, and expenses - employees	13,395,602	12,712,098	13,367,055	12,349,897
Advertising	579,115	490,736	579,115	490,736
Operating costs	7,235,361	6,748,566	6,980,604	6,380,910
Donations to political parties	-	-	-	-
Legal costs	178,376	77,803	182,562	50,140
	21,388,454	20,029,203	21,109,336	19,271,683

Note 5. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Current assets				
Cash on hand	4	4	-	-
Cash at bank	25,285,982	17,495,233	25,239,243	17,419,356
	25,285,986	17,495,237	25,239,243	17,419,356

Note 6. Trade and other receivables

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
Current assets				
Trade receivables	429,431	804,613	427,716	802,616
Less: Provision for expected credit loss	(10,474)	(9,143)	(9,143)	(9,143)
	418,957	795,470	418,573	793,473
Other receivables	2,376,840	2,621,553	2,376,840	2,621,553
Commissions receivables	162,473	316,540	162,473	316,540
	2,539,313	2,938,093	2,539,313	2,938,093
Intercompany loan - controlled entity	-	-	5,281,927	4,884,467
Intercompany loan - related company	1,258	1,644	1,258	1,644
Provision for impairment of intercompany loan	-	-	(5,281,927)	(4,884,467)
Receivables from other reporting units	-	-	-	-
	2,959,528	3,735,207	2,959,144	3,733,210

Allowance for expected credit losses
The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, established by reference to past default experience.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
60-90 days	16,377	6,548	16,377	6,548
90+ days	8,597	282,119	7,266	278,654
	24,974	288,667	23,643	285,202

Movements in the allowance for expected credit losses are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
Opening balance	9,143	13,963	9,143	12,643
Provision (used)/increased during the year	1,331	(4,820)	-	(3,500)
Closing balance	10,474	9,143	9,143	9,143

In determining the recoverability of a trade receivable, the Group examines any changes or any alterations in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being extensive and diverse. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Note 7. Inventories

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Current assets				
Stock on hand - at cost	195,853	105,265	195,853	105,265

Note 8. Other financial assets

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Non-current assets				
Shares in controlled entities - at cost	-	-	4	4
Shares in related entities - at cost	120,000	120,000	120,000	120,000
Financial assets	4,102,005	3,774,654	4,102,005	3,774,654
	4,222,005	3,894,654	4,222,009	3,894,658

Equities securities of $2,039,680 (2023: $1,854,321) held at fair value are classified as Level 1 and valued as quoted bid prices in an active market. Other fair value through profit or loss investments are classified as Level 2 and valued using valuation techniques which maximise the use of observable market data.

Note 9. Right-of-use assets

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Non-current assets				
Vehicles - right-of-use	178,015	133,774	178,015	133,774
Less: Accumulated amortisation	(147,460)	(105,272)	(147,460)	(105,272)
	30,555	28,502	30,555	28,502
Copiers - right-of-use	121,477	121,477	121,477	121,477
Less: Accumulated amortisation	(55,161)	(18,989)	(55,161)	(18,989)
	66,316	102,488	66,316	102,488
	96,871	130,990	96,871	130,990

The consolidated entity leases motor vehicles and office equipment under agreements of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 9. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**Right of use assets Vehicles** $	**Right of use assets Copiers** $	**Total** $
Balance at 1 July 2023	28,502	102,488	130,990
Additions	44,242	-	44,242
Depreciation expense	(42,189)	(36,172)	(78,361)
Balance at 30 June 2024	30,555	66,316	96,871

Note 10. Other assets

	Consolidated		**Parent**	
	2024 $	**2023** $	**2024** $	**2023** $
Current assets				
Prepayments	705,340	682,667	579,075	550,391

Note 11. Property, plant and equipment

	Consolidated		**Parent**	
	2024 $	**2023** $	**2024** $	**2023** $
Non-current assets				
Freehold land and buildings - at cost	19,236,650	19,236,649	19,236,650	19,236,649
Less: Accumulated depreciation	(7,087,067)	(6,660,949)	(7,087,067)	(6,660,949)
	12,149,583	12,575,700	12,149,583	12,575,700
Plant and equipment - at cost	8,171,189	7,951,179	8,171,189	7,951,179
Less: Accumulated depreciation	(7,901,027)	(7,580,365)	(7,901,027)	(7,580,365)
	270,162	370,814	270,162	370,814
Grant funded assets - at cost	147,225	225,550	147,225	225,550
Less: Accumulated depreciation	(147,225)	(225,550)	(147,225)	(225,550)
	-	-	-	-
Capital WIP	1,568,095	-	1,568,095	-
	13,987,840	12,946,514	13,987,840	12,946,514

Note 11. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Freehold land and buildings $	Plant and equipment $	Grant funded assets $	Capital WIP $	Total $
Balance at 1 July 2023	12,575,700	370,814	-	-	12,946,514
Additions	-	16,219	147,225	1,568,095	1,731,539
Depreciation expense	(426,117)	(116,871)	(147,225)	-	(690,213)
Balance at 30 June 2024	12,149,583	270,162	-	1,568,095	13,987,840

Valuations of land and buildings
The basis of the valuation of land and buildings is historical cost. The consolidated entity's land and buildings were last revalued in March 2023 based on independent valuers, Asset Inspect Pty Ltd. The purpose of the valuation was to test the value of the land and buildings for impairment. The valuation has not been reflected in these financial statements however no impairment was required.

There is currently a mortgage held by the Bank of Melbourne over the property at Albert St East Melbourne. While there are no amounts outstanding to the bank, the mortgage secures the credit card facility amounting to $150,000 along with a merchant prepayment facility for $1.035m.

Note 12. Trade and other payables

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Current liabilities				
Trade payables	1,036,918	1,063,465	1,034,819	1,043,580
Sundry creditors and accrued expenses	1,637,949	981,693	1,631,745	968,636
Payables to employers for making payroll deductions of membership subscriptions	-	-	-	-
	2,674,867	2,045,158	2,666,564	2,012,216

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is paid on overdue amounts.

Note 13. Contract liabilities

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Current liabilities				
Contract liabilities	2,869,055	2,944,348	2,867,228	2,924,386
Capital projects grant*	13,078,091	7,277,401	13,078,091	7,277,401
	15,947,146	10,221,749	15,945,319	10,201,787

* All amounts received under the MBV Collaboration and Innovation Centre capital projects grant are restricted purely for the building construction, and as such, is withheld as at 30 June 2024.

Note 14. Lease liabilities

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Current liabilities				
Lease liability	51,192	103,343	51,192	103,343
Non-current liabilities				
Lease liability	46,702	29,085	46,702	29,085
	97,894	132,428	97,894	132,428

Refer to note 17 for further information on financial instruments.

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Future lease payments				
Future lease payments are due as follows:				
Within one year	51,764	67,178	51,764	67,178
One to five years	48,373	67,694	48,373	67,694
Less future finance charges	(2,241)	(2,443)	(2,241)	(2,443)
	97,896	132,429	97,896	132,429

Note 15. Provisions

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Office holders:				
Annual leave	-	-	-	-
Long service leave	-	-	-	-
Separations and redundancies	-	-	-	-
Other	-	-	-	-
Subtotal employee provisions - office holders	-	-	-	-
Employees other than office holders:				
Annual leave	630,992	664,659	630,992	611,645
Long service leave	574,906	460,413	574,906	407,859
Separations and redundancies	-	-	-	-
Other	-	-	-	-
Subtotal employee provision - employees other than office holders	1,205,898	1,125,072	1,205,898	1,019,504

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Current	1,051,677	1,036,324	1,057,677	932,321
Non-current	154,151	88,748	154,151	87,183
Total employee provisions	1,205,828	1,125,072	1,211,828	1,019,504

Note 15. Provisions (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Number of employees at year end	113	107	113	104

Note 16. Other funds

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
Compulsory levy/voluntary contribution fund	-	-	-	-
Other funds required by rules	-	-	-	-
	-	-	-	-

Note 17. Financial instruments

Financial risk management objectives

The consolidated entity's operations expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
Financial assets				
Cash and cash equivalents	25,285,986	17,495,237	25,239,243	17,419,356
Trade and other receivables	2,959,528	3,375,926	2,959,144	3,373,929
Other financial assets - investments	4,102,005	3,774,654	4,102,005	3,774,654
	32,347,519	24,645,817	32,300,392	24,567,939
Financial liabilities				
Trade and other payables	2,203,393	1,750,267	2,195,087	1,717,325
Leases	97,893	130,990	97,893	130,990
	2,301,286	1,881,257	2,292,980	1,848,315

Market risk

The consolidated entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The consolidated entity does not actively trade these investments. There have been no change to the consolidated entity's exposure to market risks or the manner in which these risks are managed and measured. An increase or decrease in equity prices by 5% would increase or decrease equity investments by $205,100 (2023: $188,733).

Note 17. Financial instruments (continued)

Interest rate risk
The exposure to interest rate risk arises from financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the entity to interest rate risk are term deposits and cash and cash equivalents.

An increase or decrease of 50 interest basis points would increase or decrease consolidated surplus and cash by $46,419 (2023: $46,419) and for the parent entity surplus and cash by $46,167 (2023: $46,167).

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

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

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's and company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. Financial assets where carrying amounts exceed net fair values have not been written down as the consolidated entity intends to hold these to maturity. The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 18. Key management personnel disclosures

	Consolidated		Parent	
	2024	2023	2024	2023
	$	$	$	$
Short-term employee benefits	1,445,447	1,610,797	1,445,447	1,610,797
Long-term employee benefits	22,975	11,151	22,975	11,151
Post-employment benefits	118,731	123,256	118,731	123,256
	1,587,153	1,745,204	1,587,153	1,745,204

Note 18. Key management personnel disclosures (continued)

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Short-term employee benefits:				
Salary (including annual leave taken)	1,326,052	1,458,221	1,326,052	1,458,221
Annual leave accrued	7,349	67,200	7,349	67,200
Performance bonus	112,046	85,376	112,046	85,376
	1,445,447	1,610,797	1,445,447	1,610,797
Post-employment benefits:				
Superannuation	118,731	123,256	118,731	123,256
Other long-term benefits:				
Long service leave	22,975	11,151	22,975	11,151
Total	1,587,153	1,745,204	1,587,153	1,745,204

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Transactions with key management personnel and their close family members				
Loans to/from key management personnel	-	-	-	-
Other transactions with key management personnel	-	-	-	-

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by, the auditor of the company:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Audit services -				
Audit of the financial statements	55,500	48,700	49,200	48,700
Other services -				
Other audit services - grant acquittals	6,300	9,900	6,300	9,900
Other services - cashflow forecasting for CIC project	17,500	-	17,500	-
	23,800	9,900	23,800	9,900
	79,300	58,600	73,000	58,600

The auditor of the Master Builders Association of Victoria is William Buck.

Note 20. Contingent assets and liabilities

The consolidated entity has given a bank guarantee as at 30 June 2024 of $300,000 (2023: $300,000) as part of their requirements to be a Registered Training Organisation.

The consolidated entity does not have any other contingent assets or liabilities as at 30 June 2024.

Note 21. Commitments

Master Builders Association of Victoria has committed to support its subsidiaries MBA Building Services Pty Ltd, trustee of MBA Building Services Trust and MBA Training Services Pty Ltd, trustee of MBA Unit Trust for at least 12 months from the signing of the controlled entity's financial statements to ensure the subsidiary can pay their debts as and when they fall due.

Note 22. Related party transactions

Parent entity
Master Builders Association of Victoria is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 23.

Key management personnel
Disclosures relating to key management personnel are set out in Note 18.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Sale of goods and services:				
Rental income from MBA Insurance Services Pty Ltd	308,133	295,797	308,133	295,797
Commissions received from MBA Insurance Services Pty Ltd	1,604,638	1,729,540	1,604,638	1,729,540
Accounting and other expenses charged to MBA Insurance Services Pty Ltd	312,042	302,587	312,042	302,587
Payment to a former related party of the reporting unit	-	-	-	-

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Current receivables:				
Trade receivables from other related party	162,473	316,540	162,473	316,540

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Current receivables:				
Loan to subsidiaries	-	-	5,281,927	4,884,467
Loan to other related party	1,258	1,644	1,258	1,644

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances at 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.
Expected credit losses of $5,281,927 have been raised in relation to loans to subsidiaries and an expense of $397,460 has been recognised in respect of expected credit losses due from loan to subsidiaries.

Note 22. Related party transactions (continued)

Payments made for legal matters on behalf of a related party

Date	Name	Nature of relationship	Amount (inc. GST)	Purpose of payment
28/06/2024	Lisa Hollingsworth	Legal Representative	12,012	Independent legal advice according to Item 4.1 of the MBV Governance Charter regarding the discharge of her officer's duties

Note 23. Controlled and related entities

Parent entity
Master Builders Association of Victoria is the parent entity

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Subsidiaries of Master Builders Association of Victoria:		**Ownership interest**	
		2024	**2023**
Name & Purpose	**Country of incorporation**	**%**	**%**
MBA Building Services Pty Ltd (trustee of MBA Building Services Trust) - To provide supporting services to the building and construction industry	Australia	100.00%	100.00%
MBA Training Services Pty Ltd (trustee of MBA Unit Trust) - To provide training for the Victorian building and construction industry	Australia	100.00%	100.00%
Related Companies:			
MBA Insurance Services Pty Ltd - The provision of insurance brokerage services	Australia	17.50%	17.50%
Master Builders Association of Victoria Foundation Trust (Trustee - Master Builders Association of Victoria Foundation Ltd) - To provide scholarships and support for training within the building and construction industry	Australia	-	-

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 25. Reconciliation of surplus after income tax to net cash from operating activities

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Surplus after income tax expense for the year	2,061,561	628,134	1,949,981	356,305
Adjustments for:				
Depreciation and amortisation	768,574	871,552	768,574	871,552
Impairment of intercompany loans	12,950	550	408,929	901,095
Loss/(Gain) on fair value through profit or loss investments	(421,959)	(360,901)	(421,959)	(360,901)
Movement in doubtful debts	(1,331)	4,820	-	3,500
Change in operating assets and liabilities:				
Decrease in trade and other receivables	776,624	78,783	773,680	80,116
Increase in inventories	(90,588)	(8,317)	(90,588)	(8,317)
Decrease/(increase) in prepayments	(22,673)	2,592	(28,684)	(12,186)
Increase in trade and other payables	629,709	206,628	654,348	294,414
Increase in contract liabilities	5,725,397	7,098,530	5,743,532	7,245,610
Increase/(decrease) in employee benefits	80,756	(60,817)	186,324	(34,537)
Net cash from operating activities	9,519,020	8,461,554	9,944,137	9,336,651

Note 26. 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:

(a) 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.
(b) 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.
(c) A reporting unit must comply with an application made under subsection (1).

Master Builders Association of Victoria
Directors' declaration
30 June 2024

The Board of Management declares that in its opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards, the *Corporations Act 2001*, Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements;

- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

- there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

During the financial year to which the General Purpose Financial Report relates and since the end of that year:
(i) meetings of the Board and Council of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
(iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
(iv) where the organisation costs 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 the Commissioner duly made under section 272 of the RO 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001

On behalf of the Directors

Mark Phillips (Sep 19, 2024 16:32 GMT+10)

Geoffrey Purcell
President

Mark Phillips
Chairperson, Finance, Audit and Risk Committee

19 September 2024

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

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Master Builders Association of Victoria (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended;
- complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001; and*
- 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)

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors’ declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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 directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck
ACCOUNTANTS & ADVISORS

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney
Director
Melbourne, 19 September 2024