

Contractor Accreditation Limited

ABN 95 068 082 744

Financial Statements

For the Year Ended 30 June 2018

Contractor Accreditation Limited

ABN 95 068 082 744

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For the Year Ended 30 June 2018

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Contractor Accreditation Limited

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Directors' Report 30 June 2018

The directors present their report on Contractor Accreditation Limited for the financial year ended 30 June 2018.

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 Resigned 8 November 2017
Qualifications	Company Director - Killarney Homes Pty Ltd
Mr John Brears	Appointed 19 July 2016
Qualifications	Company Director - Mirage Developments Pty Ltd
Mr Adam Russell Twomey	Appointed 8 November 2017 Resigned 5 April 2018
Qualifications	Company Director - Adamant Pty Ltd
Mr Tom Henry Harris	Appointed 8 November 2017
Qualifications	Chief Executive Officer - Civil Contractors Federation - Northern Territory

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.

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Directors' Report

30 June 2018

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 (2017: \$ 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 to achieve this result.

The year's operations resulted in a cash deficit of \$112,715. This deficit 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 2018 the number of accredited businesses was 896 compared with the previous year's 926. The number of rejected applicants increased from 91 to 94 and the number of businesses allowing their accreditation to expire had increased from 2337 to 2462.

The expiries were offset by 79 new applications; compared to 140 in 2016/17.

The continuing implementation of the Strategic Plan was frustrated to a significant extent by delays in resolving both the future of the User Agreement with Government and difficulties posed by applying the category structure to current Government procurement policies.

The development of a marketing strategy, including launching a new website and pursuing closer integration with ICNNT have been particularly constrained.

It is hoped that a current review of the Government's use of the accreditation scheme, being conducted by the Procurement Review Board, will lead to a resolution of both the User Agreement and Category issues.

On a more positive note, the Continuous Credit Monitoring service has commenced, a standard Deed of Guarantee introduced and a representative of the Civil Contractors Federation was appointed to the Board.

Most significantly, the company adopted a modernised constitution on 17 May 2018. This has the effect of removing the industry associations as the sole nominees of company Members and opens Membership up to the wider industry. The company greatly appreciates the support provided by the Master Builders Association (NT), the Chamber of Commerce (NT), the former Small Business Association (NT) and the Civil Contractors Federation (NT).

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.

Contractor Accreditation Limited

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Directors' Report

30 June 2018

3. Other items continued

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

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	10	10
Mr Michael William Lynagh	10	9
Mr Keith Aitken	10	10
Mr Gregory Francis Bicknell	10	7
Mr Gregory Keith Ireland	10	6
Ms Andrea Elizabeth Moriarty	4	3
Mr John Brears	10	9
Mr Adam Russell Twomey	5	4
Mr Tom Henry Harris	5	3

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.

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Directors' Report

30 June 2018

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 2018 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.

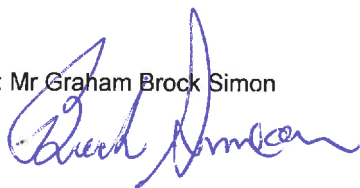
Appreciation

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

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 13TH day of ~~September~~ ^{November} 2018

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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, 2018, 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 Pty Ltd
84 Smith Street
Darwin
Northern Territory 0800



Peter J Hill
Partner
Registered Company Auditor

Dated this 24th day of September 2018

Contractor Accreditation Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue		1,421,824	1,275,284
Employee benefits expense		(617,236)	(601,228)
Depreciation and amortisation expense		(16,045)	(8,023)
Other expenses		(788,543)	(666,033)
Income tax expense		-	-
Profit for the year		-	-

The accompanying notes form part of these financial statements.

Contractor Accreditation Limited

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Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	34,169	146,884
Other assets		136,215	90,458
TOTAL CURRENT ASSETS		170,384	237,342
NON-CURRENT ASSETS			
Property, plant and equipment		11,100	19,123
TOTAL NON-CURRENT ASSETS		11,100	19,123
TOTAL ASSETS		181,484	256,465
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	126,147	97,390
Borrowings	4	8,716	8,716
Employee benefits	6	42,977	50,500
Other liabilities	5	-	87,500
TOTAL CURRENT LIABILITIES		177,840	244,106
NON-CURRENT LIABILITIES			
Borrowings	4	3,632	12,347
TOTAL NON-CURRENT LIABILITIES		3,632	12,347
TOTAL LIABILITIES		181,472	256,453
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 2018

2018

	Ordinary Shares	Retained Earnings	Total
Note	\$	\$	\$
Balance at 1 July 2017	12	-	12
Balance at 30 June 2018	12	-	12

2017

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

The accompanying notes form part of these financial statements.

Contractor Accreditation Limited

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Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,375,884	1,213,723
Payments to suppliers and employees		(1,480,068)	(1,504,227)
Interest received		184	2,915
Net cash provided by (used in) operating activities	11	<u>(104,000)</u>	<u>(287,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		<u>(8,715)</u>	<u>(8,717)</u>
Net cash used by financing activities		<u>(8,715)</u>	<u>(8,717)</u>
Net increase (decrease) in cash and cash equivalents held		(112,715)	(296,306)
Cash and cash equivalents at beginning of year		<u>146,884</u>	<u>443,190</u>
Cash and cash equivalents at end of financial year	2	<u><u>34,169</u></u>	<u><u>146,884</u></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 2018

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 2018

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 2018

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

	2018	2017
	\$	\$
Cash on hand	1,816	605
Cash at bank	32,353	146,279
	<u>34,169</u>	<u>146,884</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:

	2018	2017
	\$	\$
Cash and cash equivalents	34,169	146,884

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	21,319	46,367
Sundry payables and accrued expenses	11,000	10,000
Other payables	93,828	41,023
	<u>126,147</u>	<u>97,390</u>

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

4 Borrowings

	2018	2017
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	8,716	8,716
Total current borrowings	<u>8,716</u>	<u>8,716</u>

	2018	2017
	\$	\$
NON-CURRENT		
Secured liabilities:		
Lease liability secured	3,632	12,347
	<u>3,632</u>	<u>12,347</u>
Total non-current borrowings	<u>3,632</u>	<u>12,347</u>

(a) Total Current and Non Current Borrowings

Total borrowings	<u>12,348</u>	<u>21,063</u>
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5 Other liabilities

	2018	2017
	\$	\$
CURRENT		
Governments User Fees received in advance	-	87,500
	<u>-</u>	<u>87,500</u>

Contractor Accreditation Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Provision for employee benefits	42,977	50,500
	<u>42,977</u>	<u>50,500</u>

7 Issued Capital

	2018	2017
	\$	\$
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 2018 the number of members was - (2017: 6).

9 Remuneration of Auditors

	2018	2017
	\$	\$
Remuneration of the auditor of the Company, Perks Audit Pty Ltd, for:		
- auditing the financial report	11,450	10,000

10 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

Contractor Accreditation Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

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:

	2018	2017
	\$	\$
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	(45,757)	(58,646)
- increase/(decrease) in income in advance	(87,500)	-
- increase/(decrease) in trade and other payables	28,757	(252,142)
- increase/(decrease) in employee benefits	(7,523)	15,176
Cashflow from operations	<u>(104,000)</u>	<u>(287,589)</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
Winnellie NT 0820

Contractor Accreditation Limited

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Directors' Declaration

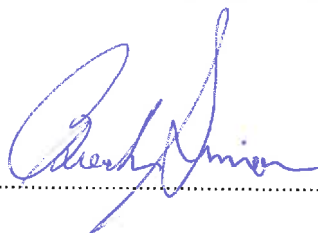
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

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 2018 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 13TH day of ~~September~~ ^{November} 2018

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 2018, 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 2018 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

Perks Audit Pty Ltd

84 Smith Street
Darwin
Northern Territory 0800

P Hill

Peter J Hill
Partner
Registered Company Auditor

Dated this th 24 day of September 2018

Contractor Accreditation Limited

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For the Year Ended 30 June 2018

Profit and Loss Account

	2018	2017
	\$	\$
Income		
Accreditation Fees		
User Fees	599,468	571,984
Application Fees	491,250	350,000
Interest income	330,923	350,385
	184	2,915
Total income	1,421,825	1,275,284
Less: Expenses		
Salaries	553,917	530,430
Consulting fees	280,154	290,316
Computer expenses	115,771	57,727
Leasing charges	79,072	72,379
Superannuation contributions	57,195	52,508
Panel Sitting Fees	52,148	53,896
Directors Fees	45,584	21,478
Continuous Monitoring	37,330	-
Other expenses	29,548	8,322
Telephone	20,595	22,341
Insurance	17,511	15,557
Advertising	16,250	5,266
Depreciation	16,045	8,023
Printing and stationery	15,861	26,293
Electricity and water	11,644	14,765
Auditors remuneration	11,450	10,000
Motor vehicle expenses	10,572	8,198
Credit Advantage	9,967	11,640
Cleaning	8,905	8,480
Subscriptions	7,171	5,734
Travel and Accommodation	6,568	8,056
Staff training	3,652	7,899
Bank charges	2,984	4,233
Postage	2,977	3,454
Other employee costs	2,472	10,391
Fire alarm test and monitor	2,443	-
Staff amenities	1,558	2,421
Waste disposal	1,200	1,743
Uniforms	806	7,118
Accounting fees	275	5,480
Pest control	200	-
Equipment < \$300	-	1,136
Total Expenses	1,421,825	1,275,284
Other items:		
Profit	-	-