



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.

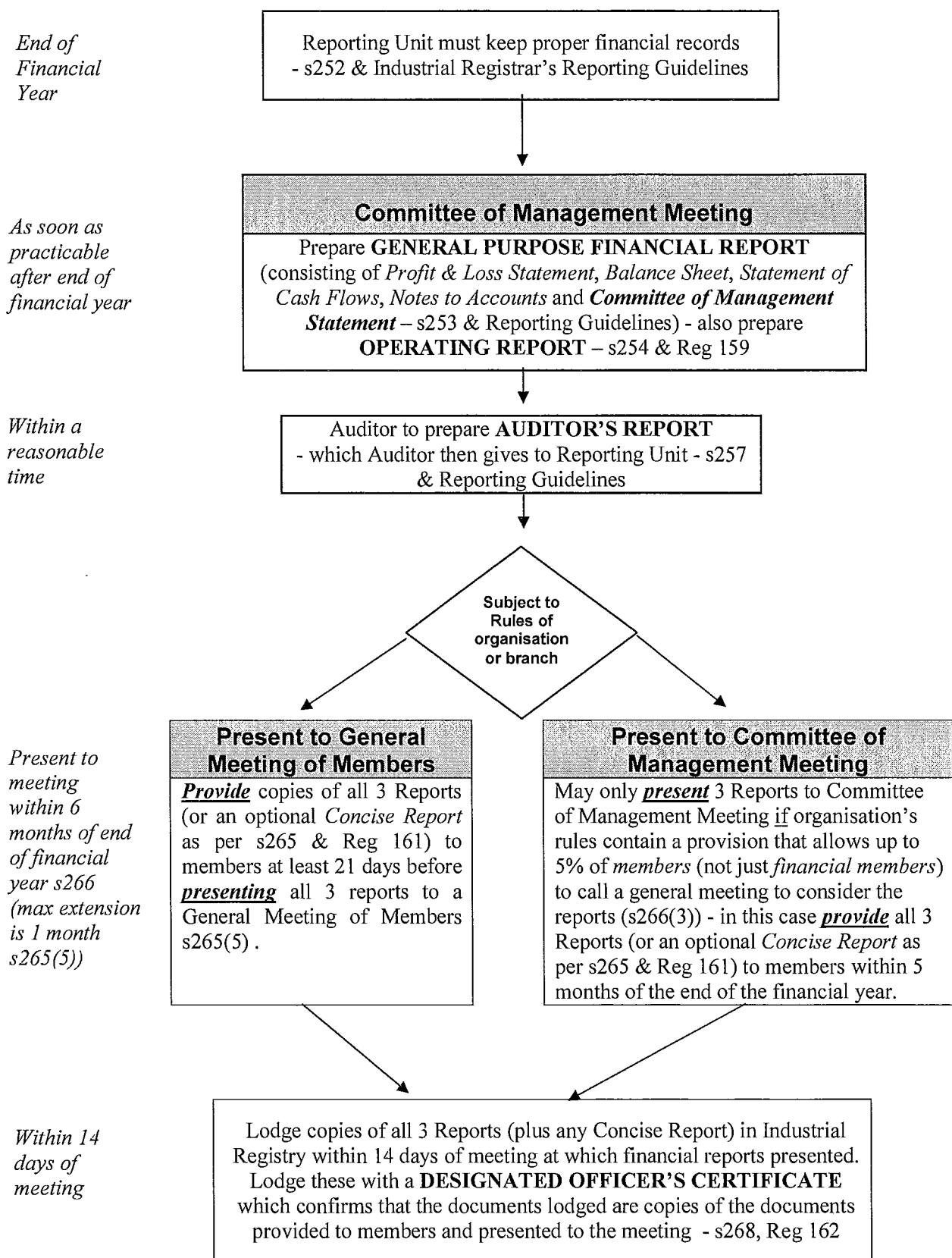
Would you be able to advise me at your earliest convenience when these steps can be taken.

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:



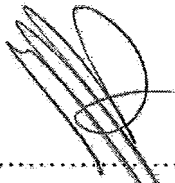
Designated Officer's Certificate

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 2006/2007 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.tcant.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

TERRITORY CONSTRUCTION ASSOCIATION

Financial Statements
For the year ended 30 June 2007

JKY & CO.
Certified Practising Accountant
PO Box 38233
Winnellie NT 0821

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The Association, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Territory Construction Association Incorporated for the financial year ended 30 June 2007,

Committee of Management

The names of each committee member of the association during the relevant financial year were:

Greg McLaughlin	Charles Wright
Dick Guit	Duncan Tomlinson
Gordon Harvey	Jeff Owler
Graeme Wigg	Mark Reynolds
Phil Storey	Matthew Farmer
Paul Nowland	Mark Brustolin
Neil Sunners	Kevin Page
John Brears	James Taylor
Carl Jenson	Adrian Bohem
Raymond Cron	

Principal Activities

The principal activities of the association during the relevant financial year were:

To promote the interests of the building and construction industry in the Northern Territory;

To safeguard the interests of its members against injustice in their regular business and such activities as are ancillary to the building and construction industry;

To protect its members against injustice or oppression in the fair and proper execution of such works as they may undertake from time to time to carry out;

To establish a code of ethics and good business practice amongst members;

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007

To take an active part in assisting or opposing such public movements as may appear likely to affect its members' interests in the carrying on of their business;

To secure to its members all the advantages of unity of action in any lawful manner whatsoever;

To maintain and improve conditions of contracts, forms of agreement, conditions of tendering and the like and to enter into agreements with the Royal Australian Institute of Architects or similar bodies, public authorities the Commonwealth and Northern Territory authorities and lending institutions.

Results of Activities

- (b) The net loss of the association for the relevant financial year was: \$ (237,175.62). There were significant changes to the Associations financial affairs during the year.

Significant Changes in Nature of Activities or Financial Affairs

There were significant changes in the financial affairs of the organisation, charge out income and training income derived for the Association decreased significantly during the year. Wage expenditure also increased.

Membership of the Association

The number of members of the Association at the end of the financial year was 189

Employees of the Branch

The number of persons employed by the Association at any one time during the financial year was 12.

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007

Rights of members to Resign

Members retain their right to resign from the Territory Construction Association Incorporated in accordance with section 10 of the Federal Rules and Section 174 of Schedule 1 to the Workplace Relations Act 1996. In accordance with Section 174 Schedule 1 of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Superannuation Trustees

No officer or member of the organisation is a trustee of a superannuation entity.

.....
PRESIDENT

18/9/08
.....
DATED

.....
VICE PRESIDENT

19.9.08
.....
DATED

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

COMMITTEE OF MANGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

On the 25th of September 2008 the Committee of Management of the Territory Construction Association Incorporated passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2007 as follows:

In our opinion –

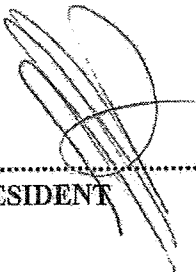
- a) The financial report and notes comply with the Australian Standards;
- b) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the accompanying financial report as set out on the following pages, being a general purpose financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2007 and the results of the Association for the year ended on that date:
- d) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- e) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.
- f) During the financial year ended 30 June 2007 and since the end of the financial year;
 - (i) Meetings of the Committee of Management of the Association were held in accordance with the rules of the organisation.
 - (ii) The financial affairs of the Association have been managed in accordance with the rules of the organisation.
 - (iii) The financial records have been kept and maintained in accordance with schedule 1 of the Workplace Relations Act 1996 (“the RAO Schedule”) and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and;
 - (iv) The organisation only consists of one reporting unit therefore the issue of consistency of financial reporting between the branches of an organisation does not arise.

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

- (v) No information has been sought in any request of a member of the Association or a registrar duly made under section 272 of the RAO Schedule; and
- (vi) No orders for inspection of financial reports have been made by the Commission under section 273 of the RAO Schedule.



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PRESIDENT



.....

DATED

JKY & CO.

CERTIFIED PRACTISING ACCOUNTANT

PO Box 38233
48 Albatross Street
WINNELLIE NT 0821
Ph: 89477030
Fax: 89477032

JOHN YOUSEF CPA
Commissioner for Oaths

TERRITORY CONSTRUCTION ASSOCIATION INCORPORATED

INDEPENDENT AUDITOR REPORT

FOR THE YEAR ENDED 30 JUNE 2007

SCOPE

I have audited the attached general purpose financial report comprising the Income and Expenditure Statement, Balance sheet, Cash Flow Statement, and Committee of Management Statement of the Territory Construction Association Incorporated for the period ended 30 June 2007. The Management Committee is responsible for the preparation and presentation of the financial report and the information contained therein, and has determined that the accounting policies described in note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Act, are consistent with the financial reporting requirements of the entity's constitution and are appropriate to meet the needs of the members. I have also conducted an independent audit of the financial report in order to express an opinion on it to the members of the Territory Construction Association Incorporated. No opinion is expressed as to whether the accounting policies used, and described in note 1, is appropriate to the needs of members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Management Committee's financial reporting requirements under the constitution of the Territory Construction Association Incorporated, the Associations Act, and Schedule 1 of the Workplace Relations Act 1996.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other financial disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia, statutory requirements of chapter 8 of schedule 1 of the Workplace Relations Act 1996, so as to present a view of the Association which is consistent with our understanding of its financial position and performance of the Territory Construction Association Incorporated as represented by the results of its operations and cash flows.

Liability limited by a scheme under the Professional Standards Legislation.

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INDEPENDENT AUDITOR REPORT

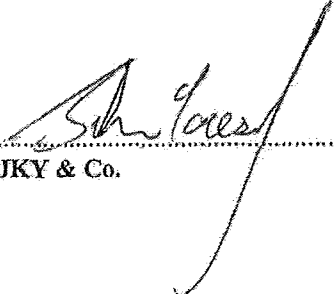
FOR THE YEAR ENDED 30 JUNE 2007

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

AUDIT OPINION

It is my opinion that:-

- (i) The financial report of the Territory Construction Association Incorporated is properly drawn up so as to give a true and fair view of the financial position of the Association as at 30 June 2007 and of its results for the year ended on that date.
- (ii) The rules relating to the administration of the funds of the Association have been observed.
- (iii) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- (iv) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996.


.....
JKY & Co.

18/09/08
.....
DATED

Liability limited by a scheme under the Professional Legislation.

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

Income	2007	2006
Members Subscriptions	244,283.66	251,160.94
New Applications	7,911.37	19,027.31
Standards Income	44,730.81	54,137.50
MBA Insurance Services	417.15	
AWA's Initial		4,716.66
AWA's Additional	18,753.63	14,810.00
Certified Agreements Initial	2,620.72	16,219.56
Certified Agreements Renewal		2,120.00
Safety Management Systems	9,860.54	19,802.50
Labour Only Sub-Contracts		110.00
IR Apprentice Help Line	1,789.24	6,317.29
IR/HR Training	19,796.38	30,859.83
TCA Arbitration Service	1,227.27	
TCA Annual Dinner		2,863.22
Misc Functions		1,560.36
Sponsorship Received		1,800.00
Excellence Awards	55,470.38	10,452.86
Independent Contractors Agreement	744.09	
Consultancy	6,306.61	
TCA Golf Day	3,785.46	2,636.65
MPA Golf Day	9,469.14	400.00
GST Income (TCA)		(46.46)
Trade Days/Nights	1,000.00	700.73
Breakfasts	2,518.23	
Contract Sales	4,676.45	8,242.69
Forms/Stationery Sales	790.69	60.50
Signs	339.09	165.00
Bank Interest	1,617.41	33,386.54
Investment Interest	22,380.66	
Profit on sale of property, plant, equip	488.00	(85.28)
Room Hire	220.00	140.91
Sundry Income	1,082.11	7,757.71
Micellaneous Income		177.75

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
Charge out Income	377,924.41	453,033.64
Trainees Incentives	18,086.37	25,600.00
Workready Inductions		3,338.53
Bechtel		1,210.00
Construction Training Board		506.25
Other Training	20,440.91	109,381.77
Marketing Services	10,723.29	370.91
Alliances Commission	154.51	163.78
Telstra Alliance	2,294.69	1,102.96
Advertising	4,400.00	
Tag & Test Courses	49,149.99	34,314.00
Skills Maintenance Training	28,596.90	12,848.37
Induction Training Courses	32,533.19	11,423.74
Desert Knowledge Project	5,000.00	
Darwin Waterfront STEPS	40,727.28	
CTB Course Development	7,732.36	
DEET Funding	3,025.00	
Businesswomen Connections	2,739.99	
Total income	<u>1,065,807.98</u>	<u>1,142,788.72</u>
 Expenses		
Office Cleaning/Plant Hire	6,024.65	5,026.61
Electricity	10,068.69	8,479.80
Repairs & Maintenance	826.05	1,089.10
Rubbish Removal	565.69	458.02
Office Rent	35,006.64	34,410.57
Audit Fees	4,600.00	4,059.09
Bank Charges	12,589.57	7,594.14
Insurance	11,317.10	7,422.05

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
Interest Expense	826.94	2,580.30
Stationery	12,299.68	8,393.20
Computer IT	25,446.94	6,971.60
R & M Office Equipment	128.36	1,189.42
Telephone/Facsimile	17,074.56	14,638.13
Postage & Freight	5,687.00	6,238.80
Library	93.26	156.12
Photocopier Expense	26,785.96	12,119.48
Depn Furn & Office Equip	1,111.00	1,580.23
Depn Office Machines	1,934.00	3,022.92
Bad Debts		1,500.00
Sundry Expenses	890.00	9,131.15
Purchases - Signs/Stickers	7,664.52	908.96
Purchases Documents	1,197.32	3,519.28
Standards Expense	31,967.13	40,361.74
Contract Expense	420.17	
Consultants fees	10,448.90	
Travel Fares & Accomodation	16,847.19	12,877.58
Vehicle Operation	4,852.91	7,991.62
Motor Vehicle Insurance	575.65	1,040.31
Depn Motor Vehicle	908.00	5,090.71
Motor Vehicle Lease	11,037.00	
Promotion	1,782.09	3,222.05
Meeting Costs	1,386.22	6,339.65
Advertising	6,760.80	10,922.61
Trade Nights		700.73
Entertainment Expenses		788.10
Training Tec. Support & Hire	749.00	
Training Venue Hire	1,724.26	
Lecturer Fees	8,680.00	
Amenities	1,853.37	
Course Stationery	2,267.67	

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
Resources Note Development	11,526.51	
Course Photocopy & Printing	10,902.17	
TCA Polo Shirts	6,545.75	
Australian Technical College	28,800.00	
STEPS Project	6,641.67	
Aust Apprentice Marketing	1,327.62	
Fringe benefits tax	8,313.93	3,756.17
Master Builders Assoc	42,923.57	47,438.05
NECA	3,000.00	3,809.90
Other Affiliations	1,013.19	1,645.01
AGGA Membership	2,606.38	
Master Plumbers Assoc.	329.09	
Crane Association	54.55	
Insurance	5,177.60	86.36
Other Expenses HR/IR	6,718.30	15,488.65
Work Ready Expenses	276.06	1,016.23
Depn Standards HR Resource		345.00
Misc Functions		1,718.85
TCA Annual Dinner		12,748.11
Awards	10,307.37	
Member functions	987.64	
Breakfasts	2,236.36	
Businesswomens Connection	2,421.16	
Event Management	9,230.50	
TCA Golf Day Darwin	1,199.86	
MPA Golf Day	7,091.08	
Wages	394,652.81	332,462.08
Trainee Labour Charges	11,560.15	32,907.73
Temporary Hire Staff	14,107.24	170.63
Superannuation Staff	35,594.26	33,639.98
Workers Compensation	3,995.49	3,538.43
Recruitment Fees Staff	6,682.13	23,261.69

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
Staff Amenities	2,444.58	624.53
Staff Training		200.00
Annual Leave Accrued Staff	34,793.50	26,053.39
Long Service Leave Accrual		(14,449.50)
Safety Equipment		77.20
S&W - Admin Trainees	295,411.67	331,329.05
Superannuation Trainees	26,521.35	30,240.71
Workers Compensation Trainees	3,125.91	7,943.28
Recruitment Fees Trainees	401.58	2,296.76
Annual Leave Accrual Trainees	18,332.53	26,796.91
Training Trainees	1,215.75	
Total expenses	1,302,867.60	1,154,969.27
Profit (loss) from ordinary activities before income tax		
	<u>(237,059.62)</u>	<u>(12,180.55)</u>

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2007

Current Assets	2007	2006
Cash assets	381,816.45	635,620.60
Receivables	136,972.52	115,798.98
Inventories	4,985.15	17,485.50
Other	<u>59,590.00</u>	<u>67,108.86</u>
Total Current Assets	<u>583,364.12</u>	<u>836,013.94</u>
Non-Current Assets		
Property, plant and equipment	<u>9,940.95</u>	<u>31,405.90</u>
Total Non-Current Assets	<u>9,940.95</u>	<u>31,405.90</u>
Total Assets	<u>593,305.07</u>	<u>867,419.84</u>
Current Liabilities		
Payables	91,164.71	177,926.09
Financial liabilities	168,863.46	
Current tax liabilities	11.75	29,510.03
Provisions	17,920.20	30,964.37
Other	<u>3,134.74</u>	<u>54,501.91</u>
Total Current Liabilities	<u>281,094.86</u>	<u>292,902.40</u>
Non-Current Liabilities		
Financial liabilities		<u>25,247.61</u>
Total Non-Current Liabilities		<u>25,247.61</u>
Total Liabilities	<u>281,094.86</u>	<u>318,150.01</u>
Net Assets	<u>312,210.21</u>	<u>549,269.83</u>
Members' Funds		
Reserves	561,450.38	561,450.38
Retained profits / (Accumulated losses)	<u>(249,240.17)</u>	<u>(12,180.55)</u>
Total Members' Funds	<u>312,210.21</u>	<u>549,269.83</u>

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings	Contributed Equity	Total
Balance at 1 July 2005	\$ 561,450.38	\$ -	\$ 561,450.38
Retrospective adjustment upon change in policy	\$ -	\$ -	\$ -
Profit attributable to equity	-\$ 12,180.55	\$ -	-\$ 12,180.55
Contributed equity	\$ -	\$ -	\$ -
Balance at 30 June 2006	\$ 549,269.83	\$ -	\$ 549,269.83
Retrospective adjustment upon change in policy	\$ -	\$ -	\$ -
Profit attributable to equity	-\$ 237,175.62	\$ -	-\$ 237,175.62
Contributed equity	\$ -	\$ -	\$ -
Balance at 30 June 2007	\$ 312,094.21	\$ -	\$ 312,094.21

**TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED**

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2007

OPERATING ACTIVITIES	2007	2006
Operating Loss	-\$ 237,059.62	-\$ 12,180.55
Decrease in Assets	\$ 21,580.95	-\$ 672.74
Profit Sale Property & Equip	-\$ 488.00	
Trade Debtors	-\$ 21,173.54	-\$ 45,129.68
Accrued Revenue	\$ -	\$ 3,336.03
Provision for Doubtful Debts	\$ -	\$ 1,500.00
Decrease Stock on Hand	\$ 12,500.35	\$ 2,633.78
Prepayments	-\$ 1,261.61	\$ 1,045.78
Other	\$ 6,257.25	\$ -
Overdraft	\$ 160,926.42	\$ -
AmericanExpress	\$ 7,937.04	\$ -
Creditors	-\$ 101,444.19	\$ 114,718.00
Accrued expenses	-\$ 5,547.10	-\$ 52,486.25
MPA Golf day	-\$ 480.60	\$ 480.60
Excellence Awards	-\$ 6,227.27	\$ 1,881.72
TCA Golf Day	-\$ 300.00	\$ 300.00
TCA Annual Dinner	-\$ 3,009.09	\$ 1,293.64
Test & Tag	-\$ 448.27	\$ 448.27
Skills Maintenance Courses	-\$ 448.27	\$ 448.27
Sponsorship Rec in Adv	-\$ 13,090.91	\$ 7,090.91
Induction Course	-\$ 448.27	\$ 448.27
Steps (DEET) RTO Funding	\$ 39,528.00	\$ -
Hazardous Explosive	\$ -	-\$ 2,000.00
Black Tip VOC Courses	\$ -	-\$ 8,813.64
Trans Territory Pipeline	\$ -	-\$ 15,849.24
Superannuation	-\$ 4,486.36	\$ 186.49
Annual Leave Accrual Staff	-\$ 34,793.50	\$ -
Annual Leave Trainees Accrual	-\$ 26,521.35	\$ -
Provn Annual Leave Staff	-\$ 834.94	-\$ 5,154.05
Provn Annual Leave Train	-\$ 7,722.87	-\$ 731.95
Provn for Long Service Leave	\$ -	-\$ 14,449.50
GST Payable	\$ 29,498.28	\$ 7,224.45
Input tax credit	\$ 21,084.01	-\$ 9,671.01
PAYG Tax Payable	-\$ 10,715.31	-\$ 2,300.18

Arbitration Funds in Trust	-\$ 16.00	\$ 1,000.00
MPA Funds	-\$ 95.29	\$ 454.94
Prepaid Membership	-\$ 51,497.76	\$ 41,770.47
CTB Funds	\$ 241.88	\$ -
Lease Liability	-\$ 25,247.61	-\$ 6,806.06
NET Cash from operating Activities	<u>- \$ 253,803.55</u>	<u>\$ 12,022.77</u>
Cash Used		
Purchase of property, plant and equipment	\$ -	\$ -
Total cash used	<u>\$ -</u>	<u>\$ -</u>
NET Cash from investing Activities	<u>\$ -</u>	<u>\$ -</u>
Net increase/decrease in cash held	- \$ 253,803.55	\$ 12,022.77
Cash at the beginning of the reporting period	\$ 634,960.60	\$ 622,937.83
Cash at the end of the reporting period	<u>\$ 381,157.05</u>	<u>\$ 634,960.60</u>

TERRITORY CONSTRUCTION ASSOCIATION
INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the reporting guidelines of Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act, 1996.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AFIRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Committee in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report is for the Territory Construction Association and in accordance of the *Associations Act* and Schedule 1 of the Workplace Relations Act, 1996 the Association is reporting unit. The Territory Construction Association is an organisation registered under Schedule 1 of the Workplace Relations Act, 1996. In accordance with Schedule 1 of the Workplace Relations Act 1996 the Territory Construction Association is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Association is not subject to the Corporations Act 2001.

The Profit and loss Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with historical cost convention. The accounting policies have been consistently applied, unless otherwise stated.

TERRITORY CONSTRUCTION ASSOCIATION

INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

a) Stock on Hand

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

b) Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, except where they are acquired as part of a transfer of functions from another Government entity, in which case they are recognised as contributed equity at the carrying amount

c) Impairment of Assets

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

d) Employee Entitlements

Provision is made for employee entitlements benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include salaries and annual leave.

Liabilities arising in respect of salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts and are shown under current liabilities. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

e) Taxation

The Association believes it is exempt from all forms of taxation except fringe benefits tax, PAYG and GST. Revenues and expenses are recognised net of the amount of GST. Receivables and payables in the statement of financial position are shown inclusive of GST.

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

f) Remuneration of Auditors

The Remuneration to the Auditors for auditing the financial statements for the reporting period is \$4,400.00

g) Terms Conditions and Accounting Policies

Financial Assets

Cash at Bank

Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.

Cash Management

Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.

Receivables

These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts.

Financial Liabilities

Trade Creditors

Creditors and accruals are recognised at their nominal amounts, being the amount at which liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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h) Interest Rate Risk

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

Loan liabilities – 8.07 % variable

Bank Balances – 0 – 6.3 % variable

i) Incorporation

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

On 1 September 1971 the Association was registered under the Conciliation and Arbitration Act 1904 (now titled the workplace Relations Act 1996).

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of (1), (2) and (3) of section 272 of the Registration and Accountability of Organisations Schedule (Schedule 1 to the Workplace Relations Act 1996) which reads as follows:-

- (1) A member of the Association or a Registrar may apply to the Association for specified prescribed information in relation to the Association to be made available to the person making the application.
- (2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Association.
- (3) The association must comply with an application made under subsection (1).