



30th September 2002

Industrial Registrar Australian Industrial Registry GPO Box 969 DARWIN NT 0801

Dear Sir/Madam

Attached please find the Audited Financial Statements for Territory Construction Association for the year ended 30th June 2002.

I, David Malone being the General Manager and Public Officer of Territory Construction Association certify that the attached documents were those presented to the members at the Annual General Meeting held on the 27th September 2002 and were presented to the Executive at the Executive Meeting held on the 27th August 2002.

Yours faithfully

1 al on

David Malone General Manager

į	AUSTRALIAN INDUSTRIAL REGISTRY
	10 OCT 2002
	NORTHERN TERRITORY REGISTRY

Enc.

Romeriadise is presetty efficient with Moorer Baltitory Association Romerialise Association Romerialise Area Romerial Area Romeria Rom

• TERRITORY CONSTRUCTION ASSOCIATION INC • Lot 1450 Winnellie Rd, Winnellie NT 0820 PO Box 37121 Winnellie NT 0821 Phone: 08 8922 9666 Fax: 08 8922 9600 ABN: 54 527 741 841

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 June 2002

AUSTRALIAN INDUSTRIAL REGISTRY 1 0 0 C T 2002 Northern territory registry

Prepared by: LOWE & LOWRY Accountants PO Box 36394 Winnellie N.T 0821

′ si

10

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

CONTENTS	PAGE
Committee of Management's Certificate	1
Principal Accounting Officer's Certificates	2
Independent Audit Report	3
Balance Sheet	4 - 5
Statement of Income and Expenditure	6
Notes to and Forming part of the Financial Statements	7 - 12

NOTICE

Members may request additional information, pursuant to Section 274 of the Work Place Relations Act 1996.

SECTION 274 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

- 274(1) (Application for information) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- 274(2) ((Provision of information) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- 274(3) (Function of Registrar) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned and the Registrar shall provide to a member information received because of an application made at the request of the member.
- 323 (Offences in relation to keeping and preparation of accounts etc) An organisation shall not contravene section 272, 273 or 274.
 Penalty \$1,000.

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, STEVE MARGETIC and DICK GUIT, being two members of the Committee of Management, namely the Council of the Territory Construction Association Incorporated, do state on behalf of the Council and in accordance with a resolution passed by the Council that:

- (a) in the opinion of the Council, the attached accounts give a true and fair view of the organisation as at 30 June 2002;
- (b) in the opinion of the Council, meetings of the Council during the year ended 30 June 2002, were held in accordance with the Rules of the organisation;
- (c) to the knowledge of any member of the Council there have been no instances where any records of the organisation or any other documents or Rules or copies thereof have been withheld from members which should have been made available pursuant to the provisions of the Work Place Relations Act 1996;
- (d) the Councils has complied with subsections 279(1) and 279(6) of the Act in relation to the financial accounts in respect of the year ended 30 June 2001 and the Auditor's Report thereon.

STEVE MARGETIC

າຊ

DATED

-----**DICK GUIT**

9.02 DATED

PRINCIPAL ACCOUNTING OFFICER'S CERTIFICATE

I, DAVID MALONE, being the officer responsible for keeping the accounting records of the Territory Construction Association Incorporated, certify that as at 30 June 2002, the number of members of the Association was 241

In my opinion;-

- (a) the attached accounts show a true and fair view of the financial affairs of the Association as at 30 June 2002;
- (b) a record has been kept of all monies paid by, or collected from members, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited, in accordance with the rules of the organisation;
- (c) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (d) with regards to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such fund for the purposes other than those for which the fund was operated;
- (e) no loans or other financial benefits, other than remuneration in respect of their fulsome employment with the organisation were made to persons holding office in the organisation;
- (f) the register of members of the Association was maintained in accordance with the Act.

DÁVÍD MALONE

6-9.02 DATED

Lowe & Lowry ACCOUNTANTS/AUDITORS

Corner Coonawarra & Hook Roads Winnellie Northern Territory 0820 Telephone: (08) 8947 2200 Facsimile: (08) 8947 1146 Address all communications to: PO Box 36394 Winnellie NT 0821

TERRITORY CONSTRUCTION ASSOCIATION INCOPORATED

AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 30 JUNE 2002

SCOPE

We have audited the Income and Expenditure Statement and Balance Sheet of Territory Construction Association Incorporated for the year ended 30 June 2002, as set out on the following pages. The Association's members of the committee of management are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and the evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether in all material respects, the accounts are presented fairly in accordance with Australian Accounting Standards so as to present a view of the centre which is consistent with our understanding of their financial position and the results of their operations.

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

AUDIT OPINION

- (a) proper accounting records have been kept by the Association and the economic entity so far as appears from our examination of these accounting records, including details of the sources and nature of the income of the Association (including from members) and the nature and purpose of expenditure;
- (b) the Association's Balance Sheet as at 30 June 2002 and the Statement of Income and Expenditure for the year ended, have been properly drawn up in accordance with those books;
- (c) to the best of our information and according to the explanations given, the attached Balance Sheet and Statement of Income and Expenditure which have been prepared under the historical cost convention and in accordance with Section 273 of the Workplace Relations Act 1996, give a true and fair view of the financial affairs of the Association as at 30 June 2002, and the income and expenditure and surplus of the organisation for the year ended on that date.

LOWE & LOWRY ACCOUNTANTS

19th Afriq 2002 DATED

TERRITORY CONSTRUCTION ASSOCIATION PO Box 37121 WINNELLIE NT 0821

۰.

'n

BALANCE SHEET

AS AT THE 30 JUNE 2002

	NOTES	2002	2001
ASSETS CURRENT ASSETS			
Cash On Hand	2	\$587,354.00	\$613,159.98
Debtors	3	\$75,737.61	\$84,548.22
Accrued Revenue	3b	\$71,476.53	\$31,279.86
Provision for Doubtful Debts		-\$78.40	-\$1,274.40
Stock on hand	4	\$7,251.50	\$7,676.02
Total Current Assets		\$741,741.24	\$735,389.68
Other Assets			
Prepayments	3a	\$4,231.64	\$1,657.90
Affiliation Fees Paid in Advan		\$9,590.00	\$0.00
Total Other Assets		\$13,821.64	\$1,657.90
Property & Equipment	5		
Motor Vehicles		\$25,590.04	\$33,019.00
Furniture & Fixtures		\$3,668.42	\$4,218.42
Office Machines		\$6,349.00	\$4,785.00
Total Property & Equipment		\$35,607.46	\$42,022.42
Total Assets		\$791,170.34	\$779,070.00
LIABILITIES			
CURRENT LIABILITIES			
Accrued Expenses	7	\$22,029.06	\$12,027.36
THS Code of Practice Sewarage		\$2,700.00	\$2,700.00
THS - Environmental Hith Code		\$1,053.00	\$756.00
Trade Creditors	6-10	\$9,890.40	\$9,037.19
MPA Golf Day		\$1,005.73	\$795.03
NECA Golf Day		\$0.00	\$3,931.36
TCA Annual Dinner		\$0.00	-\$78.05
Trade Nights		\$0.00	\$163.60
Miscellenous Events		\$454.55	\$345.45
Territory Living Magazine		\$5,119.09	\$0.00
GST Payable Control		\$2 4 ,940.34	\$28,472.74
Input Tax Credit Control	_	-\$8,563.92	-\$6,638.82
Payroll Liabilities	7a	\$49,7 7 6.34	\$32,686.99
Arbitration Funds in Trust		\$2,122.50	\$9,419.52
MPA Funds		\$127.89	\$2,445.10
Prepaid Memberships		\$21,990.45	\$29,852.71
Unexpended DIB Grant		\$65,000.00	\$75,000.00
Total Current Liabilities		\$197,645.43	\$200,916.18

TERRITORY CONSTRUCTION ASSOCIATION PO Box 37121 WINNELLIE NT 0821

· · ·

BALANCE SHEET

AS AT THE 30 JUNE 2002

	NOTES	2002	2001
LONG-TERM LIABILITIES			
Lease Liability		\$30,949.23	\$39,170.83
Total Long-Term Liabilities	9	\$30,949.23	\$39,170.83
Total Liabilities		\$228,594.66	\$240,087.01
NET ASSETS		\$562,575.68	\$538,982.99
EQUITY			
Prior Year's Surplus/Deficit		\$252,151.36	\$252,151.36
Retained Earnings		-\$120,191.05	-\$123,858.69
Abnormal Income - Sale TCA Hse		\$407,022.68	\$407,022.68
Current Year Surplus/Deficit		\$23,592.69	\$3,667.64
Total Equity		\$562,575.68	\$538,982.99

TERRITORY CONSTRUCTION ASSOCIATION PO Box 37121 WINNELLIE NT 0821

•, • ,

PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2002

	2002	2001
INCOME		
Subscriptions	\$194,311.16	\$197,125.39
Turnover Fees	\$106,191.83	\$54,016.67
Standards Branch M'ment	\$45,000.00	\$45,101.41
AIB	\$343.56	\$6,507.85
Human Resources/IR	\$38,296.82	\$44,344.45
Functions	\$5,095.94	\$1,645.40
Events	\$332.31	\$39,234.63
Document Sales	\$8,746.75	\$11,296.43
Interest On Investments	\$24,785.11	\$25,902.33
Miscellaneous Income	\$9,373.29	-\$3,509.42
SPS Bureau Service	\$6,483.35	\$4,543.10
TCA People	\$154,800.84	\$83,532.30
Railway Consultancy	\$75,512.48	\$52,096.00
MPA/NECA	\$75,000.00	\$0.00
Total Income	\$744,273.44	\$561,836.54
EXPENSES		
Property	\$43,504.32	\$52,988.86
Financial Services	\$11,439.24	\$8,814.38
Office Administration	\$52,544.94	\$51,787.41
Transport & Travel	\$42,268.41	\$31,511.17
Marketing & Promotion	\$10,726.26	\$8,414.14
Taxes	\$5,257.00	\$4,679.00
Affiliations	\$29,503.00	\$28,753. 8 1
Industrial Relations	\$2,162.07	\$4 40.96
Miscellaneous	\$10,589.74	\$17,759.57
Functions	\$30.00	\$2,580.50
Events	\$69.50	\$3,411.61
Employment Expenses	\$512,383.22	\$347,027.49
Safety Equipment	\$203.05	\$0.00
Total Expenses	\$720,680.75	\$558,168.90
Net Surplus / (Deficit)	\$23,592.69	\$3,667.64

TERRITORY CONSTRUCTION INCORPOARTED ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements prepared in accordance with applicable Australian Accounting Standards and the historical cost convention.

(a) Stock on Hand

Stock consists of documents for sale and has been valued at the lower of cost or net realisable value.

(b) Fixed Assets and Depreciation

Fixed assets are shown in the balance sheet at cost.

The depreciation rates employed for fixed assets are such that the assets are written off over their expected useful lives.

(c) Leased Non-Current Assets

Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and amortised over its expected useful life. A corresponding liability is also established and each lease payment is allocated between the principal component and the interest expense.

(d) Employee Entitlements

Provision is made for benefits accruing to the employees in respect of wages and salaries annual leave when it is probable that settlement will be required and are capable of being measured reliably.

Provision is made in respect of wages and salaries annual leave and long service leave expected to be settled within 12 months, are measured at their nominal values. Provisions made in respect of long service leave which is not expected to be settled within 12 months is measured at the present value of the estimated future cash outflows to be made by the economic entity in respect of services provided by the employees up to the reporting date.

(e) Income Tax

The Association is exempt from income tax.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

(f) Receivables

۰.

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(g) Accounts Payable

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

2.	CURRENT ASSETS – CASH	2002 \$	2001 \$
	Jim Bell - 43198	2 802	1 207
		3,893	4,387
	Arbitration deposit – 08615	2,128	9,835
	Darwin Cheque Account – 43147 Cash float Darwin	5,3031 560	91,375 560
	TCA Standards Account – 3059		
		3,596	3,567
	Money Market	0 100	450,000 100
	SAA Cash Float M.P.A.	100	
			2,445
	Term Deposit	523,918	50,893
		587,354	613,162
3.	CURRENT ASSETS – RECEIVABLES		
	Trade debtors	75,738	84,548
	Less provision for bad debts	78	1,274
		75,816	83,274
	Prepaid expenses	4,232	1,658
			- <u></u>
	Accrued Revenue	71,477	31,280
		<u> </u>	

TERRITORY CONSTRUCTION ASSOCIATION INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

4.	CURRENT ASSETS – INVENTORIES	2002 \$	2001 \$
	Documents in stock – Darwin	7,252	7,676
		7,252	7,676

۰.

5. NON CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT

Motor Vehicles under lease Less:Accumulated depreciation	53,675 (28,085)	53,675 (20,656)
	25,590	33,019
Furniture & Fittings Darwin Less:Accumulated depreciation	13,697 (10,029)	13,697 (9,479)
	3,668	4,218
Machines & Equipment Less:Accumulated depreciation	29,233 (22,884)	25,073 (20,288)
	8,349	4,785
	37,607	42,022

6. CURRENT LIABILITIES – ACCOUNTS PAYABLE

Accrued expenses	22,029	12.027
Trade creditors	9,890	9,037
Other Creditors	0	0
Arbitration funds held in trust	2,122.50	9,419
Subscription in advance	21,990	29,853
Standards – Australia	0	0
GST payable	24,940	28,472
Input Tax	<u>8,564</u>	(6,639)
Unexpended DIB Grant	65,000	75,000
	154,535	157,169

3

.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	ENDED 30 JUNE 2002		
	annual in or))	
7	annual Long gerni C CURREI	J02 \$	2001 \$
	Provisic Provisi	,0,754 0	19,450 0
		30,754	19,450
7a	PAYROLL LICE		
	PAYE Superannuation	10,009 9,013	7,177 6,060
		19,022	13,237
7b	OTHER LIABILITIES		
	MPA Funds THS Code of Practice Sewerage THS Environmental Health Code MPA Golf Day NECA Golf Day Trade Nights Miscellaneous - Events Annual Dinner Territory Living Magazine	$ \begin{array}{r} 128\\2,700\\1,053\\1,006\\0\\455\\0\\5,119\\\\10,461\\\\\end{array} $	2,445 2,700 756 795 3,931 163 345 (78) 0 11,057
8	CURRENT LIABILITIES – BORROWIN	GS	
	Lease Liability (Note 10)	20,294	20,294
	The lease liability is secured on the asset to w	hich it relates.	 .
9.	NON-CURRENT LIABILITIES – BORRO	OWINGS	
	Lease liability (Note 10)	10,655	18,876
	The lease liability is secured on the asset to w	which it relates.	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

10. COMMITMENTS FOR EXPENDITURE (NOTE 8 + NOTE 9)

Lease liabilities	30,949	39,170
		<u> </u>

11. REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors for auditing the accounts of Territory Construction Association.

For the year ended 2000 Lowe & Lowry	3,960
For the year ended 2001 Lowe & Lowry	3,960
For the year ended 2002 Lowe & Lowry	3,960

12. RELATED PARTIES

Executive Members

The names of persons who were on the Executive of the Association during the financial year are as follows:

David Malone, Dick Guit, Steve Margetic, Paul Baxter, Paul Nowland, Jack Stansfield, Michael Kilgariff, Graeme Wigg, Kerry Osborne.

During the year transaction with some of the Executive and with parties related to the Executive occurred within a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other customers.

13. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The entity's exposure to interest rate risk consists of: Lease Liabilities -10% - 9.75% fixed Bank Balances -2.3% - 1.5% variable

(b) Credit Risk

The association does not have any significant credit risk exposure to any counterparty or group of counterparties.

(c) Net Fair Value

The carrying amount of financial assets and liabilities recorded in the financial statements represent their net fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

14. SEGMENTAL REPORTING

The association operates to promote the interest of the building and construction industry in Northern Australia.

15. INCORPORATION

• •

On 16 October 1997 the Association was incorporated under the NT Associations Incorporation Act.

16. TRADING RESULT

The accounting profit of \$23,593 is arrived at after providing provisions of \$10,622 for depreciation and \$34,667 for leave accruals.



AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Level 42, Nauru House 80 Collins Street, Melbourne, VIC 3000 GPO Box 1994S, Melbourne, VIC 3001 Telephone: (03) 8661 7777 Fax: (03) 9655 0401

David Malone General Manager Territory Construction Association PO Box 37121 WINNELLIE, NT 0821

Dear Mr Malone

334 RE: FR2002/**726-** Lodgement of financial returns for year ended 30 June 2002.

Receipt is acknowledged of the financial documents of the Territory Construction Association for the year ended 30 June 2002. The documents were lodged in the Northern Territory Registry of the Australian Industrial Registry on 10 October 2002.

The documents have been filed.

Having regard to the requirements of Part IX, Division 11, of the *Workplace Relations Act 1996* (the Act) and the *Workplace Relations Regulations* (the Regulations) your attention to the following is requested:

Secretary's certificate

Financial documents lodged with the Registrar are required by subsection 280(1) to be filed under cover of a certificate from the secretary stating that the documents so lodged are copies of the auditor's report, accounts and statements which were presented to a meeting in accordance with section 279. It would be helpful if the certificate could contain the date on which the meeting was held.

A certificate prepared under section 280(1) should be prepared by the Secretary, unless the rules of the organisation provide that another officer should do so. An examination of the rules do not indicate that such provision has been made.

Accordingly the secretary's certificate should be prepared by another officer of the organisation. As rule 11(a) of the Territory Construction Association Rules states that the officers of the organisation are the President, Vice President and Treasurer the secretary's certificate should be prepared by one of these persons.

Notwithstanding previous advice you may have received from the Northern Territory Industrial Registry it is the opinion of this office that the General Manager is not a prescribed officer for the purposes of s.280(1) of the *Workplace Relations Act 1996* and so is not an appropriate person to execute the secretary's certificate.

Having regard to the requirements of Part IX, Division 11, of the *Workplace Relations Act 1996* (the Act) and the *Workplace Relations Regulations* (the Regulations) your attention is drawn to the following matters; no further action is required with regard to these documents in relation to this year:

Auditor's report

The auditor in his report is required to give an opinion in respect of accounts and statements prepared in accordance with section 273 of the Act; such accounts include the certificates of the accounting officer and the committee of management. It should be noted that the opinion required to be given by the auditor for purposes of subsection 276(4)(a)(ii) of the Act should include consideration of the certificates of the accounting officer and committee of management.

The dates of the certificates supplied in respect of your organisation would indicate preparation after the auditor made his report.

The signatory of the auditor's report has not indicated whether he is registered as a public accountant or as a company auditor, refer regulation 112. It is the attitude of this Office that this fact should be evident to members in the published financial documents.

Would you please draw these matters to your auditor's attention.

Accounting Officer's certificate

A certificate prepared under regulation 109(1)(a) is to be prepared by the officer of the organisation responsible for the keeping of the accounting records of the organisation, refer regulation 109(4). An examination of the rules of the organisation indicates that the Treasurer rather than the General Manager is the appropriate person to execute such certificate, refer to rule 11(e).

Balance Sheet

The disclosure in respect of "Provision for holiday pay" of \$30,754.00 appears to aggregate two items which should be disclosed separately in the Balance Sheet, i.e. provision for Annual Leave entitlements and provision for Long Service Leave entitlements refer regulation 107(b)(ix) and (x).

Profit and Loss Account

The disclosure in respect of "Employment Expenses" of \$512,383.22 appears to be a disclosure of remuneration. It is noted that there is no separate disclosure in relation to the total amounts paid as remuneration to holders of offices, and to employees of the organisation as is required by subregulations 107(a)(xiv) and (xv) of the Workplace Relations Regulations.

It is noted that several of the above matters were brought to your attention in connection with the financial documents in previous years.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7985.

Yours sincerely,

Rosalind Read Statutory Services Branch - Melbourne

18 October 2002