



Australian Government
Australian Industrial Registry

29 January 2009

Greg McLaughlin
President - Territory Construction Association
Lot 1450 Winnellie Rd
WINNELLIE NT 0821 - Email: people@tcant.com.au

Dear Mr McLaughlin,

Re: Financial Reports – years ending 30 June 2005, 2006, 2007, 2008
Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

The Territory Construction Association has lodged the following documents:

- Financial Report for year ending 30/06/05 – FR2005/295 - lodged 21 August 2008
- Financial Report for year ending 30/06/06 – FR2006/467 - lodged 21 August 2008
- Financial Report for year ending 30/06/07 – FR2007/453 - lodged 15 January 2009
- Financial Report for year ending 30/06/08 – FR2008/294 - lodged 15 January 2009
- Designated Officer's Certificates for years ending 30/06/05 - 08 - lodged 15 January 2009

The documents for year ending 30 June 2005, 2006, 2007 have been filed.

The financial report for year ending 2008 has not yet been filed because a number of steps were not taken in the correct order (as per the enclosed Timeline) – in particular:

- It appears the full report was provided to members via the internet on 19 September 2008 – however some of the documents in the full report are dated after 19 September 2008;
- The Committee of Management Statement is dated 23 September 2008 yet it refers to a resolution of the Committee that is (perhaps inadvertently) dated 25 September 2008; and
- The Auditor's Report was dated before the Committee of Management's Statement – whereas it should be signed after the Committee of Management's (because the Auditor is required to take this Statement into account when forming his or her opinion under s257).

To rectify the above points would you be able to take the following five steps:

1. First, prepare a new Committee of Management Statement signed by an officer which contains the actual date of the Committee's resolution;
2. Then, request the auditor to prepare a new Auditor's Report that takes into account the new Committee of Management Statement (and is dated on/after the new Statement);
3. Then, provide the full report to members (for e.g. by posting on the TCANT website);
4. Then, present the documents to a meeting of the TCA Executive Council;
5. Then, lodge the full report in the Registry with a new Designated Officer's Certificate that confirms that the documents have been provided to members and presented to a meeting.

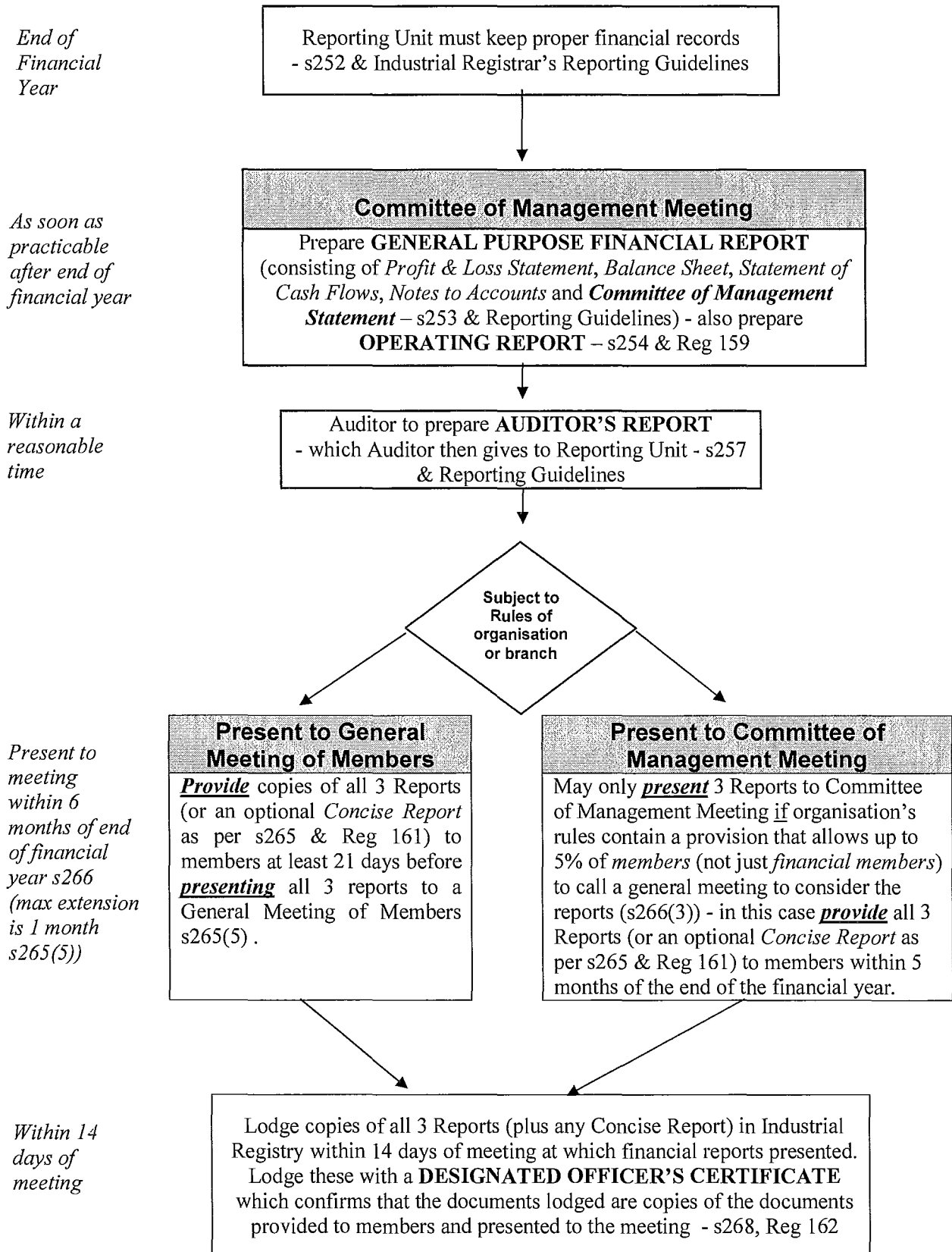
Would you be able to advise me at your earliest convenience when these steps can be taken.

Yours faithfully,

Andrew Schultz
Statutory Services Branch

Financial Reporting Timeline (RAO Schedule)

Lodge financial reports within 6½ months of end of financial year by completing the following steps:



Designated Officer's Certificate
s.268 of Schedule 1, Workplace Relations Act 1996

I, Greg McLaughlin being the President of the Territory Construction Association – Northern Territory, certify:

- That the documents (Financial Report for 2005/2006 Financial Year) lodged herewith are copies of the full report referred to in s.268 of Schedule 1 of the Workplace Relations Act 1996, and
- That the full report was provided to members on the website www.teant.com.au on 19th September 2008; and
- That the full report was presented to the Territory Construction Association Executive Council on the 26th September 2008 in accordance with s.266 of Schedule 1 of the Workplace Relations Act 1996.

Signature


.....

Date:

15 / 1 / 09
.....

FR 2006/467



Cnr Coonawarra & Hook Roads
PO Box 36394, Winnellie NT 0821
Tel: 08 8947 2200
Fax: 08 8947 1146
lowrys.accountants@lowrys.com.au

TERRITORY CONSTRUCTION ASSOCIATION

ABN: 54 527 741 841

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2006

Prepared by:
LOWRYS
Accountants
PO Box 36394
Winnellie N.T 0821

TERRITORY CONSTRUCTION ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

CONTENTS

Operating Report

Council of Management's Certificate

Principal Accounting Officer's Certificates

Independent Audit Report

Balance Sheet

Statement of Income and Expenditure

Notes to and Forming Part of the Financial Statements

Depreciation Schedules

Statement of Cash Flows

Management Representation Letter

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.

TERRITORY CONSTRUCTION ASSOCIATION OPERATING REPORT 2005/2006

Territory Construction Association has recorded a deficit for the year of \$12,180.55. Budget forecast for the 2005/2006 financial year were \$12,502.

The principal activities which contributed to revenue earned in this financial year were training - projects (\$114,436 10% of total revenue), Short courses training (\$58,586 5% of total revenue), TCA People trainees (\$478,633 42% of total revenue). Training (including TCA People) is now our principal revenue activity at 57% of total revenue received. We also showed growth in our HR/IR (\$94,955 8% of total revenue).

Membership renewals and new applications total revenue activity was \$270,188 24% of total revenue received.

Total Income for the year was 85% of expected forecast.

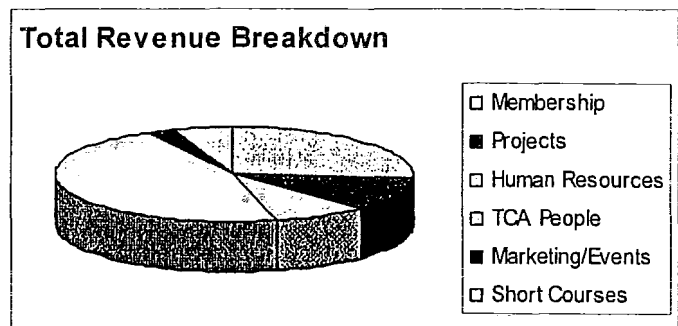
Expenses were adjusted accordingly with lower than originally forecast expenses in both staff employment expenses and office administration costs.

Total expenses for the year reflected these adjustments with 85% of expected forecast expensed.

The majority of expenditure was staff employment expenses (\$438,486 38% of total expenses), TCA People (\$398,606 35% of total expenses) affiliation costs (\$52,892 5% of total expenses) office administration costs (\$54,309 5% of total expenses) and property costs (\$49,464 4% of total expenses).

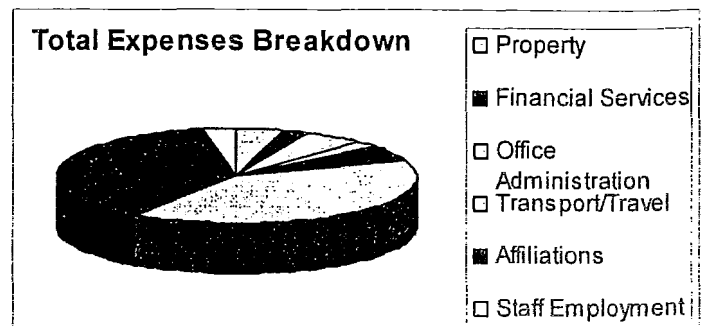
Percentage Breakdown of Total Revenue Year 2005/2006

Membership	24%
Projects	10%
Human Resources	8%
TCA People	42%
Marketing/Events	2%
Short Courses	5%
Other	9%



Percentage Breakdown of Total Expenses Year 2005/2006

Property	4%
Financial Services	2%
Office Administration	5%
Transport/Travel	2%
Affiliations	5%
Staff Employment	38%
TCA People	35%
Marketing/Events	3%
HR/IR	1%
Other	5%



As per paragraph 254 (2)(f) of the RAO schedule and regulation 159 (a) & (b) the number of people that were at the end of the financial year 2005/2006 recorded in the register of members for Territory Construction Association were 255 members.

The number of persons employed at the end of the financial year 2005/2006 at Territory Construction Association was 6 fulltime employees.

As per regulation 159(c) of the RAO Regulations, the List of Office Holders - Committee of Management of the reporting unit at any time during the reporting period 2005/2006 were as follows:-

As at 30 June 2006 there was twenty one Office Holders with most Office Holders holding their position for the full year. Centralian Division Councillor was vacant. Full details of Office Holders as per attachment B copy of which is attached.

Office Holders 2005/2006

President	Greg McLaughlin
Past President	Greg Thompson
Vice President/ General Contracting	Dick Guit
Vice President/Housing Sector Councillor	Paul Nowland
Housing Sector Councillor	Mark Brustolin
Electrical Sector Councillor	Gordon Harvey
Plumbing Sector Councillor	Graeme Wigg
Plumbing Sector Councillor	Udo Selter
Civil/ Engineering Sector Councillor	Charles Wright
Supply/Manufacturing Sector Councillor	Andrew Bonn
Supply/Manufacturing Sector Councillor	Lyndon Bradshaw
General Councillor	John Brears
General Councillor	Kevin Page
General Councillor	Carl Jensen
General Councillor	Ray Cron
General Councillor	James Taylor
General Councillor	Martin Wilkinson
General Councillor	Duncan Tomlinson
General Councillor	Phil Storey
General Councillor	Neil Sunners
General Councillor	Justin Gill

Resignation of Members: Under Subsection 254(2)(c) details of the right of members to resign from the reporting units under section 174 of the RAO Schedule is as follows as per:-

A member may resign from membership by written notice addressed and delivery to the General Manager.

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 2 weeks after the notice is received by the Association; or
 - ii. on the day specified in the notice; whichever is later.

A notice delivered to the General Manager shall be taken to have been received by the Association when it was delivered.

A notice of resignation that has been received by the Association is not invalid because it was not addressed to and delivery the General Manager.

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

To the best of our knowledge, no Officer or member of the reporting unit was

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



Greg McLaughlin President
Territory Construction Association

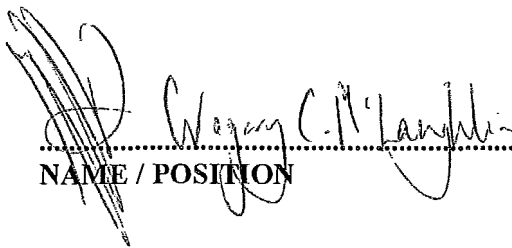
TERRITORY CONSTRUCTION ASSOCIATION

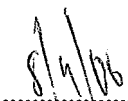
COUNCIL OF MANAGEMENT CERTIFICATE


The Council of Management, namely the Council of the Territory Construction Association, state in accordance with a resolution passed in relation to the specific purpose financial report (SPFR) for the year ended 30 June 2006:


The Council of Management declares in relation to the SPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) in the opinion of the Council, the attached accounts give a true and fair view of the financial performance, financial position and cash flows of the organisation for the year ended 30 June 2006;
- (d) there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.
- (e) During the year to which the SPFR relates and since the end of that year
 - (i) in the opinion of the Council, meetings of the Council during the year ended 30 June 2006, were held in accordance with the Rules of the organisation;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the RAO Schedule and RAO regulations;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and RAO regulations;
 - (iv) the organisation consists of 1 reporting unit;
 - (v) any information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been duly furnished;
 - (vi) there has been compliance with any order for inspection of financial records under section 273 of the RAO Schedule.


.....
NAME / POSITION


.....
DATED

 Dick Guit Vice President
.....
NAME / POSITION

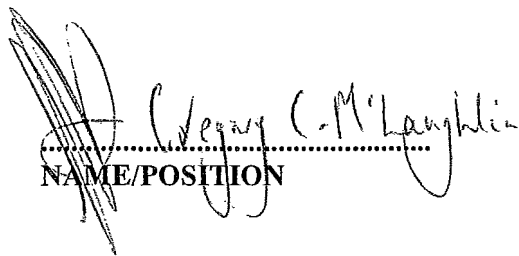

.....
DATED

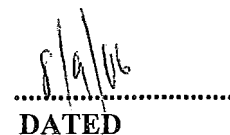
TERRITORY CONSTRUCTION ASSOCIATION
PRINCIPAL ACCOUNTING OFFICER'S CERTIFICATE

I am the authorised officer responsible for keeping the accounting records of the Territory Construction Association, certify that as at 30 June 2006, the number of members of the Association was 255

In my opinion;-

- (a) the attached accounts show a true and fair view of the financial affairs of the Association as at 30 June 2006;
- (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.


.....
NAME/POSITION


.....
DATED

TERRITORY CONSTRUCTION ASSOCIATION

AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 30 JUNE 2006

SCOPE

We have audited the Profit and Loss Statement and Balance Sheet of Territory Construction Association for the year ended 30 June 2006, as set out on the following pages. The Association's members of the Council of Management are responsible for the financial report. We have conducted an independent audit of the special purpose financial report in order to express an opinion on it to the members of the Association. We have also reviewed the attached certificates of the Accounting Officer and Council of Management.

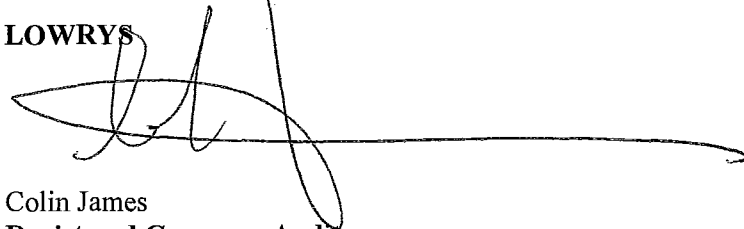
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and 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) In our opinion, the special purpose financial report of the Territory Construction Association presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the Association's financial position as at 30 June 2006 and of its financial performance as presented by the results of its operations for the year then ended;
- b) 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;
- c) The Association's Balance Sheet as at 30 June 2006 and the Profit and Loss Statement for the year ended, have been properly drawn up in accordance with those books;
- d) In our opinion and according to the explanations given, the special purpose financial report is presented fairly in accordance with applicable Australian Accounting standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of Workplace Relations Act 1996.

LOWRYS



Colin James
Registered Company Auditor
Chartered Accountant

Dated this

8 day of September 2006

Territory Construction Association
PO Box 37121 VINNELLIE NT 0821

**Profit & Loss [Last Year Analysis]
July 2005 through June 2006**

	This Year	Last Year
Income		
Subscriptions		
Members	\$251,160.94	\$240,684.01
New Applications	\$19,027.31	\$11,843.20
Total Subscriptions	\$270,188.25	\$252,527.21
Turnover Fees		
Turnover Fees > \$5m	\$0.00	\$5,923.29
Total Turnover Fees	\$0.00	\$5,923.29
Standards Branch M'ment		
Standards	\$0.00	\$17,154.44
Standards Income	\$54,137.50	\$48,998.70
Total Standards Branch M'ment	\$54,137.50	\$66,153.14
Human Resources/IR		
AWA's Initial	\$4,716.66	\$4,950.00
AWA's additional	\$14,810.00	\$17,490.00
Certified Agreements Initial	\$16,219.56	\$2,763.75
Certified Agreements Renewal	\$2,120.00	\$2,927.00
Safety Management Systems	\$19,802.50	\$0.00
Labour Only Sub-contracts	\$110.00	\$1,045.00
IR/HR Other	\$6,317.29	\$25,174.77
HR/IR Training	\$30,859.83	\$17,600.00
Total Human Resources/IR	\$94,955.84	\$71,950.52
Functions		
TCA Annual Dinner	\$2,863.22	\$5,731.20
Misc Functions	\$1,560.36	\$1,618.91
Sponsorship Received	\$1,800.00	\$3,950.00
Excellence Awards	\$10,452.86	\$477.27
Total Functions	\$16,676.44	\$11,777.38
Events		
TCA Golf Day	\$2,636.65	\$2,613.90
MPA Golf Day	\$400.00	\$727.05
GST Income (TCA)	(\$46.46)	(\$76.73)
Trade Days/Nights	\$700.73	\$382.33
Total Events	\$3,690.92	\$3,646.55
Document Sales		
Contract Sales	\$8,242.69	\$8,541.48
Forms/Stationery Sales	\$60.50	\$191.58
Signs	\$165.00	\$960.00
Total Document Sales	\$8,468.19	\$9,693.06
Interest On Investments		
Bank Interest	\$33,386.54	\$24,714.19
Total Interest On Investments	\$33,386.54	\$24,714.19
Miscellaneous Income		
Room Hire	\$140.91	\$0.00
Profit/Loss Sale of Assets	(\$85.28)	(\$353.00)
Sundry Income	\$7,757.71	\$3,537.72
Miscellaneous Income	\$177.75	\$1,581.95
Total Miscellaneous Income	\$7,991.09	\$4,766.67
TCA People		
Chargeout Income - Trainees	\$453,033.64	\$472,891.73
Trainees Incentives	\$25,600.00	\$25,400.00
Total TCA People	\$478,633.64	\$498,291.73
Training Consultancies		
Workready Inductions	\$3,338.53	\$0.00
Bechtel	\$1,210.00	\$63,108.43
Construction Training Board	\$506.25	\$6,867.97
Other Training	\$109,381.77	\$69,270.88
Total Training Consultancies	\$114,436.55	\$139,247.28
Marketing		
Marketing Services	\$370.91	\$0.00
Alliances Commission	\$163.78	\$0.00
Telstra Alliance	\$1,102.96	\$0.00
Total Marketing	\$1,637.65	\$0.00
MPA/NECA		
MPA/NECA Grant	\$0.00	\$60,000.00
Test & Taq Courses	\$34,314.00	\$29,531.85
Contractors Training	\$0.00	\$9,959.09
Skills Maintenance Training	\$12,848.37	\$39,185.41
Induction Training Course	\$11,423.74	\$10,532.29
Total MPA/NECA	\$58,586.11	\$149,208.64
Total Income	\$1,142,788.72	\$1,237,899.66
Expenses		
Property		
Office Cleaning/Plant Hire	\$5,026.61	\$2,864.42
Electricity	\$8,479.80	\$9,459.76
Repairs & Maintenance	\$1,089.10	\$313.20
Rubbish Removal	\$458.02	\$365.90
Office Rent	\$34,410.57	\$33,339.60

Total Property	\$49,464.10	\$46,342.88
Financial Services		
Audit Fees	\$4,059.09	\$3,645.45
Bank Charges	\$7,594.14	\$6,167.91
Insurance	\$7,422.05	\$9,211.79
Interest Expense	\$2,580.30	\$2,788.95
Interest Insurance Funding	\$0.00	\$1,812.32
Legal Expenses	\$0.00	\$13,156.00
Office Administration		
Stationery	\$8,393.20	\$13,675.85
Computer - IT	\$6,971.60	\$8,759.92
R&M Office Equip	\$1,189.42	\$853.02
Telephone/Facsimile	\$14,638.13	\$18,950.28
Postage & Freight	\$6,238.80	\$8,064.48
Library	\$156.12	\$296.35
Depn Furn & Equip Dwn	\$1,580.23	\$396.77
Depn - Office Machines	\$3,022.92	\$4,053.45
Photocopier Expenses	\$12,119.48	\$13,620.28
Total Office Administration	\$54,309.90	\$68,670.40
Transport & Travel		
Travel Fares & Accommodation	\$12,877.58	\$15,116.72
Vehicle Operation	\$7,991.62	\$7,556.09
Motor Vehicle Insurance	\$1,040.31	\$882.86
Depreciation Motor Vehicle	\$5,090.71	\$6,569.29
Total Transport & Travel	\$27,000.22	\$30,124.96
Marketing & Promotion		
Promotion	\$3,222.05	\$4,616.27
Advertising	\$10,922.61	\$6,417.59
Meeting Costs	\$6,339.65	\$3,589.93
Trade Nights	\$700.73	(\$96.24)
Direct Mailouts	\$0.00	\$294.80
Newsletters	\$0.00	\$61.36
Entertainment Expenses	\$788.10	\$1,343.14
Total Marketing & Promotion	\$21,973.14	\$16,226.85
Taxes		
Fringe Benefits Tax	\$3,756.17	\$2,974.96
Total Taxes	\$3,756.17	\$2,974.96
Affiliations		
Master Builders Assoc	\$47,438.05	\$41,160.00
NECA	\$3,809.90	\$2,626.46
Other Affiliations	\$1,645.01	\$1,326.37
Total Affiliations	\$52,892.96	\$45,112.83
MBA Insurance		
MBA Insurance Expenses	\$86.36	\$2,410.00
Total MBA Insurance	\$86.36	\$2,410.00
Workready		
Other Expenses HR/IR	\$15,488.65	\$8,970.79
Work Ready Expenses	\$1,016.23	\$659.10
Deprec Standards HR Resources	\$345.00	\$0.00
Total Workready	\$16,849.88	\$9,629.89
Miscellaneous		
Doubtful Debts Provision	\$1,500.00	\$0.00
Bad Debts Provision	\$0.00	(\$78.40)
Sundry Expenses	\$9,131.15	\$4,689.78
Purchases - Signs/Stickers	\$908.96	\$986.93
Purchases - Documents	\$3,519.28	\$3,586.12
Total Miscellaneous	\$15,059.39	\$9,184.43
Functions		
TCA Annual Dinner	\$12,748.11	\$6,628.83
Misc Functions	\$1,718.85	\$3,100.22
Awards Program		
Framing	\$0.00	\$255.00
Travel	\$0.00	\$1,262.12
Total Awards Program	\$0.00	\$1,517.12
Total Functions	\$14,466.96	\$11,246.17
Events		
TCA Golf Day Darwin	\$0.00	\$285.12
MPA Golf Day	\$0.00	\$95.04
Misc Events	\$0.00	\$178.15
Total Events	\$0.00	\$558.31
Standards Expenses		
Standards Expenses	\$40,361.74	\$31,077.45
Total Standards Expenses	\$40,361.74	\$31,077.45
TCA Staff Employment Expenses		
Wages & Salaries	\$332,462.08	\$394,080.85
Trainee Labour Charges	\$32,907.73	\$10,753.37
Temporary Hire Staff	\$170.63	\$0.00
Superannuation Staff	\$33,639.98	\$38,164.53
Workers' Compensation	\$3,538.43	\$9,163.56
Recruitment Fees Staff	\$23,261.69	\$16,002.50
Staff Amenities	\$624.53	\$892.31
Staff Training	\$200.00	\$1,080.00
Annual Leave Accrued Staff	\$26,053.39	\$33,448.04
Long Service Leave Accrual	(\$14,449.50)	\$0.00
Safety Equipment	\$77.20	\$0.00
Total TCA Staff Employment	\$438,486.16	\$503,585.16
TCA People Employment		
S&W - Admin Trainees	\$331,329.05	\$347,940.40

Superannuation Trainees	\$30,240.71	\$31,826.12
Workers Compensation Trainees	\$7,943.28	\$5,729.97
Recruitment Fees Trainee	\$2,296.76	\$1,380.00
Annual Leave Accrual Trainees	\$26,796.91	\$29,555.64
Total TCA People Employment Expenses	\$398,606.71	\$416,432.13
Total Expenses	\$1,154,969.27	\$1,230,358.84
Net Surplus / (Deficit)	(\$12,180.55)	\$7,641.18

Territory Construction Association
PO Box 37121
WINNELLIE NT 0821

Balance Sheet [Last Year Analysis]
June 2006

	This Year	Last Year
Assets		
Current Assets		
Cash On Hand		
TCA ANZ Chq A/c - 198343147	\$49,883.77	\$72,329.41
Undeposited Bankings	\$436.36	\$0.00
SAA Bank A/c - 198343059	\$1.72	\$0.10
ANZ James Bell A/c-198343198	\$2,778.23	\$2,955.77
ANZ Arbitration A/c-198208615	\$1,000.00	\$0.00
MPA Cheque A/c - 198578026	\$2,004.15	\$1,549.21
ANZ Investment A/c-986267069	\$578,756.59	\$546,103.34
ANZ V2 Plus 015941907110945	\$99.78	\$0.00
Petty Cash & TCA Float	\$560.00	\$560.00
SAA Cash Float	\$100.00	\$100.00
Total Cash On Hand	\$635,620.60	\$623,597.83
Debtors	\$117,298.98	\$72,169.30
Accrued Revenue	\$6,257.25	\$9,593.28
Provision for Doubtful Debts	-\$1,500.00	\$0.00
Payroll Deductions Payable	\$0.00	\$1,599.05
Stock on hand	\$8,117.07	\$7,794.30
Standards Stock	\$9,368.43	\$12,324.98
Total Current Assets	\$775,162.33	\$727,078.74
Other Assets		
Prepayments	\$1,261.61	\$2,307.39
MBA Affiliatn Fees Pd in Advce	\$9,590.00	\$9,590.00
Investment MBA Insurance Serv	\$50,000.00	\$50,000.00
Total Other Assets	\$60,851.61	\$61,897.39
Property & Equipment		
Motor Vehicles		
Motor Vehicles at Cost	\$42,450.23	\$42,450.23
Motor Vehicles Accum Dep	-\$24,913.00	-\$19,822.29
Total Motor Vehicles	\$17,537.23	\$22,627.94
Furniture & Fixtures		
Furniture & Fixtures at Cost	\$20,572.59	\$14,103.77
Furniture & Fixtures Accum Dep	-\$12,369.00	-\$11,373.77
Total Furniture & Fixtures	\$8,203.59	\$2,730.00
Office Equipment		
Office Machines at Cost	\$36,460.73	\$35,153.45
Office Machines Accum Depn	-\$30,795.37	-\$27,772.45
Total Office Equipment	\$5,665.36	\$7,381.00
Text Resources		
Text Resources at Cost	\$344.72	\$0.00
Text Resources Accum Depn	-\$345.00	\$0.00
Total Text Resources	-\$0.28	\$0.00
Total Property & Equipment	\$31,405.90	\$32,738.94
Total Assets	\$867,419.84	\$821,715.07
Liabilities		
Current Liabilities		
Accrued Expenses	\$392.51	\$52,878.76
Trade Creditors	\$153,080.90	\$38,362.68
MPA Golf Day	\$480.60	\$0.00
Excellance Awards	\$6,227.27	\$4,345.55
TCA Golf Day	\$300.00	\$0.00
TCA Annual Dinner	\$3,009.09	\$1,715.45
Test & Tag Courses	\$448.27	\$0.00
Skills Maintenance Courses	\$448.27	\$0.00
Sponsorship Rec'd in Advance	\$13,090.91	\$6,000.00
Inductions Course	\$448.27	\$0.00
Hazardous Explosive Training	\$0.00	\$2,000.00
Black Tip VOC Courses	\$0.00	\$8,813.64

Trans Territory Pipeline	\$0.00	\$15,849.24
GST Liabilities		
GST Payable Control	\$39,878.73	\$32,654.28
Input Tax Credit Control	-\$21,084.01	-\$11,413.00
Payroll Liabilities		
PAYG Tax Payable	\$10,715.31	\$13,015.49
Superannuation Payable	\$4,486.36	\$5,898.92
Prov for Annual Leave Staff	\$10,034.51	\$15,188.56
Prov for Annual Leave Trainees	\$16,443.50	\$17,175.45
Prov for Long Service Leave	\$0.00	\$14,449.50
Total Payroll Liabilities	\$41,679.68	\$65,727.92
Arbitration Funds in Trust	\$1,000.00	\$0.00
MPA Funds	\$2,004.15	\$1,549.21
Prepaid Memberships	\$51,497.76	\$9,727.29
Total Current Liabilities	\$292,902.40	\$228,211.02
Long-Term Liabilities		
Loan Essanda	\$25,247.61	\$32,053.67
Total Long-Term Liabilities	\$25,247.61	\$32,053.67
Total Liabilities	\$318,150.01	\$260,264.69
Net Assets	\$549,269.83	\$561,450.38
Equity		
Prior Year's Surplus/Deficit	\$252,151.36	\$252,151.36
Retained Earnings	-\$97,723.66	-\$105,264.48
Abnormal Income - Sale TCA Hse	\$407,022.68	\$407,022.68
Current Year Surplus/Deficit	-\$12,180.55	\$7,641.18
Total Equity	\$549,269.83	\$561,450.38

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special 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.

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

(f) **Receivables**

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.

	2006	2005
	\$	\$
2. CURRENT ASSETS – CASH		
Jim Bell - 43198	2,778	2,956
Darwin Cheque Account – 43147	49,884	72,329
Cash float Darwin	560	560
TCA Standards Account – 3059	2	0
Money Market	100	0
SAA Cash Float	100	100
M.P.A.	2,004	1,549
Term Deposit	578,757	546,103
Arbitration	1,000	
	-----	-----
	635,185	623,597
	=====	=====
3. CURRENT ASSETS – RECEIVABLES		
Trade debtors	117,299	72,169
Less provision for bad debts	1,500	0
	-----	-----
	118,799	72,169
	=====	=====
Prepaid expenses	1,261	2,307
	=====	=====
Accrued Revenue	6,257	9,743
	=====	=====

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
4. CURRENT ASSETS – INVENTORIES		
Documents in stock – Darwin	17,486	20,119
	-----	-----
	17,486	20,119
	=====	=====
5. NON CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT		
Motor Vehicles under lease	42,450	42,450
Less: Accumulated depreciation	(24,913)	(19,822)
	-----	-----
	17,537	22,628
	-----	-----
Furniture & Fittings Darwin	20,573	14,104
Less: Accumulated depreciation	(12,369)	(11,374)
	-----	-----
	8,204	2,730
	-----	-----
Machines & Equipment	36,460	35,153
Less: Accumulated depreciation	(30,795)	(27,772)
	-----	-----
	5,665	7,381
	-----	-----
	31,406	32,739
	=====	=====
6. CURRENT LIABILITIES – ACCOUNTS PAYABLE		
Accrued expenses	393	52,905
Trade creditors	153,080	38,363
Other Creditors	0	0
Sponsorship in advance	13,091	6,000
GST payable	39,878	32,804
Input Tax	(21,084)	(12,976)

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
7 CURRENT LIABILITES – PROVISIONS		
Provision for holiday pay	26,478	32,364
Provision for superannuation	0	0
Provision for Long Service Leave	0	14,449
	-----	-----
	26,478	46,813
	=====	=====
7a PAYROLL LIABILITIES		
PAYG	10,715	13,015
Superannuation	4,486	5,899
	-----	-----
	15,201	18,914
	=====	=====
7b OTHER LIABILITIES		
MPA Funds	2,004	1,549
	-----	-----
	2,004	1,549
	=====	=====
8 CURRENT LIABILITIES – BORROWINGS		
Loan Liability (Note 10)	9,049	9,049
	=====	=====
The lease liability is secured on the asset to which it relates.		
9. NON-CURRENT LIABILITIES – BORROWINGS		
Loan liability (Note 10)	16,199	23,005
	=====	=====
The lease liability is secured on the asset to which it relates.		

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
10. COMMITMENTS FOR EXPENDITURE (NOTE 8 + NOTE 9)		
Loan liabilities	25,248	32,054
	=====	=====

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 2003 Lowrys Accountants	3,960
For the year ended 2004 Lowrys Accountants	3,960
For the year ended 2005 Lowrys Accountants	4,400

12. RELATED PARTIES

Executive Members

The names of persons who were on the Executive of the Association during the financial year are noted in the Operating Report:

During the year transactions 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.

No holders of offices receive any remuneration in relation to their position.

13. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The entity's exposure to interest rate risk consists of:

Loan Liabilities – 7.75% fixed

Bank Balances – 0 – 5.4% variable

(b) Credit Risk

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

TERRITORY CONSTRUCTION ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

(c) Net Fair Value

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

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 loss is arrived at after providing provisions of \$10,039 for depreciation.

**TERRITORY CONSTRUCTION ASSOCIATION
DEPRECIATION SCHEDULE TO 30 JUNE 2006**

MOTOR VEHICLES - AT COST 1.3210

CODE	DESCRIPTION OF EACH UNIT	ORIGINAL COST	OPENING	DISPOSALS	CONSIDERATION	ADJUSTMENTS		ADDITIONS		TOTAL	RATE	DIMINISH	CLOSING	per month
			WRITTEN	DATE		ASSESS	DEDUCT	DATE	COST	VALUE		DOWN	DOWN	
			DOWN	DATE		DATE	COST	FOR	VALUE	VALUE		VALUE		
	HOLDEN JACKAROO	42450	22628							22628	22.5%	5091	17537	
	Accumulated Dep'n	24913											6-0470	424.28

OFFICE FURNITURE & FITTINGS - AT COST 1.3310

CODE	DESCRIPTION OF EACH UNIT	ORIGINAL COST	OPENING	DISPOSALS	CONSIDERATION	ADJUSTMENTS		ADDITIONS		TOTAL	RATE	DIMINISH	CLOSING	
			WRITTEN	DATE		ASSESS	DEDUCT	DATE	COST	VALUE		DOWN	DOWN	
			DOWN	DATE		DATE	COST	FOR	VALUE	VALUE		VALUE		
11	RED UPHOLSTERED TIMBER VISITORS CHAIR	585	35							35	13.5%	5	30	
12	TIMBER/UPHOLST.ARMRESTS VISITORS CHAIR	1119	67							67	13.5%	9	58	
42	COFFEE TABLE TIMBER	250	26							26	13.5%	4	22	
51	LIBRARY SHELF UNITS	795	60							60	13.5%	8	52	
57	SAA SHELVING	320	0							0	9.0%		0	
70	METAL FILING CABINET 4 DRAWERS	975	80							80	13.5%	11	69	
72	METAL 2 DOOR UPRIGHT CUPBOARD	459	31							31	13.5%	4	27	
73	METAL 2 DOOR UPRIGHT CUPBOARD	381	27							27	13.5%	4	23	
82	REFRIGERATOR GEC LARGE	455	44							44	9.0%	4	40	
92	FILING CABINET 2 DRAWER REGAL/TEAK	299	45							45	13.5%	6	39	
93	BEIGE FILING CABINET 4 DRAW	295	54							54	13.5%	7	47	
95	FILING CABINET	331	71							71	13.5%	10	61	
97	MOBILE DISPLAY BOARD & CASE	1885	209							209	20.0%	42	167	
98	SOU WEST DIRECTORS CHAIRS X 24	623	151	30.06.06	72		59			151	13.5%	20	0	
99	GODFREY FILING CABINET 4 DRAWRS	308	74							74	13.5%	10	64	
104	DESK CHAIR-GREY-SWIVEL	380	94							94	13.5%	13	81	
106	NEC BAR FRIDGE	340	141							141	9%	13	128	
108	11 TABLES	1440	375	30.06.06	0		27			375	13.5%	51	297	
109	CARUSO HIGHBACK EXECUTIVE CHAIR	558	146							146	13.5%	20	126	
111	ELITEBUILT FILING CABINET 4 DRAWER X 2	599	157							157	13.5%	21	136	
112	MICRO SERIES DESK & RETURN 3 DRAWER	641	168							168	13.50%	23	145	
114	2 OFFICE CHAIRS	300	92							92	13.5%	12	80	
	2 x DESKS GREY & TIMBER TOPS	0	0							0	13.5%	0	0	
	3 x OFFICE CHAIRS CLERICAL EC0708 CHARCO	406	383							383	13.5%	52	331	
	2 x BOOK CASES GREY & TIMBER TOPS	359	202							202	13.5%	27	175	
	25 PROGRESS CHAIRS SLATE (BOARDROOM)	3180						17.08.05	3180	3180	13.5%	429	2751	
	1 BLUE BOOKSHELF S/HAND	272						23.08.05	272	272	100.0%	272	0	
	BLUE STORAGE CABINETS BUILT-INS	3760						9.07.05	3760	3760	13.5%	508	3252	
	TOTAL	21315	2732						7212	9944		1583	8203	
	Accumulated Depreciation	13112										6-0370	131.92	

OFFICE MACHINES & EQUIPMENT - AT COST 1.3410													
CODE	DESCRIPTION OF EACH UNIT	ORIGINAL COST	OPENING	DISPOSALS	CONSIDERATION	ADJUSTMENTS		ADDITIONS		TOTAL	RATE	DIMINISH	CLOSING
			WRITTEN	DATE		ASSESS	DEDUCT	DATE	FOR	VALUE		DOWN	WRITTEN
			DOWN	DATE					DEPRECIATION	VALUE		VALUE	VALUE
28	VOCA AT500 ANSWERING MACHINE	349	10							10	22.5%	2	8
32	CASH REGISTER	380	28							28	18.0%	5	23
33	SHREDDER 100 AUTO	533	40							40	18.0%	7	33
40	PB9720 FACSIMILE		0							0	22.5%	0	0
41	COMPUTER SOFTWARE	3090	55							55	36%	20	35
42	COMPAQ COMPUTER	4194	125							125	36%	45	80
	FAX Brother MFC Laser Flatbed MFC 8440	726	617							617	36%	222	395
6	FAX 1200P BROTHER		0							0	22.5%	0	0
7	COMPAQ COMPUTER (DARWIN)	2245	44							44	36%	16	28
	Modem D-Link PCMCIA 56K V.90	160	8							8	36.00%	3	5
	Microsoft Office 2000 Software	289	10							10	36.00%	4	6
	MYOB & Payroll V8	525	36							36	36.00%	13	23
	HP Laserjet 2100 S/B SSGBB019604	1715	69							69	36.00%	25	44
	Tracker Maxium 5 lan pack	1195	47							47	36.00%	17	30
	McAfee Virus Scan Classic 4	85								0	36.00%	0	0
	4 x Microsoft Windows 98 2nd Edition	1500	60							60	36.00%	22	38
	Microstar Ms Intel Pentium111 500 mmx	2885	115							115	36.00%	41	74
	(includes Daewoo 15" monitor) Server									0		0	0
	Motherboard & harddrive upgrade	871	35							35	36.00%	13	22
	Card Printer	4160	1072							1072	30.00%	322	750
	Server	3920	1053							1053	37.50%	395	658
	Computer IBM	1327	454							454	37.5%	170	284
	IBM Think Centre x10-23533	1045	700							700	36.0%	252	448
	LCD Projector	1408	1366							1366	36.0%	492	874
	APC back-UPS Pro 1000Va UPS	682	436							436	36.0%	157	279
	Pentax Optio S40 Digital Camera	363	276							276	36.0%	99	177
	Bizafe-Pro Software	454	416							416	50.0%	208	208
	IBM Think Centre A51 SFF s/n I3h1700 (HR compu	954						07.09.2005	954	954	36.0%	286	668
	Maximizer V7	1052	307							307	50.0%	154	154
	Monitor - Samsun flat screen 17"	354						18.04.2006	354	354	36.0%	32	322
	TOTAL	36461	7378						1308	8690		3022	5666
	Accumulated Depreciation	30795										6-0372	251.83
TEXT RESOURCES - AT COST 1.3520													
CODE	DESCRIPTION OF EACH UNIT	ORIGINAL COST	OPENING	DISPOSALS	CONSIDERATION	ADJUSTMENTS		ADDITIONS		TOTAL	RATE	DIMINISH	CLOSING
			WRITTEN	DATE		ASSESS	DEDUCT	DATE	FOR	VALUE		DOWN	WRITTEN
			DOWN	DATE					DEPRECIATION	VALUE		VALUE	VALUE
	OHS Management Systems Standards	100						01.11.2005	100	100	100.0%	100	0
	Safety Plan Standards	245						16.09.2005	245	245	100.0%	245	0
	TOTAL	345							345	345		345	0
	Accumulated Depreciation	345										6-0860	0

Territory Construction Association

PO Box 37121

WINNELLIE NT 0821

Statement of Cash Flow

July 2005 through June 2006

July 2004 through June 2005

Cash Flow from Operating Activities

Cash Flow from Operating Activities

Net Income	(\$12,180.55)
Debtors	(\$45,129.68)
Accrued Revenue	\$3,336.03
Provision for Doubtful Debts	\$1,500.00
Stock on hand	(\$322.77)
Standards Stock	\$2,956.55
Prepayments	\$1,045.78
Motor Vehicles Accum Dep	\$5,090.71
Furniture & Fixtures at Cost	(\$8,468.82)
Furniture & Fixtures Accum Dep	\$995.23
Office Machines at Cost	(\$1,307.28)
Office Machines Accum Depn	\$3,022.92
Text Resources at Cost	(\$344.72)
Text Resources Accum Depn	\$345.00
Accrued Expenses	(\$52,488.25)
Trade Creditors	\$114,718.22
MPA Golf Day	\$480.60
TCA Golf Day	\$300.00
Excellance Awards	\$1,881.72
TCA Annual Dinner	\$1,293.64
Test & Tag Courses	\$448.27
Skills Maintenance Courses	\$448.27
Induction Courses	\$448.27
Sponsorship Rec'd in Advance	\$7,090.91
NREL Course	\$0.00
Hazardous Explosive Training	(\$2,000.00)
Black Tip VOC Courses	(\$8,813.64)
Trans Territory Pipeline	(\$15,849.24)
GST Payable Control	\$7,224.45
Input Tax Credit Control	(\$9,671.01)
Payroll Deductions Payable	\$1,599.05
PAYG Tax Payable	(\$2,300.18)
Superannuation Payable	(\$1,412.56)
Prov for Annual Leave Staff	(\$5,154.05)
Prov for Annual Leave Trainees	(\$731.95)
Prov for Long Service Leave	(\$14,449.50)
Arbitration Funds in Trust	\$1,000.00
MPA Funds	\$454.94
Prepaid Memberships	\$41,770.47
Lease Liability	(\$6,806.06)
Net Cash Flows from Operating Activities	\$12,022.77

Net Income	\$7,641.18
Debtors	(\$8,885.35)
Accrued Revenue	\$2,108.96
Provision for Doubtful Debts	(\$8,331.46)
Stock on hand	(\$1,345.03)
Standards Stock	(\$12,324.98)
Prepayments	(\$290.51)
Motor Vehicles Accum Dep	\$6,569.29
Furniture & Fixtures at Cost	(\$406.35)
Furniture & Fixtures Accum Dep	\$396.77
Office Machines at Cost	\$378.82
Office Machines Accum Depn	(\$650.55)
Text Resources at Cost	\$0.00
Text Resources Accum Depn	\$0.00
Accrued Expenses	\$32,190.08
Trade Creditors	(\$50,447.81)
MPA Golf Day	\$0.00
TCA Golf Day	\$0.00
Excellance Awards	\$4,345.55
TCA Annual Dinner	\$1,715.45
Test & Tag Courses	(\$4,200.00)
Skills Maintenance Courses	(\$9,600.00)
Sponsorship Rec'd in Advance	\$6,000.00
NREL Course	(\$10,800.00)
Hazardous Explosive Training	\$2,000.00
Black Tip VOC Courses	\$8,813.64
Trans Territory Pipeline	\$15,849.24
GST Payable Control	(\$667.61)
Input Tax Credit Control	\$2,818.14
Payroll Deductions Payable	(\$1,599.05)
PAYG Tax Payable	\$2,642.63
Superannuation Payable	\$572.84
Prov for Annual Leave Staff	(\$1,360.56)
Prov for Annual Leave Trainees	\$3,268.74
Prov for Long Service Leave	\$2,567.50
Arbitration Funds in Trust	\$0.00
MPA Funds	(\$491.35)
Prepaid Memberships	(\$3,381.28)
Lease Liability	(\$6,262.89)
Net Cash Flows from Operating Activities	(\$21,166.45)

Cash Flow from Investing Activities

Cash Flow from Investing Activities

Net Cash Flows from Investing Activities \$0.00

Net Cash Flows from Investing Activities (\$30,000.00)

Cash Flow from Financing Activities

Cash Flow from Financing Activities

Net Cash Flows from Financing Activities \$0.00

Net Cash Flows from Financing Activities \$0.00

Net Increase/Decrease for the period \$12,022.77
 Cash at the Beginning of the period \$622,937.83
 Cash at the End of the period \$634,960.60

Net Increase/Decrease for the period (\$51,166.45)
 Cash at the Beginning of the period \$674,104.28
 Cash at the End of the period \$622,937.83

Lowrys Accountants
PO Box 36394
WINNELLIE NT 0821

Dear Sirs

Management Representation Letter

This representation letter is provided in connection with your audit of the financial report of Territory Construction Association for the year ended 30 June 2006, for the purpose of you expressing an opinion whether the general purpose financial report is, in all material respects, presented fairly in accordance with Accounting Standards and UIG Consensus Views.

We acknowledge our responsibility for ensuring that the financial report is in accordance with Accounting Standards and UIG Consensus Views and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have made available to you:
 - a) All financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and
 - b) Minutes of all meetings of shareholders, directors, and committees of directors.
2. There:
 - a) Has been no fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
 - b) Has been no fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report.
 - c) Have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
3. We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial

records have been maintained. This includes the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

4. We have disclosed to you:
 - a) All significant facts relating to any frauds or suspected frauds which are known to us that may have affected the entity.
 - b) The results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. We have considered the requirements of AASB 1010/AAS 10: "Recoverable Amount of Non-Current Assets" when assessing the carrying values of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
7. The following have been properly recorded or disclosed in the financial report:
 - a) Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).
 - b) Share options, warrants, conversions, or other requirements.
 - c) Arrangements involving restrictions on cash balances, compensating balances, and line of-credit or similar arrangements.
 - d) Agreements to repurchase assets previously sold.
 - e) Material liabilities or contingent liabilities or assets including those arising under derivative financial instruments.
 - f) Unasserted claims or assessments that our lawyer has advised us are probable of assertion.
 - g) Losses arising from the fulfillment of, or an inability to fulfill, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
8. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
9. Adequate amounts have been accrued for all local and foreign taxes on income including amounts applicable to prior years not finally settled and paid. Deferred income tax has been accounted for with respect to timing differences

on a basis consistent with that of the preceding years. The realization of the future income tax benefit can be regarded as being assured beyond any reasonable doubt, or in respect of carried forward losses, as virtually certain.

10. Adequate provision has been made for adjustments and losses in collection of receivables.
11. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
12. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
13. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
14. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
15. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.
16. We have brought all uncorrected misstatements to your attention.
17. We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.
18. The financial records of the Association have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the Act have been properly kept and are up-to-date.

Yours Faithfully
Territory Construction Association


President

Date: