

Contractor Accreditation Limited

ABN 95 068 082 744

Financial Statements

For the Year Ended 30 June 2017

Contractor Accreditation Limited

ABN 95 068 082 744

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For the Year Ended 30 June 2017

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Directors' Report

30 June 2017

The directors present their report on Contractor Accreditation Limited for the financial year ended 30 June 2017.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Graham Brock Simon	Appointed 24 November 2014
Qualifications	Business Consultant
Mr Michael William Lynagh	Appointed 6 February 1995
Qualifications	Company Director - Diesel Contract Services Pty Ltd
Mr Keith Aitken	Appointed 15 October 2002
Qualifications	Company Director - Advance Civil Engineering Pty Ltd
Mr Gregory Francis Bicknell	Appointed 17 June 2014
Qualifications	Chief Executive Officer - Chamber of Commerce NT
Mr Gregory Keith Ireland	Appointed 22 July 2014
Qualifications	Company Director - Security & Technology Services Pty Ltd
Ms Andrea Elizabeth Moriarty	Appointed 25 November 2014
Qualifications	Company Director - Killarney Homes Pty Ltd
Mr John Brears	Appointed 19 July 2016
Qualifications	Company Director - Mirage Developments Pty Ltd

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Contractor Accreditation Limited during the financial year was to administer a scheme of accreditation for contractors and tradesmen working in the Northern Territory Building and Construction industry; as a means of providing the industry's clients with a system of pre-qualification.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ NIL (2016: \$ NIL). This result should be viewed in the context of the User Agreement with the Northern Territory Government which provides that the company will seek to be cash flow neutral in its operations, with the User Fee being the amount required by the company each year

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Directors' Report

30 June 2017

2. Operating results and review of operations for the year continued

Operating results continued

to achieve this result.

The year's operations resulted in a cash deficit of \$228,942.56. This surplus is taken into account in determining the NT Government's User Fee

Dividends paid or recommended

In accordance with Item 7.1 of the company's Articles of Association, the company is prevented from paying dividends to its members.

Review of operations

At 30 June 2017 the number of accredited businesses was 926 compared with the previous year's 945. The number of rejected applicants increased from 83 to 91 and the number of businesses allowing their accreditation to expire had increased from 2178 to 2337.

The expiries were offset by 140 new applications; compared to 157 in 2015/16.

At Government request, the company reports on the number of interstate companies holding accreditation each month. At 30 June 2017, 274 interstate companies held current accreditation, compared with 284 the previous year.

Considerable groundwork was laid in implementing the Strategic Plan. This culminated in a detailed review of the Plan in June 2016; which refined the immediate targets as:

- Marketing the full range of the company's services to potential users
- Modernising the Constitution to address Governance concerns, including the appointment of Members and engagement with other industry associations, and
- Closer integration with ICNNT, to strengthen the services both companies offer Territory business

Significant progress was also made in introducing Continuous Credit Monitoring and a standard Deed of Cross Guarantee for related entities. The need for these was highlighted by the failure of several accredited companies during the year.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The company will continue to pursue its policy of operating under the charter for which it was established.

Environmental issues

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Directors' Report

30 June 2017

3. Other items continued

The Company's operations are not subject to significant environmental regulations under the laws of the Commonwealth and State of Australia.

Meetings of directors

During the financial year, [insert number] meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Graham Brock Simon	11	9
Mr Michael William Lynagh	11	9
Mr Keith Aitken	11	8
Mr Gregory Francis Bicknell	11	5
Mr Gregory Keith Ireland	11	7
Ms Andrea Elizabeth Moriarty	11	11
Mr John Brears	11	10

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Contractor Accreditation Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

Directors' Benefits

No Director has received or has become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments or due and receivable by Directors shown in the accounts or received as the fixed salary of a full time employee of the company) by reason of a contract made by the company or by a related corporation with the Director or a firm which he is a member of, or with a company in which he has a substantial financial interest.

Appreciation

The company continues to be well served by its small but competent and dedicated staff and the Directors express their appreciation of their efforts.

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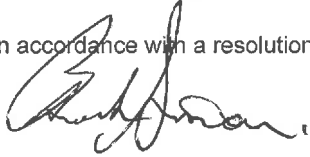
Directors' Report

30 June 2017

Auditor's independence declaration continued

The company also expresses its appreciation of the time and expertise of the many members of the Assessment Panel who continue to deal with applications with thoroughness and efficiency.

Signed in accordance with a resolution of the Board of Directors:



Director: Mr Graham Brock Simon



Director: Mr Michael William Lynagh

Dated this 1st day of September 2017

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Auditors Independence Declaration To the Directors of Contractor Accreditation Limited

I declare that, to the best of my knowledge and belief, during the year ended 30, June, 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Perks Audit

Perks Audit Pty Ltd
84 Smith Street
Darwin
Northern Territory 0800

P Hill

Peter J Hill
Partner
Registered Company Auditor

Dated this *1st* day of September 2017

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue		1,275,284	1,185,104
Employee benefits expense		(601,228)	(540,468)
Depreciation and amortisation expense		(8,023)	(8,023)
Other expenses		(666,033)	(636,613)
Income tax expense		-	-
Profit for the year		-	-

The accompanying notes form part of these financial statements.

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Statement of Financial Position

30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	146,884	443,190
Other assets		90,458	31,812
TOTAL CURRENT ASSETS		237,342	475,002
NON-CURRENT ASSETS			
Property, plant and equipment		19,123	27,145
TOTAL NON-CURRENT ASSETS		19,123	27,145
TOTAL ASSETS		256,465	502,147
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	97,390	87,032
Borrowings	4	8,716	8,716
Employee benefits	6	50,500	35,324
Other liabilities	5	87,500	350,000
TOTAL CURRENT LIABILITIES		244,106	481,072
NON-CURRENT LIABILITIES			
Borrowings	4	12,347	21,063
TOTAL NON-CURRENT LIABILITIES		12,347	21,063
TOTAL LIABILITIES		256,453	502,135
NET ASSETS		12	12
EQUITY			
Issued capital	7	12	12
TOTAL EQUITY		12	12

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Ordinary Shares	Retained Earnings	Total
Note	\$	\$	\$
Balance at 1 July 2016	12	-	12
Balance at 30 June 2017	12	-	12

2016

	Ordinary Shares	Retained Earnings	Total
Note	\$	\$	\$
Balance at 1 July 2015	12	-	12
Balance at 30 June 2016	12	-	12

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,213,723	1,160,587
Payments to suppliers and employees	(1,504,227)	(1,111,395)
Interest received	2,915	3,573
Net cash provided by (used in) operating activities	11 <u>(287,589)</u>	<u>52,765</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(8,717)</u>	(8,715)
Net cash used by financing activities	<u>(8,717)</u>	(8,715)
Net increase (decrease) in cash and cash equivalents held	(296,306)	44,050
Cash and cash equivalents at beginning of year	<u>443,190</u>	399,140
Cash and cash equivalents at end of financial year	2 <u><u>146,884</u></u>	<u>443,190</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2017

Contractor Accreditation Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Contractor Accreditation Limited is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that has been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(b) Comparative Amounts

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

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Economic dependence

Contractor Accreditation Limited is dependent on the receipt of user fees from the Northern Territory Government. Government user fees are calculated in accordance with the agreement between the Northern Territory of Australia and CAL dated 26 March 1997. The agreement specifies that for each year the government user fees shall be the amount (if any) required to enable CAL to achieve in that year a net cash flow of nil. The amount payable in advance in each year is the amount that is calculated in the budget prepared by CAL as required to produce a net cash flow of nil. Following the completion of CAL's audited annual financial report, the user fee for that year is adjusted to provide a net cash flow of nil.

Government user fees are refundable where a cash surplus occurs and receivable where a cash deficit occurs at year end.

2 Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	605	-
Cash at bank	146,279	443,190
	<u>146,884</u>	<u>443,190</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	146,884	443,190

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Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	46,367	7,641
Sundry payables and accrued expenses	10,000	9,500
Other payables	41,023	69,891
	<u>97,390</u>	<u>87,032</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

4 Borrowings

	2017	2016
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	8,716	8,716
Total current borrowings	<u>8,716</u>	<u>8,716</u>

	2017	2016
	\$	\$
NON-CURRENT		
Secured liabilities:		
Lease liability secured	12,347	21,063
	<u>12,347</u>	<u>21,063</u>
Total non-current borrowings	<u>12,347</u>	<u>21,063</u>

(a) Total Current and Non Current Borrowings

Total borrowings	<u>21,063</u>	<u>29,779</u>
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5 Other liabilities

	2017	2016
	\$	\$
CURRENT		
Governments User Fees received in advance	87,500	350,000
	<u>87,500</u>	<u>350,000</u>

Contractor Accreditation Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Employee Benefits

	2017	2016
	\$	\$
Current liabilities		
Provision for employee benefits	50,500	35,324
	<u>50,500</u>	<u>35,324</u>

7 Issued Capital

	2017	2016
	\$	\$
Ordinary shares	12	12
Total	<u>12</u>	<u>12</u>

8 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 6 (2016: -).

9 Remuneration of Auditors

	2017	2016
	\$	\$
Remuneration of the auditor of the Company, Perks Audit Pty Ltd, for:		
- auditing the financial report	10,000	9,500

10 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None).

Contractor Accreditation Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	8,023	8,023
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(58,646)	(20,945)
- increase/(decrease) in trade and other payables	(252,142)	52,811
- increase/(decrease) in employee benefits	15,176	12,876
Cashflow from operations	<u>(287,589)</u>	<u>52,765</u>

12 Company Details

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

Contractor Accreditation Limited
Suite 6C
Lot 1450 Winnellie Road
Winellie NT 0820

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Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated this 1st day of September 2017

Contractor Accreditation Limited

Independent Audit Report to the members of Contractor Accreditation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Contractor Accreditation Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.


Perks Audit Pty Ltd

84 Smith Street
Darwin
Northern Territory 0800



Peter J Hill
Partner
Registered Company Auditor

Dated this *1st* day of September 2017

Contractor Accreditation Limited

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For the Year Ended 30 June 2017

Profit and Loss Account

	2017	2016
	\$	\$
Income		
Accreditation Fees	571,984	402,506
Application Fees	350,385	330,710
User Fees	350,000	448,316
Interest income	2,915	3,573
Total income	1,275,284	1,185,105
Less: Expenses		
Salaries	530,430	489,777
Consulting fees	290,316	267,814
Leasing charges	72,379	90,237
Computer expenses	57,727	47,778
Panel Sitting Fees	53,896	47,907
Superannuation contributions	52,508	44,113
Printing and stationery	26,293	12,269
Telephone	22,341	20,294
Directors Fees	21,478	38,566
Insurance	15,557	14,735
Electricity and water	14,765	15,734
Credit Advantage	11,640	9,340
Other employee costs	10,391	-
Auditors remuneration	10,000	9,500
Cleaning	8,480	7,606
Other expenses	8,322	14,951
Motor vehicle expenses	8,198	7,572
Travel and Accommodation	8,056	6,986
Depreciation	8,023	8,023
Staff training	7,899	6,578
Uniforms	7,118	11
Subscriptions	5,734	4,990
Accounting fees	5,480	740
Advertising	5,266	4,395
Bank charges	4,233	3,871
Postage	3,454	2,640
Staff amenities	2,421	2,089
Waste disposal	1,743	1,799
Equipment < \$300	1,136	2,183
Hire	-	2,607
Total Expenses	1,275,284	1,185,105
Other items:		
Profit	-	-