



FINANCIAL STATEMENTS

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INDEPENDENT AUDIT REPORT 2006-2007



TO THE DIRECTORS OF TASBUILD LIMITED

Independent auditor's report to the directors of TasBuild Ltd

We have audited the accompanying financial report of TasBuild Ltd and the Construction Industry (Long Service) Fund, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and a statement by trustees.

Separate unqualified audit opinions have been issued on these two entities in accordance with the governing rules and legislation.

This audit report is a special purpose audit report as required by clause 10.3 of TasBuild Ltd's Trust Deed dated 19 June 1998, in accordance with TasBuild Ltd's Articles of Association, recital 25 and Memorandum of Association, clause 5.

This special purpose audit report is prepared to express an opinion on whether the financial report of TasBuild Ltd and the Construction Industry (Long Service) Fund for the period ended 30 June 2007 is properly drawn up:

- (a) so as to give a fair and reasonable view of:
 - (i) the remuneration appropriated out of the Fund by the Trustee; and
 - (ii) the remuneration paid by the Trustee to each member of the Board; and
 - (iii) the expenses reimbursed by the Trustee to each member of the Board;
- (b) in accordance with TasBuild Ltd's:
 - (i) Trust Deed, clause 10.3; and
 - (ii) Articles of Association, recital 25; and
 - (iii) Memorandum of Association, clause 5.

The directors of TasBuild Ltd are responsible for the preparation and fair presentation of the financial report in accordance with the conditions outlined at (a) and (b) above. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on conditions (a) and (b) above, based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001 and any applicable code of professional conduct.

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

Auditor's Opinion

In our opinion the financial report of TasBuild Ltd and the Construction Industry (Long Service) Fund for the period ended 30 June 2007 are properly drawn up:

- (a) so as to give a fair and reasonable view of:
 - (i) the remuneration appropriated out of the Fund by the Trustee; and
 - (ii) the remuneration paid by the Trustee to each member of the Board; and
 - (iii) the expenses reimbursed by the Trustee to each member of the Board;
- (b) in accordance with TasBuild Ltd's:
 - (i) Trust Deed, clause 10.3; and
 - (ii) Articles of Association, recital 25; and
 - (iii) Memorandum of Association, clause 5.

A handwritten signature in black ink, appearing to read 'D J McCarthy'.

D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000
31 August, 2007

INDEPENDENT AUDIT REPORT 2006-2007



TO THE MEMBERS OF TASBUILD LIMITED

Independent auditor's report to the members of TasBuild Ltd

We have audited the accompanying financial report of TasBuild Ltd, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and a statement by trustees.

Directors' Responsibility for the Financial Report

The directors of TasBuild Ltd are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of TasBuild Ltd a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion the financial report of TasBuild Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of TasBuild Ltd at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) other mandatory financial reporting requirements in Australia.

A handwritten signature in black ink, appearing to read "D J McCarthy". The signature is stylized and somewhat cursive.

D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000

31 August, 2007

INDEPENDENT AUDIT REPORT 2006-2007



Wise Lord & Ferguson

Chartered Accountants

advice to advantage

TO THE TRUSTEE AND MEMBERS OF THE CONSTRUCTION INDUSTRY (LONG SERVICE) FUND

Independent auditor's report to the trustee and members of the Construction Industry (Long Service) Fund

We have audited the accompanying financial report of the Construction Industry (Long Service) Fund, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and a statement by trustees.

Trustees' Responsibility for the Financial Report

The Trustee of the Construction Industry (Long Service) Fund is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the Directors of TasBuild Ltd a written Auditor's Independence Declaration, a copy of which is included in the Director's report.

Auditor's Opinion

In our opinion the financial report of the Construction Industry (Long Service) Fund is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Construction Industry (Long Service) Fund at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) other mandatory financial reporting requirements in Australia.

D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000

31 August, 2007

STATEMENT BY TRUSTEES 2006-2007

In the opinion of the Directors of TasBuild Limited, Trustee for the Construction Industry (Long Service) Fund:

1. The accompanying Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and the Notes to the Financial Statements present fairly the financial transactions for the twelve months to 30 June 2007 and the financial position of the Fund as at 30 June 2007.
2. The financial statements referred to above have been prepared in accordance with the *Corporations Act 2001* including Australian Accounting Standards, other mandatory professional reporting requirements and *Corporations Regulations 2001*.
3. At the date of this statement there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors of the Trustee.

For and on behalf of TasBuild Limited



D H HODGMAN
Director & Chairman



M R SHEPPERD
Director

Hobart, Tasmania

31 August, 2007

DIRECTORS' REPORT

The Directors of TasBuild Limited submit herewith the financial report for the financial year ended 30 June 2007.

The Directors who held office during the reporting period were:

Des Hodgman	Appointed 9 May 2001	
Mark Watson	Appointed 8 November 2001	Resigned 12 October 2006
Tony Benson	Appointed 12 April 2001	
Chris Atkins	Appointed 13 July 2000	
Michael Shepperd	Appointed 21 April 1998	
Kevin Harkins	Appointed 8 March 2001	
Darren Hanisch	Appointed 14 October 2004	Resigned 18 August 2006
Anne Urquhart	Appointed 18 August 2006	
Adrian Granger	Appointed 15 June 2007	

The Directors were in office from the beginning of the year until the date of this report, unless otherwise stated. All the Directors of the Company are non-executive Directors.

PRINCIPAL ACTIVITIES

TasBuild's principal activities are to administer the *Construction Industry (Long Service) Act 1997*, the governing legislation for the construction industry based portable long service scheme. During the year there was no significant change in the nature of those activities.

REVIEW & RESULTS OF OPERATIONS

The net profit of the company for the financial year was \$2,680,000 (2006 profit: \$3,631,000). No dividend was paid or declared during the financial year (2006: Nil).

SIGNIFICANT EVENTS AFTER BALANCE DATE

There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to this financial year.

LIKELY DEVELOPMENT & EXPECTED RESULTS

The Directors do not predict any material change in the operations of the company or the expected results of those operations in future financial periods. The company has purchased a property and will be moving their offices during the financial year. A significant development project will be undertaken on the site in the future of which the effect will not be seen in the 2007/2008 financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIR

There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to this financial year.

EMPLOYEES

The company employed 5 employees as at 30 June 2007 (2006: 5 employees).

INDEMNIFICATION & INSURANCE OF DIRECTORS & OFFICERS

During the financial year, the Company paid a premium insuring the Directors and Officers of the Company against liabilities incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Auditors Independence Declaration to the Directors

In relation to our audit of the financial report for TasBuild Limited, for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street, Hobart

Signed in accordance with a resolution of the Directors.

D H HODGMAN
Director & Chairman
31 August, 2007

M R SHEPPERD
Director

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$'000	2006 \$'000
Revenue			
Contributions Accrued Liability	1m	572	571
Monthly/Quarterly Contributions	1m	1,029	1,691
Income From Financial Assets	3b	9,378	7,664
Income from Property		6	0
Miscellaneous Income		50	76
Profit/(Loss) on Disposal of Assets		(5)	2
Total Revenue		11,030	10,004
Expenses			
Long Service			
Long Service Benefits		1,453	1,038
Administration			
Salaries and Associated Expenses		322	345
General Administration Expenses	3a	351	327
Other Expenses			
Doubtful Debts		9	8
Depreciation	3c	36	48
Adjustment Liability to Beneficiaries	8	6,179	4,607
Total Expenses		8,350	6,373
Net Profit Attributable to Members of TasBuild Limited		2,680	3,631

This Income Statement should be read in conjunction with the notes to and forming part of the financial statements

BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007 \$'000	2006 \$'000
Current Assets			
Cash and Cash Equivalents	10	24	23
Accounts Receivable	4	480	490
Financial Assets	7	625	2,054
Other Accrued Income	5	82	183
Prepaid Expenses		6	4
Total Current Assets		1,217	2,754
Non-Current Assets			
Investments	7	61,662	54,531
Property, Plant & Equipment	6	3,196	164
Total Non-Current Assets		64,858	54,695
Total Assets		66,075	57,449
Current Liabilities			
Accrued Long Service Leave Benefits Liability	8	1,460	1,050
Provision for Employee Benefits		25	30
Accrued Charges		71	41
GST Payable		0	7
GST Refundable		(293)	0
Rental Income in Advance		14	0
Total Current Liabilities		1,277	1,128
Non-Current Liabilities			
Accrued Long Service Leave Benefits Liability	8	31,995	26,226
Provision for Employee LSL Benefits		49	21
Total Non-Current Liabilities		32,044	26,247
Total Liabilities		33,321	27,375
Net Assets		32,754	30,074
Equity			
Retained Earnings		32,754	30,074
Total Equity		32,754	30,074

This Balance Sheet should be read in conjunction with the notes to and forming part of the financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$'000	2006 \$'000
Cash Flows from Operating Activities			
Receipts from Contributors		1,715	2,341
Other Receipts		78	54
Payments to Suppliers and Employees		(2,397)	(1,831)
Net Cash Flows from / (used in) Operating Activities	10	(604)	564
Cash Flows from Investing Activities			
Purchase of Property, Plant & Equipment		(3,106)	(91)
Purchase of Financial Assets		(672)	(2,500)
Proceeds on Sale of Financial Assets		4,348	2,000
Proceeds on Sale of Property, Plant & Equipment		35	37
Net Cash Flows from / (used in) Investing Activities		605	(554)
Net Increase/(Decrease) in Cash and Cash Equivalents		1	10
Cash and Cash Equivalents at Beginning of the Period		23	13
Cash and Cash Equivalents at End of the Period	10	24	23

This Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings
As at 1 July 2005	26,443
Profit for the Year	3,631
As at 30 June 2006	30,074
Profit for the Year	2,680
As at 30 June 2007	32,754

This Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and Australian accounting standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial statements have been prepared under conventional historical cost principles, except for financial assets which are measured at fair value.

All amounts in the financial statements have been rounded to the nearest thousand dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(c) Financial Assets

Financial Assets are classified as financial assets at fair value. They are initially recognised at cost, being the fair value of the consideration given.

After initial recognition, financial assets are measured at fair value. Gains or losses on financial assets are recognised in the income statement.

Fair value is determined through reference to the net market value of the investment at period end as provided by the relevant fund manager.

The Trustee regards investments due to mature or expire within the next twelve months as current and accordingly these have been disclosed as current assets. Investments held with Fund Managers, have been placed for long term investment and are therefore disclosed as non-current assets.

(d) Accrued Long Service Benefits Liability

The liability for accrued long service benefits is determined as the present value of all expected future payments that arise from the service of eligible workers up to the balance date.

The stated amount has been calculated by the Fund's actuary using an actuarial valuation method which takes into account assumptions of the rates of departure from the industry, mortality rates, increases in wages and rates of return on investments. The liability has been recorded both as a current liability (that amount due within twelve months) and as a non-current liability.

(e) Property, Plant and Equipment

All items of Property, Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Land is not depreciated.

All other items of Property, Plant and Equipment are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

<i>Category</i>	<i>2007</i>	<i>2006</i>
Furniture and Fittings & Office Equipment	12-17%	12-17%
Motor Vehicles	20%	20%
Computer Equipment	27%	27%
Buildings	2.5%	2.5%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

(f) Provisions for Employee Benefits

Provision is made for the Trustee's liability for employee benefits arising from services rendered by employees up to the balance date. These benefits include wages and salaries, annual leave and long service leave. Employee benefits expected to be settled within 1 year have been measured at their nominal amount based on the remuneration rates which are expected to be paid when the liability is settled.

All other employee benefits are measured at the present value of the estimated future cash outflows to be made for those entitlements. Estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Control of a right to receive consideration for the provision of, or investments in, assets has been attained.

(h) Tax

The Fund is exempt from income tax.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST.

The amount of GST recoverable has been netted off against GST Payable and recorded as a current liability in the Statement of Financial Position.

(j) Recoverable Amount of Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money.

(k) Payables

Liabilities for creditors and other amounts are carried at cost, which is the net fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trustee. Creditors are non-interest bearing and generally on 30 day terms.

(l) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(m) Contributions

Contributions Payable including GST

With the enactment of the *Construction Industry (Long Service) Act 1997* employers that had elected to contribute to the former fund under the Termination Scheme had an accrued liability to the Trustee for unpaid contributions. In accordance with the Rules, payment of this liability may be postponed until the employee leaves the employer or becomes eligible for the payment of an entitlement. Contributions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

payable includes any accrued liability prior to registration together with monthly or quarterly contributions by registered employers. In respect of contributions payable between 1 July 2000 and 30 June 2005 amounts invoiced include GST.

Contribution Income

Effective from 1 January 2006 workers commenced accruing 13 weeks after 10 years, a change from 13 weeks after 15 years. Further effective 1 July 2006 the contribution rate has changed to 2.5% of an ordinary weekly wage and the subsidised contribution rate decreased to 0.3%.

Accounts Receivable

Accounts receivable relate mainly to contributions.

Contributions are carried at their nominal amount less a provision for any uncollectable debts.

Contributions are non-interest bearing and generally on 30 day terms from invoice date.

Provision for Doubtful Debts

The collectability of debts is assessed at the end of each financial period and a provision is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(n) Lease

TasBuild does not hold any material finance leases.

TasBuild as lessor

Leases in which the company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease receipts are recognised as a revenue in the income statement on a straight-line basis over the lease term. This is representative of the pattern of benefits to be derived from the leased property.

TasBuild as lessee

Payments made under operating leases are expensed on a straight-line basis over the term of the lease. This is representative of the pattern of benefits to be derived from the leased property.

	2007	2006
	\$'000	\$'000
3.(a) GENERAL ADMINISTRATION EXPENSES		
Postage and Telephone	26	25
Printing and Stationery	13	11
Travelling Expenses	11	8
General Expenses	172	145
Consultancies	1	1
IT Expenses (excluding depreciation)	9	8
Board Members' Allowances	41	22
Audit Fees	10	12
Vehicle Expenses (excluding depreciation)	20	25
Legal Expenses	16	46
Actuarial Services	5	11
Advertising and Promotion	<u>27</u>	<u>13</u>
Total	351	327
3.(b). INCOME FROM FINANCIAL ASSETS		
(a) Domestic Market		
Interest Income	131	116
(b) Funds Held by Funds Managers		
Distributions Received	4,736	6,340
Unrealised Gain	4,511	1,208
Total Income from Investments	9,378	7,664
3.(c). DEPRECIATION		
Office Equipment	2	2
Motor Vehicles	20	28
Computer Equipment	13	16
Furniture and Fittings	<u>1</u>	<u>0</u>
Total	36	48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$'000	\$'000
4. ACCOUNTS RECEIVABLE		
Accounts Receivable before provision for Doubtful Debts	496	512
Less Provision for Doubtful Debts	<u>16</u>	<u>22</u>
Accounts Receivable - Closing	480	490
5. ACCRUED INCOME		
Accrued Investment Income	Nil	Nil
Contributions accrued	82	183
Total Accrued Income	82	183
6. PROPERTY, PLANT & EQUIPMENT		
Land and Buildings at cost	3,030	0
Work in Progress	8	0
Office Equipment at cost	28	28
Less Accumulated Depreciation	<u>(21)</u>	<u>(20)</u>
	7	8
Motor Vehicles at cost	142	128
Less Accumulated Depreciation	<u>(31)</u>	<u>(28)</u>
	111	100
Computer Equipment at cost	143	183
Less Accumulated Depreciation	<u>(107)</u>	<u>(132)</u>
	36	51
Furniture and Fittings at cost	9	9
Less Accumulated Depreciation	<u>(5)</u>	<u>(4)</u>
	4	5
Total Property, Plant & Equipment	3,196	164
Reconciliation		
<i>Land & Buildings</i>		
Carrying amount at beginning	0	0
Additions	<u>3,030</u>	<u>0</u>
Carrying amount at end	3,030	0
<i>Work in Progress</i>		
Carrying amount at beginning	0	0
Additions	<u>8</u>	<u>0</u>
Carrying amount at end	8	0
<i>Office Equipment</i>		
Carrying amount at beginning	8	9
Additions	1	1
Depreciation expense	<u>(2)</u>	<u>(2)</u>
Carrying amount at end	7	8
<i>Motor Vehicles</i>		
Carrying amount at beginning	100	81
Additions	63	80
Disposals	<u>(32)</u>	<u>(54)</u>
Depreciation Expense	<u>(20)</u>	<u>(7)</u>
Carrying amount at end	111	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$'000	\$'000
<i>Computer Equipment</i>		
Carrying amount at beginning	51	60
Additions	4	7
Disposals	(6)	(3)
Depreciation expense	<u>(13)</u>	<u>(13)</u>
Carrying amount at end	36	51
<i>Furniture and Fittings</i>		
Carrying amount at beginning	5	5
Additions	0	0
Depreciation Expense	<u>1</u>	<u>0</u>
Carrying amount at end	4	5

7. FINANCIAL ASSETS

<i>Current Financial Assets</i>		
Funds Directly Managed by the Trustee		
Direct Property	<u>625</u>	<u>2,054</u>
Total Current Financial Assets	625	2,054
<i>Non-Current Financial Assets</i>		
Property and Property Trusts	1,969	2,035
Domestic Equities	21,441	18,992
Overseas Investments	37,982	33,190
<i>Funds Directly Managed by the Trustee</i>		
Venture Capital Fund	<u>270</u>	<u>314</u>
Non-Current Financial Assets	61,662	54,531
Total Financial Assets	62,287	56,585

8. ACCRUED LONG SERVICE BENEFITS LIABILITY

Liability Directly Managed by the Trustee

With the enactment of the *Construction Industry (Long Service) Act 1997* employers were identified that had not contributed under the former fund. The liability was not recorded in the previous administrators financial records and are not recorded on the Trustee's computer system. Calculations are manually recorded via spreadsheet by the Trustee. These amounts have undergone verification by the Trustee's Actuary in previous years and from 2006 onwards will undergo internal review by the Trustee and will be itemised separately. There is a corresponding asset for this amount.

Non-Current	226	226
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Long Service Benefits Liability Verified by Actuary

An increase in the total number of service days, employees registered and wage rates has resulted in an increase in the liability to beneficiaries of \$6,178,682.00 when compared with the assessment at 30 June 2006.

Current	1,460	1,050
Non-Current	<u>31,769</u>	<u>26,000</u>
	33,229	27,050

Actuarial Statement

I have carried out an investigation of the fund as at 30 June 2007 and have calculated the actuarial liability for accrued long service leave benefits (inclusive of allowances for the cost of paying the accrued entitlements and a margin for uncertainty in the estimate) to be \$33,229 million.

David B Quinn-Watson B.Sc (Hons) FIAA
Bendzulla Actuarial Pty Ltd
August 2007

Total Accrued Long Service Benefits Liability	33,455	27,276
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The investments of the Fund (cash, fixed interest securities and real estate) are managed by the trustee and on behalf of the trustee by MLC Implemented Consulting. MLC is required to invest the assets managed by it in accordance with the terms of a written investment mandate.

The trustee has determined that appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy.

The trustee obtains monthly reports from the Investment Manager on the nature of the investments made. Annual reports include Risk Management Statements.

The principal financial instruments, comprise cash and investments with fund managers. The main purpose of these financial instruments is to build on surplus funds in order to maintain the best subsidised contribution rate for employers within the construction industry i.e. to obtain a return of investment monies held on behalf of members in order to support the scheme into the future.

The trustee has various other financial instruments such as debtors and creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the trustee's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Groups financial instruments are interest rate risk and credit risk. The Board has delegated the managing of each of these risks to management.

Interest Rate risk

The Trustee's exposure to market risk for changes in interest rates relates primarily to the Trustee's investment in cash and fixed interest funds. Returns on these investments will fluctuate with movements in market interest rates.

The Trustee's policy is to manage its interest rate risk through its investment policy which states a maximum of funds can be invested in interest rate affected investments.

The Trustee does not enter into interest rate swaps.

Credit Risk

The trustee's exposure to credit risk arises from the potential for default from a counter party. The maximum exposure is equal to the carrying amount in the Balance sheet. Receivable balances are monitored on an ongoing basis with the result that the Trustee's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Trustee's holdings with the exception of being concentrated in the construction industry.

FINANCIAL INSTRUMENTS

	WAEI %	Floating Interest \$'000		Non-Int Bearing \$'000		Total (per Bal Sheet) \$'000	
		2007	2006	2007	2006	2007	2006
Financial Assets							
Cash	0.70	24	23			24	23
Equity Investments				61,662	54,531	61,662	54,531
Short term investments	5.56	625	2,054			625	2,054
Receivables				254	265	254	265
Total		649	2,077	61,916	46,722	62,565	56,905

WAEI - Weighted Average Effective Interest

Net Fair Values of Financial Assets and Liabilities

The Fund's financial instruments are included in the Statement of Financial Position at amounts that approximate net fair value.

2007
\$'000

2006
\$'000

10. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	24	23
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Cash in bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

The fair value of cash and cash equivalents is: Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2007	2006
	\$'000	\$'000
Net Profit	2,680	3,631
<i>Adjustments for</i>		
(Profit)/Loss on Sale of Plant and Equipment	5	(2)
Unrealised (Gains)/Losses on Investments	(4,511)	(1,208)
Reinvestment of Financial Asset Income	(4,868)	(6,456)
Depreciation	36	48
(Increase)/Decrease in Receivables	(171)	(56)
(Increase)/Decrease in Prepaid Expenses	(2)	12
Increase/(Decrease) in Provision for Doubtful Debts	(5)	8
Increase/(Decrease) in Creditors and Other Liabilities	30	(45)
Increase/(Decrease) in Provisions	6,202	4,632
Net Cash Increase/(Decrease) from Operating Activities	(604)	564

11. SEGMENT REPORTING

TasBuild operates predominantly in one business and geographical segment, being the administration of the *Construction Industry (Long Service) Act 1997* through out Tasmania.

12. DIRECTORS & KEY MANAGEMENT PERSONNEL REMUNERATION

Compensation of Directors and Key Management Personnel

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the entity, directly or indirectly, by the entity of which they are directors.

2007	2006
\$56,350	\$36,531

Income paid or payable, or otherwise made available, in respect of the financial year, to key management personnel.

2007	2006
\$95,000	\$85,000

For all Directors of TasBuild, excluding the Chairman, Directors' fees are paid directly to the body which nominates the Director.

13. AUDITORS REMUNERATION

	2007	2006
Amounts received or due and receivable by Wise Lord and Ferguson for:		
Audit and review of the financial report of TasBuild Limited	8,000	\$9,800
Other services performed	2,200	\$2,052

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

14. RELATED PARTY DISCLOSURES

Directors

The Directors who held office during the reporting period were:

Des Hodgman	Appointed 9 May 2001	
Mark Watson	Appointed 8 November 2001	Resigned 12 October 2006
Tony Benson	Appointed 12 April 2001	
Chris Atkins	Appointed 13 July 2000	
Michael Shepperd	Appointed 21 April 1998	
Kevin Harkins	Appointed 8 March 2001	
Darren Hanisch	Appointed 14 October 2004	Resigned 18 August 2006
Anne Urquhart	Appointed 18 August 2006	
Adrian Granger	Appointed 15 June 2007	

Transactions with Directors or Director related entities:	2007	2006
Michael Shepperd (Accounting assistance)	\$935	\$335
Des Hodgman	N/A	N/A

15. COMMITMENTS AND CONTINGENCIES

Commitments for expenditure

a) Capital Expenditure Commitments

The Group has entered into a commercial lease on rental of the current office building.

This lease is due to expire on 21 November, 2007. Renewal terms are included in the contract. Renewal is at the option of the trustee. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2007	2006
Due within one year	\$17,206	\$37,500
Due later than one year	N/A	\$15,625

b) Contingent Liabilities and Contingent Assets

No event has occurred during the year to give need to recognising a contingent asset or contingent liability in the accounts at 30 June 2007.

16. OPERATING LEASE

Lease Commitments

The company has entered into a commercial property lease on the property it has purchased at Campbell Street.

The Tenant has an initial four month lease period which commenced on 19 June 2007 and will expire on 18 October 2007. Following this initial period the Tenant has three by three month options which could possibly go through to 18 July, 2008.

Future minimum rental due under non-cancellable operating leases are as follows:

	2007	2006
Due within one year	\$71,532	N/A
Due later than one year	N/A	N/A



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