MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA

ABN 56 296 473 997

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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OPERATING REPORT

The Executive Board members submit the financial report of the Master Plumbers' & Mechanical Services Association of Australia and controlled entity for the financial year ended 30 June 2022.

Members of Executive Board
The names of executive board members throughout the year and at the date of this report are:

Scott Dowsett	(President)
Grant Donald	(Treasurer)
Norm Anderson	(Vice President)
Kevin Shinners	(Vice President)
Daniel Smolenaars	(Board Member)
Greg Tink	(Board Member)
Michael Tomlinson	(Board Member)
Lorien Dalmau	(Board Member, non-voting, commenced 25 October 2021)
Renee Shankar	(Board Member, non-voting, commenced 25 October 2021)
Rob Hansen	(Board Member, resigned on 17 May 2022)
Peter Daly	(Secretary, non-voting)

Officers or Members – Trustee or Director of a Superannuation Entity
No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of Members
As at 30 June 2022, the Association had 1,026 members (2021: 1,000).

Number of Employees
As at 30 June 2022, the total number of employees of the Association was 216 (2021: 194).

Principal Activities
The principal activities of the Association during the financial year were to provide services, training and advice on industrial law to the membership and the Australian plumbing sector. The Association achieved results in the following areas:

- Delivered training to the Australian plumbing sector including Apprenticeship training and post qualification training
- Ongoing operation of a Group Training Scheme for plumbing apprentices
- High level Federal and State Government lobbying on plumbing related issues.

No significant change in the nature of these activities occurred during the year.

Significant Changes in Financial Affairs

No significant changes in the Association's financial affairs occurred during the financial year.

Operating Result
The operating profit for the consolidated entity and parent entity for financial year after providing for income tax amounted to $294,384 and $293,228 respectively.

Events Subsequent to the End of the Reporting Period
No other matters or circumstances have arisen since the end of the financial year which may significantly affect the operations of the Association, the results of those operations, or the statement of affairs of the Association in subsequent years.

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OPERATING REPORT

COVID-19

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the association. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in subsequent financial periods.

Manner of Resignation

(1) A member of the Association or an affiliate member may resign from membership by written notice addressed and delivered to the Secretary or Executive Director.

(2) A notice of resignation from membership of the Association takes effect;

(a) where the member ceases to be eligible to become a member of the Association;

(i) on the day on which the notice is received by the Association; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

(i) at the end of 14 days after the notice is received by the Association; or

(ii) no the day specified in the notice;

(3) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.

(4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Association when it was delivered.

(5) A notice of resignation that has been received by the Association is not in-valid because it was not addressed and delivered in accordance with subsection (1).

(6) A resignation from membership of the Association is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

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Scott Dowsett

President

Dated in Melbourne on this 4th day of October 2022.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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REPORT REQUIRED UNDER SUBSECTION 255 (2A)
FOR THE YEAR ENDED 30 JUNE 2022

The Executive Board members presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2022.

Descriptive form:

Categories of expenditures	**2022 $**	**2021 $**
Remuneration and other employment-related costs and expenses - employees	12,608,793	10,758,677
Advertising	160,170	119,372
Operating costs	4,319,757	4,197,742
Donations to political parties	-	-
Legal costs	26,508	35,790

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Scott Dowsett

President

Dated in Melbourne on this 4th day of October 2022.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		Group		Parent	
	Notes	**2022 $**	**2021 $**	**2022 $**	**2021 $**
Revenue	2	17,714,849	15,804,248	17,408,456	15,518,715
Employee related expenses		(12,889,017)	(11,022,360)	(12,608,793)	(10,758,677)
Marketing and advertising expenses		(160,170)	(121,369)	(160,170)	(121,369)
Occupancy expenses		(185,042)	(140,244)	(185,042)	(140,244)
Members services expenses		(250,185)	(171,565)	(250,185)	(171,565)
Professional services fees		(507,773)	(326,456)	(507,773)	(326,456)
Insurance expenses		(164,195)	(138,956)	(164,195)	(138,956)
Computer expenses		(142,157)	(110,001)	(142,157)	(110,001)
Motor vehicle expenses		(52,924)	(30,602)	(52,924)	(30,602)
Printing, postage and stationery expenses		(222,099)	(194,841)	(222,099)	(194,841)
Legal expenses		(26,508)	(35,790)	(26,508)	(35,790)
Subscriptions to industrial bodies		(108,631)	(68,530)	(108,631)	(68,530)
Other expenses		(2,711,363)	(3,032,765)	(2,686,751)	(3,014,550)
Total expenses		(17,420,064)	(15,393,479)	(17,115,228)	(15,111,581)
Profit before income tax	3	**294,785**	**410,769**	**293,228**	**407,134**
Income tax expense	1(c)	(401)	(1,262)	-	-
Profit from operations		**294,384**	**409,507**	**293,228**	**407,134**
Other comprehensive income					
Gain/(loss) on financial assets		(282,573)	37,987	(282,573)	37,987
Total comprehensive income for the year		**11,811**	**447,494**	**10,655**	**445,121**

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
CURRENT ASSETS					
Cash and cash equivalents	6	3,468,355	2,890,234	3,362,726	2,800,807
Trade and other receivables	7	2,554,998	2,790,313	2,570,132	2,812,349
Other assets	8	145,941	183,220	145,941	183,220
Financial assets	12	530,819	528,125	530,819	528,125
TOTAL CURRENT ASSETS		6,700,113	6,391,892	6,609,618	6,324,501
NON-CURRENT ASSETS					
Financial assets	12	4,483,114	4,521,651	4,483,114	4,521,651
Property, plant and equipment	9	3,114,220	2,801,847	3,114,220	2,801,847
Right-of-use assets	10	37,316	49,100	37,316	49,100
Investments	11	9,257,371	9,400,763	9,257,431	9,400,823
Intangibles	13	93,535	23,350	93,535	23,350
TOTAL NON-CURRENT ASSETS		16,985,556	16,796,711	16,985,616	16,796,771
TOTAL ASSETS		23,685,669	23,188,603	23,595,234	23,121,272
CURRENT LIABILITIES					
Trade and other payables	14	3,507,948	3,145,169	3,475,639	3,131,619
Lease liabilities	15	11,719	11,189	11,719	11,189
Provisions	16	907,941	802,398	904,053	801,699
TOTAL CURRENT LIABILITIES		4,427,608	3,958,756	4,391,411	3,944,507
NON-CURRENT LIABILITIES					
Lease liabilities	15	27,330	39,049	27,330	39,049
Provisions	16	94,141	66,019	94,141	66,019
TOTAL NON-CURRENT LIABILITIES		121,471	105,068	121,471	105,068
TOTAL LIABILITIES		4,549,079	4,063,824	4,512,882	4,049,575
NET ASSETS		19,136,590	19,124,779	19,082,352	19,071,697
EQUITY					
Retained earnings		19,328,307	19,033,923	19,274,069	18,980,841
Reserves	17	(191,717)	90,856	(191,717)	90,856
TOTAL EQUITY		19,136,590	19,124,779	19,082,352	19,071,697

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings $	Reserves $	Total $
Group			
Balance at 1 July 2020	18,624,416	52,869	18,677,285
Profit for the year	409,507	-	409,507
Other comprehensive income	-	37,987	37,987
Balance at 30 June 2021	19,033,923	90,856	19,124,779
Profit for the year	294,384	-	294,384
Other comprehensive income	-	(282,573)	(282,573)
Balance at 30 June 2022	19,328,307	(191,717)	19,136,590

	Retained Earnings $	Reserves $	Total $
Parent			
Balance at 1 July 2020	18,573,707	52,869	18,626,576
Profit for the year	407,134	-	407,134
Other comprehensive income	-	37,987	37,987
Balance at 30 June 2021	18,980,841	90,856	19,071,697
Profit for the year	293,228	-	293,228
Other comprehensive income	-	(282,573)	(282,573)
Balance at 30 June 2022	19,274,069	(191,717)	19,082,352

The accompanying notes form part of these financial statements.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Group 2022 $	Group 2021	Parent 2022 $	Parent 2021 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members and customers		20,180,743	16,441,340	19,784,613	15,970,121
Interest received		35,014	21,064	35,014	21,064
Payments to suppliers and employees		(18,731,611)	(15,087,706)	(18,417,683)	(14,760,617)
Interest payments and other finance costs		(2,093)	(2,134)	(2,093)	(2,134)
Lease payments for leases of low-value assets		(322)	(1,580)	(322)	(1,580)
Income taxes paid		-	(1,663)	-	-
Receipts from controlled entity	18(b)	-	-	66,000	180,400
Payments to controlled entity	18(b)	-	-	-	-
Net cash provided by operating activities	18(a)	1,481,731	1,369,321	1,465,529	1,407,254
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(599,191)	(248,021)	(599,191)	(248,021)
Proceeds/(payment) from sale of property, plant and equipment		31,000	-	31,000	-
Purchase of investment property		-	-	-	-
Purchase of Intangible asset		(77,500)	-	(77,500)	-
Proceeds from/(purchase of) financial assets		(246,730)	(256,394)	(246,730)	(256,394)
Net cash used in investing activities		(892,421)	(504,415)	(892,421)	(504,415)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of lease liabilities		(11,189)	(8,682)	(11,189)	(8,682)
Net cash used in financing activities		(11,189)	(8,682)	(11,189)	(8,682)
Net (decrease)/increase in cash held		**578,121**	**856,224**	**561,919**	**894,157**
Cash at beginning of financial year		2,890,234	2,034,010	2,800,807	1,906,650
Cash at end of financial year	6	**3,468,355**	**2,890,234**	**3,362,726**	**2,800,807**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement includes the consolidated financial statements and notes of Master Plumbers' & Mechanical Services Association of Australia (MPMSAA) and Controlled Entity (the "consolidated group or "group"), and the separate financial statements and notes of MPMSAA as an individual parent entity ("parent entity" or "parent"). MPMSAA is an Association registered under the Fair Work (Registered Organisations) Act 2009 ('RO Act"). The Association is not divided into branches and accordingly, the reporting unit is the whole of the organisation

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, MPMSAA is a not-for-profit entity.

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

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity ("the parent"), MPMSAA, and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. Details of the subsidiary are provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Income Tax

MPMSAA is exempt from income tax in accordance with Section 50-15 of the Income Tax Assessment Act 1997.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuation to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line or reducing balance basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates	Method
Buildings	2 %	Prime Cost
Furniture and Fittings	7.5 – 20 %	Reducing Balance
Office Equipment	5 – 66.67 %	Reducing Balance
Motor Vehicles	25 %	Reducing Balance

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Investment Property

Investment properties, comprising freehold complexes, are held to generate rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost less accumulated depreciation and impairment losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases

Association as a lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (cont'd)

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (cont'd)

Impairment

The entity recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (eg amount due from customers under construction contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

– the simplified approach; and

– low credit risk operational simplification.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

– there is a low risk of default by the borrower;

– the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and

– adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(i) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(j) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue

The association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, host trainer income, training services, and grants.

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

Revenue from contracts with customers

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

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

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

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

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

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 association.

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue (continued)

Host trainer income

Host trainer income is recognised relating to rendering of services as the performance obligations are satisfied over time.

Training services

Training services is recognised relating to rendering of services as the performance obligations are satisfied over time.

Government grants

Government grants are not recognised until there is reasonable assurance that the association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the association with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest income

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

Rental income

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Judgments

The Board members evaluate estimates and judgments incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates — Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Financial assets designated at fair value through other comprehensive income

The Association maintains a portfolio of securities with a carrying amount of $4,483,114 at the end of the reporting period. Certain individual investments have declined in value since the initial acquisition of those investment. The board members do not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is in excess of 30% below cost or should prices remain at levels below cost for a period in excess of 12 months, the board members have determined that such investments will be considered impaired in the future.

(p) New Australian Accounting Standards

Adoption of New Australian Accounting Standards

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

Future Australian Accounting Standards Requirements Accounting Standards

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

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

The Board has assessed that there will be no material impact on the financial statements upon adoption of AASB 2020-1.

	Group		Parent	
	2022 $	**2021 $**	**2022 $**	**2021 $**
NOTE 2: REVENUE				
Revenue from contracts with customers				
- Host trainer revenue	9,860,729	7,525,484	9,494,090	7,296,132
- Members' subscriptions and related services	1,273,454	1,178,877	1,273,700	1,184,196
- Training services	3,425,954	2,376,579	3,425,954	2,376,579
- Royalties	265,898	351,531	265,898	351,531
- Magazines sales	232,171	182,236	232,171	182,236
	15,058,206	11,614,707	14,691,813	11,390,674
Other revenue				
- Government grants	644,205	235,630	644,205	235,630
- Government grants – COVID-19	1,636,896	3,378,120	1,636,896	3,266,620
- Rental from properties	156,665	146,339	156,665	146,339
- Interest income	35,014	21,064	35,014	21,064
- Other revenue	86,703	265,453	146,703	315,453
- WorkCover recovery	-	5,051	-	5,051
- Investment income	97,160	137,884	97,160	137,884
	2,656,643	4,189,541	2,716,643	4,128,041
Total Revenue	17,714,849	15,804,248	17,408,456	15,518,715

	Group		Parent	
	2022 $	**2021 $**	**2022 $**	**2021 $**
NOTE 3: PROFIT FOR THE YEAR				
Expenses				
Depreciation – property, plant and equipment	255,546	203,311	255,546	203,311
Depreciation – investment property	143,392	143,392	143,392	143,392
Depreciation – right-of-use assets	11,784	9,820	11,784	9,820
Amortisation – intangibles	7,315	-	7,315	-
Total depreciation and amortisation expense	418,037	356,523	418,037	356,523
Provision for expected credit losses	-	-	-	-
Bad debts expenses/(recovered)	(24,579)	(900)	(24,579)	(900)
Loss/(gain) on sale of plant and equipment	272	-	272	-
Legal costs				
- Litigation	279	-	279	-
- Other legal matters	26,229	35,790	26,229	35,790
Donations				
- paid that were $1,000 or less	200	105	200	105
- paid that exceeded $1,000 or more	-	-	-	-
Wage subsidy	1,118,321	1,677,207	1,118,321	1,677,207
Expense relating to leases of low-value assets	322	1,580	322	1,580
Interest on lease liabilities	2,093	2,134	2,093	2,134

	Group		Parent	
	2022 $	2021 $	2022 $	2021 $
NOTE 3: PROFIT FOR THE YEAR (Cont'd)				
Expenses (cont'd)				
Employees benefits – other employees:				
Wages and salaries	10,363,482	8,771,321	10,117,870	8,568,875
Superannuation	1,007,501	790,524	987,210	776,358
Leave and other entitlements	1,010,685	906,754	995,587	882,430
Separation and redundancies	8,264	16,275	-	-
Other employee expenses	176,437	190,857	185,478	184,385
Employees benefits – holders of office:				
Wages and salaries	276,195	304,020	276,195	304,020
Superannuation	29,286	29,885	29,286	29,885
Leave and other entitlements	17,167	12,724	17,167	12,724
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
Fees/allowances for attending meeting and conferences	-	-	-	-
Conference and meeting expenses	40,817	15,546	40,817	15,546
Affiliation fees/ subscriptions paid:				
- Australian Chamber of Commerce and Industry	32,400	32,400	32,400	32,400

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Group and parent	Short-Term Benefits $	Post-employment benefit Non-Cash Benefits $	Superannuation $	Total $
2022				
Total compensation	1,047,907	-	104,146	1,152,053
2021				
Total compensation	1,114,528	-	105,332	1,219,860

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	Group		Parent	
NOTE 5: AUDITORS REMUNERATION	**2022 $**	**2021 $**	**2022 $**	**2021 $**
Remuneration of the auditor of the Group for:				
- auditing or reviewing the financial report	27,900	27,900	27,900	27,900
- other services	770	750	770	750
	28,670	28,650	28,670	28,650

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NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	3,468,355	2,890,234	3,362,726	2,800,807
Short-term bank deposits	-	-	-	-
	3,468,355	2,890,234	3,362,726	2,800,807

(a) Reconciliation of cash

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

Cash and cash equivalents	3,468,355	2,890,234	3,362,726	2,800,807

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT				
Trade debtors	672,185	757,104	643,675	729,140
Less allowance for expected credit losses	(78,661)	(103,240)	(78,661)	(103,240)
Trade debtors, net	593,524	653,864	565,014	625,900
Other receivables	1,961,474	2,136,449	1,955,118	2,136,449
Loan to subsidiary company - Plumbing Staff Solutions Pty Ltd	-	-	50,000	50,000
Interest receivable	-	-	-	-
	2,554,998	2,790,313	2,570,132	2,812,349

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

	Group	Parent
	2022	**2022**
At 1 July	103,240	103,240
Provision for expected credit losses	-	-
Write-back	(24,579)	(24,579)
At 30 June	78,661	78,661

Current trade debtors are non-interest bearing and generally are receivable within 30 days.

Loan to subsidiary company - Plumbing Staff Solutions Pty Ltd is interest free.

NOTE 7: TRADE AND OTHER RECEIVABLES (CONT'D)

Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or Association of counterparties other than those trade debtors specifically provided for and mentioned within Note 7. The main source of credit risk to the Association is considered to relate to the class of assets described as trade debtors.

The following table details the group and parent's trade debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the member or counterparty to the transaction. Trade debtors that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association.

The balances of trade debtors that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired Days (overdue)			Within initial trade terms
			31–60	61–90	> 90	
Group	**$**	**$**	**$**	**$**	**$**	**$**
2022						
Trade receivables	672,185	78,661	81,313	(4,250)	15,424	501,037
Other receivables	1,961,474	-	-	-	-	1,961,474
Total	2,633,659	78,661	81,313	(4,250)	15,424	2,462,511
2021						
Trade receivables	757,104	103,240	75,504	79,907	12,643	485,810
Other receivables	2,136,449	-	-	-	-	2,136,449
Total	2,893,553	103,240	75,504	79,907	12,643	2,622,259
Parent	**$**	**$**	**$**	**$**	**$**	**$**
2022						
Trade receivables	643,675	78,661	81,313	(4,250)	15,424	472,527
Other receivables	2,005,118	-	-	-	-	2,005,118
Total	2,648,793	78,661	81,313	(4,250)	15,424	2,477,645
2021						
Trade receivables	729,140	103,240	56,820	79,907	12,643	476,530
Other receivables	2,186,449	-	-	-	-	2,186,449
Total	2,915,589	103,240	56,820	79,907	12,643	2,662,979

	Note	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $

NOTE 7: TRADE AND OTHER RECEIVABLES (CONT'D)

Financial assets classified as trade and other receivables

	Note	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
Trade and other receivables:					
- total current	20	2,554,998	2,790,313	2,570,132	2,812,349

Collateral Pledged or Held as Security

No collateral has been pledged or held as security for any of the trade and other receivable balances.

NOTE 8: OTHER ASSETS

	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
Current				
Prepayments	145,941	183,220	145,941	183,220

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
Freehold land - at independent valuation 2019	578,242	578,242	578,242	578,242
Buildings - at independent valuation 2019	1,661,758	1,661,758	1,661,758	1,661,758
Less accumulated amortisation	(99,706)	(66,470)	(99,706)	(66,470)
	1,562,052	1,595,288	1,562,052	1,595,288
Buildings - at directors valuation	409,002	216,322	409,002	216,322
Less accumulated amortisation	(136,773)	(115,587)	(136,773)	(115,587)
	272,229	100,735	272,229	100,735
Total buildings	1,834,281	1,696,023	1,834,281	1,696,023
Plant and equipment - at cost	791,829	882,878	791,829	882,878
Less accumulated depreciation	(368,604)	(511,847)	(368,604)	(511,847)
	423,225	371,031	423,225	371,031
Motor Vehicles - at cost	396,760	265,985	396,760	265,985
Less accumulated depreciation	(118,288)	(109,434)	(118,288)	(109,434)
	278,472	156,551	278,472	156,551
Total property, plant and equipment	3,114,220	2,801,847	3,114,220	2,801,847

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	$	$	$	$	$
Group and parent					
Balance at 1 July 2020	578,242	1,723,596	341,157	93,342	2,736,337
Additions	-	16,322	140,019	91,680	248,021
Transfers from intangibles	-	-	20,800	-	20,800
Depreciation expense	-	(43,895)	(130,945)	(28,471)	(203,311)
Balance at 30 June 2021	578,242	1,696,023	371,031	156,551	2,801,847
Additions	-	192,680	212,200	194,311	599,191
Disposals	-	-	(12,735)	(18,537)	(31,272)
Depreciation expense	-	(54,422)	(147,271)	(53,853)	(255,546)
Balance at 30 June 2022	578,242	1,834,281	423,225	278,472	3,114,220

An independent valuation of the Association's land and buildings was performed by Jim Derzekos AAPI Certified Practising Valuer in 2019. The valuations, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transactions. The valuation was based on independent assessments.

Refer to Note 20 for the analysis of non-financial assets (land and buildings) measured at fair value, by fair value hirerchy.

	Group		Parent	
	2022	2021	2022	2021
	$	$	$	$
NOTE 10: RIGHT-OF-USE ASSETS				
Printers	58,920	58,920	58,920	58,920
Less accumulated depreciation	(21,604)	(9,820)	(21,604)	(9,820)
Total investments	37,316	49,100	37,316	49,100

Movements in Carrying Amounts

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year

	Printers	Total
	$	$
Group and parent		
Balance at 1 July 2021	49,100	49,100
Depreciation expense	(11,784)	(11,784)
Balance at the 30 June 2022	37,316	37,316

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	Group		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
NOTE 11: INVESTMENTS				
Investment in subsidiary company - Plumbing Staff Solutions Pty Ltd	-	-	60	60
Freehold land – at cost	2,863,460	2,863,460	2,863,460	2,863,460
Buildings – at cost	7,169,592	7,169,592	7,169,592	7,169,592
Less accumulated amortisation	(775,681)	(632,289)	(775,681)	(632,289)
	6,393,911	6,537,303	6,393,911	6,537,303
Work in progress – building	-	-	-	-
Total investment properties	9,257,371	9,400,763	9,257,371	9,400,763
Total investments	9,257,371	9,400,763	9,257,431	9,400,823

Movements in Carrying Amounts

Movement in the carrying amounts for each class of investment properties between the beginning and the end of the current financial year

	Freehold Land	**Buildings**	**Work in progress - Buildings**	**Total**
	$	**$**	**$**	**$**
Group and parent				
Balance at 1 July 2020	2,863,460	6,680,695	-	9,544,155
Additions	-	-	-	-
Transfers	-	-	-	-
Depreciation expense	-	(143,392)	-	(143,392)
Balance at the 30 June 2021	2,863,460	6,537,303	-	9,400,763
Depreciation expense	-	(143,392)	-	(143,392)
Balance at the 30 June 2022	2,863,460	6,393,911	-	9,257,371

On 1 January 2020, a 50/50 joint operation was formed with CEPU (Plumbing Division) Education and Training Centre Ltd to develop and construct 7-11 Fullard Road, Narre Warren, Victoria with the asset constructed being recognised within the asset class above.

		Group		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$
NOTE 12: FINANCIAL ASSETS					
CURRENT					
Financial assets at amortised cost					
- deposits in financial institution	20	530,819	528,125	530,819	528,125
NON-CURRENT					
Financial assets designated at fair value through other comprehensive income					
- shares in listed securities at fair value	20	4,483,114	4,521,651	4,483,114	4,521,651
		4,483,114	4,521,651	4,483,114	4,521,651
NOTE 13: INTANGIBLE ASSETS					
Website domain – at cost		23,350	23,350	23,350	23,350
Intellectual property		75,000	-	75,000	-
Less accumulated amortisation		(7,315)	-	(7,315)	-
		67,685	-	67,685	-
Work in progress – software		2,500	-	2,500	-
Total intangible assets		93,535	23,350	93,535	23,350

Website domain are recognised at cost of acquisition. They have an infinite life and are carried at cost less any impairment losses. The Executive Board has undertaken a review of the carrying value of the intangible assets at the end of the reporting period and noted that there are no impairment losses.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year

	Website domain	Intellectual property	Work in progress - software	Total
	$	$	$	$
Group and parent				
Balance at 1 July 2020	23,350	-	-	23,350
Amortisation expense	-	-	-	-
Balance at the 30 June 2021	23,350	-	-	23,350
Additions	-	75,000	2,500	77,500
Amortisation expense	-	(7,315)	-	(7,315)
Balance at the 30 June 2022	23,350	67,685	2,500	93,535

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	Note	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
NOTE 14: TRADE AND OTHER PAYABLES					
CURRENT					
Trade and other payables		1,830,099	2,188,771	1,797,790	2,175,221
Income received in advance		1,473,409	753,882	1,473,409	753,882
Funds held in trust	12	204,440	202,516	204,440	202,516
		3,507,948	3,145,169	3,475,639	3,131,619
Financial liabilities at amortised cost classified as trade and other payables					
Trade and other payables:		3,507,948	3,145,169	3,475,639	3,131,619
Less: Income received in advance		(1,473,409)	(753,882)	(1,473,409)	(753,882)
Financial liabilities as trade and other payables	20	2,034,539	2,391,287	2,002,230	2,377,737
NOTE 15: LEASE LIABILITIES					
CURRENT					
Lease liabilities		11,719	11,189	11,719	11,189
NON-CURRENT					
Lease liabilities		27,330	39,049	27,330	39,049
Total Lease liabilities		39,049	50,238	39,049	50,238
NOTE 16: PROVISIONS					
CURRENT					
Employee benefits		907,941	802,398	904,053	801,699
NON-CURRENT					
Employee benefits		94,141	66,019	94,141	66,019
Total employee benefits		1,002,082	868,417	998,194	867,718

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
ABN 56 296 473 997

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
NOTE 16: PROVISIONS (continued)					
Analysis of employee benefits					
Employee benefits – other employees					
Annual leave		609,057	523,061	605,944	522,618
Long service leave		255,626	222,055	255,626	222,055
Separations and redundancies		-	-	-	-
Other – RDO's		89,010	85,719	88,235	85,463
Employee benefits – holders of office					
Annual leave		29,271	27,130	29,271	27,130
Long service leave		19,118	10,452	19,118	10,452
Separations and redundancies		-	-	-	-
Other		-	-	-	-
Total employee benefits		1,002,082	868,417	998,194	867,718

NOTE 17: RESERVES

	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
Asset revaluation reserve	291,306	291,306	291,306	291,306
Financial asset reserve	(483,023)	(200,450)	(483,023)	(200,450)
Total reserves	(191,717)	90,856	(191,717)	90,856
Asset revaluation reserve				
Balance at beginning of financial year	291,306	291,306	291,306	291,306
Movement for the year	-	-	-	-
Balance at end of financial year	291,306	291,306	291,306	291,306

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to property, plant and equipment.

	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
Financial asset reserve				
Balance at beginning of financial year	(200,450)	(238,437)	(200,450)	(238,437)
Movement for the year	(282,573)	37,987	(282,573)	37,987
Balance at end of financial year	(483,023)	(200,450)	(483,023)	(200,450)

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as financial assets designated at fair value through other comprehensive income.

There were no compulsory levy/voluntary contribution fund balance as at the beginning or end of the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 $	Group 2021 $	Parent 2022 $	Parent 2021 $
NOTE 18: NOTES TO STATEMENT OF CASH FLOWS					
(a) Reconciliation of cash flow from operations with profit after income tax					
Profit after income tax		294,384	409,507	293,228	407,134
Non-cash flows in profit:					
Depreciation and amortisation		418,037	356,523	418,037	356,523
(Gain)/loss on sale of plant and equipment		272	-	272	-
(Decrease)/increase in expected credit loss of trade and other receivables		(24,579)	(900)	(24,579)	(900)
Changes in assets and liabilities:					
(Increase) / decrease in trade and other receivables		259,894	(1,038,507)	266,796	(1,015,239)
(Increase) / decrease in other assets		37,279	(155,707)	37,279	(155,707)
Increase in trade and other payables		362,779	1,555,080	344,020	1,566,047
Increase in provisions		133,665	243,325	130,476	249,396
Net cash (used in)/provided by operating activities		1,481,731	1,369,321	1,465,529	1,407,254
(b) Cash flow information					
Cash inflows – from controlled entity:					
Plumbing Staff Solutions Pty Ltd		-	-	66,000	180,400
Cash outflows – to controlled entity:					
Plumbing Staff Solutions Pty Ltd		-	-	-	-

NOTE 19: RELATED PARTY TRANSACTIONS AND INFORMATION ABOUT SUBSIDIARIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- Consultancy fees paid to Ken Gardner (Board Member) for $77,500 (2021 $79,200);
- reimbursement of expenses;
- payment of membership fees and provision of membership services on the same basis as other members;
- use of Group Training Scheme on a normal commercial basis; and
- provision of plumbing services on a normal commercial basis.

As at the end of the financial year, the Association has shareholdings, or is a member, in the following entities:

	Percentage Controlled	
Entity	**2022 (%)**	**2021 (%)**
Australian Plumbing Industries Educational Foundation Holdings Pty Ltd	100%	100%
Master Plumbers Victoria Pty Ltd	100%	100%
Master Plumbers Insurance Brokers Pty Ltd	100%	100%
Australian Master Plumbers Pty Ltd	100%	100%
Master Plumbers and Mechanical Services Association of Victoria Limited	100%	100%
Plumbing Staff Solutions Pty Ltd *	100%	100%
Plumbing Industry Training Pty Ltd	50%	50%
Plumbing Industry Training Limited	50%	50%

All entities listed above are incorporated in Australia.

Australian Plumbing Industries Educational Foundation Holdings Pty Ltd had transactions for the financial year which totalled $nil (2021: $263) and held cash at bank of $504 (2021: $504) as at 30 June 2022.

* The assets, liabilities, income and expenses has been consolidated on a line-by-line basis in the consolidated financial statements of the group. Refer to Note 1(a).

Except for Plumbing Staff Solutions Pty Ltd, all other entities did not have any transactions during the financial year and had no assets or liabilities as at 30 June 2022. As these companies are not considered material to the group, they have not been consolidated into the group's financial statement.

NOTE 20: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		Group		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$
Financial assets					
Cash and cash equivalents	6	3,468,355	2,890,234	3,362,726	2,800,807
Trade and other receivables	7	2,554,998	2,790,313	2,570,132	2,812,349
Financial assets designated at fair value through other comprehensive income:					
- shares in listed securities at fair value	12	4,483,114	4,521,651	4,483,114	4,521,651
Financial assets at amortised cost:					
- deposits in financial institution	12	530,819	528,125	530,819	528,125
		11,037,286	10,730,323	10,946,791	10,662,932
Financial liabilities					
Financial liabilities at amortised cost:					
- trade and other payables	14	2,034,539	2,391,287	2,002,230	2,377,737
- lease liabilities	15	39,049	50,238	39,049	50,238
		2,073,588	2,441,525	2,041,279	2,427,975

Financial Risk Management Policies

The Association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the executive board.

The treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. **Interest rate risk**
The Association is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Association are not considered significant.

b. **Liquidity risk**
Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:
- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle finance leases reflect the earliest contractual settlement dates.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Group	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables (excluding employee benefits and income received in advance)	2,034,539	2,391,287	-	-	-	-	2,034,539	2,391,287
Lease liabilities	11,719	11,189	27,330	39,049	-	-	39,049	50,238
Total expected outflows	2,046,258	2,402,476	27,330	39,049	-	-	2,073,588	2,441,525
Financial assets — cash flows realisable								
Cash and cash equivalents	3,468,355	2,890,234	-	-	-	-	3,468,355	2,890,234
Trade and other receivables	2,554,998	2,790,313	-	-	-	-	2,554,998	2,790,313
Financial assets designated at fair value through other comprehensive income	-	-	4,483,114	4,521,651	-	-	4,483,114	4,521,651
Financial assets at amortised cost	530,819	528,125	-	-	-	-	530,819	528,125
Total anticipated inflows	6,554,172	6,208,672	4,483,114	4,521,651	-	-	11,037,286	10,730,323

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Parent	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables (excluding employee benefits and income received in advance)	2,002,230	2,377,737	-	-	-	-	2,002,230	2,377,737
Lease liabilities	11,719	11,189	27,330	39,049	-	-	39,049	50,238
Total expected outflows	2,013,949	2,388,926	27,330	39,049	-	-	2,041,279	2,427,975
Financial assets — cash flows realisable								
Cash and cash equivalents	3,362,726	2,800,807	-	-	-	-	3,362,726	2,800,807
Trade and other receivables	2,570,132	2,812,349	-	-	-	-	2,570,132	2,812,349
Financial assets designated at fair value through other comprehensive income	-	-	4,483,114	4,521,651	-	-	4,483,114	4,521,651
Financial assets at amortised cost	530,819	528,125	-	-	-	-	530,819	528,125
Total anticipated inflows	6,463,677	6,141,281	4,483,114	4,521,651	-	-	10,946,791	10,662,932

Financial assets pledged as collateral
No financial assets have been pledged as security for any financial liability.

c. **Foreign exchange risk**
The Association is not exposed to fluctuations in foreign currencies.

d. **Credit risk**
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

The Association has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

	Group		Parent	
	2022	2021	2022	2021
	$	$	$	$
Cash and cash equivalents				
- A+ rated	3,468,355	2,890,234	3,362,726	2,800,807
	3,468,355	2,890,234	3,362,726	2,800,807

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

e. **Price risk**
The Association is not exposed to any material commodity price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Change in profit				
+/- 2% in interest rates	+/- 79,983	+/- 68,367	+/- 77,871	+/- 66,579
Change in equity				
+/- 2% in interest rates	+/- 79,983	+/- 68,367	+/- 77,871	+/- 66,579

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

The following table illustrates sensitivities to the Association's exposures to equity price risks. The table indicates the impact on how other comprehensive income and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Change in other comprehensive income				
+/- 5% in equity price	+/- 224,156	+/- 224,156	+/- 226,083	+/- 226,083
Change in equity				
+/- 5% in equity price	+/- 224,156	+/- 224,156	+/- 226,083	+/- 226,083

The above equity price sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgment and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

		2022		2021	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
Group	**Footnote**	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	(i)	3,468,355	3,468,355	2,890,234	2,890,234
Trade and other receivables	(i)	2,554,998	2,554,998	2,790,313	2,790,313
Financial assets — fair value through other comprehensive income	(ii)	4,483,114	4,483,114	4,521,651	4,521,651
Financial assets — amortised cost	(iii)	530,819	530,819	528,125	528,125
Total financial assets		11,037,286	11,037,286	10,730,323	10,730,323
Financial liabilities					
Trade and other payables	(i)	2,034,539	2,034,539	2,391,287	2,391,287
Total financial liabilities		2,034,539	2,034,539	2,391,287	2,391,287
Parent					
Financial assets					
Financial assets					
Cash and cash equivalents	(i)	3,362,726	3,362,726	2,800,807	2,800,807
Trade and other receivables	(i)	2,570,132	2,570,132	2,812,349	2,812,349
Financial assets — fair value through other comprehensive income	(ii)	4,483,114	4,483,114	4,521,651	4,521,651
Financial assets — amortised cost	(iii)	530,819	530,819	528,125	528,125
Total financial assets		10,946,791	10,946,791	10,662,932	10,662,932
Financial liabilities					
Trade and other payables	(i)	2,002,230	2,002,230	2,377,737	2,377,737
Total financial liabilities		2,002,230	2,002,230	2,377,737	2,377,737

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) For listed financial assets designated at fair value through other comprehensive income, closing quoted bid prices at reporting date are used.

(iii) Fair values of amortised cost investments are based on quoted market prices at the end of the reporting period.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

— quoted prices in active markets for identical assets or liabilities (Level 1);

— inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

— inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following tables provide an analysis of financial instrument assets that are measured fair value, by fair value hierarchy:

Group and parent

2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets:				
Fair value through other comprehensive income	4,483,114	-	-	4,483,114
Amortised cost	530,819	-	-	530,819
	5,013,933	-	-	5,013,933
2021				
Financial assets:				
Fair value through other comprehensive income	4,521,651	-	-	4,521,651
Amortised cost	528,125	-	-	528,125
	5,049,776	-	-	5,049,776

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

Non-financial Assets Fair Value Hierarchy

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

Group and parent

2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Non-financial assets:				
Land	-	578,242	-	578,242
Buildings	-	1,562,052	-	1,562,052
	-	2,140,294	-	2,140,294
2021				
Non-financial assets:				
Land	-	578,242	-	578,242
Buildings	-	1,595,288	-	1,595,288
	-	2,173,530	-	2,173,530

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

Non-financial Assets Fair Value Hierarchy (Cont'd)

There have been no transfers between levels during the reporting period (2021: no transfer).

The fair value of land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

NOTE 21: CAPITAL MANAGEMENT

The Board members control the capital of the Association in order to maintain a good debt-to-equity ratio and to ensure that the Association can fund its operations and continue as a going concern. The Association's debt and capital includes financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

The Board members effectively manage the Association's capital by assessing the Association's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Association since the prior year. This strategy is to ensure that there is sufficient cash to meet trade and other payables and borrowings.

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Trade and other payables	(2,034,539)	(2,391,287)	(2,002,230)	(2,377,737)
Less cash and cash equivalents	3,468,355	2,890,234	3,362,726	2,800,807
Net (debt)/equity	1,433,816	498,947	1,360,496	423,070
Total equity	19,136,590	19,124,779	19,082,352	19,071,697
Total capital	20,570,406	19,623,726	20,442,848	19,494,767

NOTE 22: COMMITMENTS

Operating lease commitments—as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2022 are:

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Within one year	36,400	36,400	36,400	36,400
After one year but not more than five years	72,800	-	72,800	-
	109,200	36,400	109,200	36,400

The property lease is a non-cancellable lease with a 3-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the 1-year term for an additional two terms for 1 year each.

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2022 (2021: $nil).

NOTE 24: EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the ongoing structure and financial activities of the Association.

NOTE 25: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

Unit 15, 306 Albert Street
Brunswick VIC 3056
AUSTRALIA

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 sub-sections (1) to (3), of Section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

NOTE 27: COVID-19

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the association. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in subsequent financial periods.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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EXECUTIVE BOARD'S STATEMENT

On 4 October 2022, the Executive Board of Master Plumbers' & Mechanical Services Association of Australia ("reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2022.

The Executive Board declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of the year:
    i) meetings of the Executive Board were held in accordance with the rules of the organisation; and
    ii) the financial affairs of the reporting unit have been managed in accordance with rules of the organisation; and
    iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
    iv) no information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act; and
    v) no orders have been made for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act;

This declaration is made in accordance with a resolution of the Executive Board.

For and on behalf of the Executive Board by:

DocuSigned by:
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Scott Dowsett

President

Dated in Melbourne on this 4th day of October 2022.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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OFFICER DECLARATION STATEMENT

I, Scott Dowsett, being the President of the Executive Board of Master Plumbers' & Mechanical Services Association of Australia, declare that the following activities did not occur during the reporting period ending 30 June 2022.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

DocuSigned by:

B79BE507501D445...

Scott Dowsett

President

Dated in Melbourne on this 4th day of October 2022.

MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA
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INDEPENDENT AUDITOR'S REPORT