Part 3 Financial accountability

Financial Statements for year ended 30 June 2009

Index | *Page No.*

Index	Page No.
Board members' declaration	34
Independent auditor's report	35
Income statement	37
Balance sheet	38
Statement of changes in equity	39
Cash flow statement	40
Notes to and forming part of the financial statements	41

Board members' declaration

The members of the Board of NT Build declare that, in their opinion:

1. The financial statements and notes, as set out on pages 37 to 59:

    a) comply with the Australian Accounting Standards and other mandatory financial reporting requirements in Australia and the *Construction Industry Long Service Leave and Benefits Act*, and

    b) give a true and fair view of the Board's financial position as at 30 June 2009 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 members of the Board's opinion there are reasonable grounds to believe that the entity 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 and is signed for and on behalf of the Board of NT Build.

Board member: TONY STUBBIN

Board member: DICK GUIT

Dated: 16 November 2009

Independent auditor's report

AUDITOR-GENERAL

Independent Auditor's Report to the Board
NT Build
Year Ended 30 June 2009

Page 1 of 2

I have audited the accompanying financial report of NT Build, which comprises the income statement, balance sheet, statement of changes in equity and cash flow statement and accompanying notes to the financial statements for the year ended 2009.

The Responsibility of the Board for the Financial Report

The Board of NT Build is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Qualification

The statutory obligation to notify NT Build of the commencement of a project rests with the developer. NT Build has implemented a number of mechanisms to help monitor compliance and identify leviable projects and consequently those liable to pay the levy, including monitoring projects where building permits under the *Building Act* are issued. It is noted that not all types of construction work carried out in the Territory require a building permit.

Due to the nature of the approval process within the Northern Territory construction industry, there exists some uncertainty regarding the ability of NT Build to identify all construction and maintenance projects that fall within the scope of the *Construction Industry Long Service Leave and Benefits Act*. As such, I am unable to satisfy myself as to the completeness of the $11,848,410 recognised as 'Contributions from levy payers' in the income statement.

Level 12 Northern Territory House 22 Mitchell Street Darwin NT 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

AUDITOR-GENERAL

Qualified Audit Opinion

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly, in all material respects, the financial position of NT Build as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

F McGuiness
Auditor General for the Northern Territory
Darwin, Northern Territory
25 November 2009

Level 12 Northern Territory House 22 Mitchell Street Darwin NT 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

Income statement
for the year ended 30 June 2009

	Note	2009	2008
REVENUE		**$**	**$**
Contributions from levy payers		11,848,410	8,173,283
Other income	2	(712,393)	(713,669)
TOTAL REVENUE FROM ORDINARY ACTIVITIES		11,136,017	7,459,615
EXPENSES FROM ORDINARY ACTIVITIES			
Depreciation and Amortisation	**3(a)**	70,606	72879
Fees and allowances	**3(b)**	40,075	22,449
Long service leave benefit payments		319,252	198,841
Long service scheme expense - current	**10**	5,982,000	2,161,000
Occupancy costs		75,578	80,165
Employee expenses		494,368	578,243
Other expenses from ordinary activities		340,941	316,642
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		7,322,821	3,430,219
Net Surplus (Deficit)		3,813,196	4,029,396
Net Assets /(Liabilities) available for accrued benefits at beginning of the year		5,198,766	1,169,370
Net Assets /(Liabilities) available for accrued benefits at end of the year		9,011,962	5,198,766

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet
as at 30 June 2009

	Note	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	4	15,074,369	3,210,058
Trade and other receiveables	6	1,517,640	2,522,506
Other financial assets - investments	7	6,303,654	7,432,383
TOTAL CURRENT ASSETS		22,895,663	13,164,947
Non-current assets			
Property, plant & equipment	8	88,429	159,035
TOTAL NON-CURRENT ASSETS		88,429	159,035
Total assets		22,984,092	13,323,982
LIABILITIES			
Current liabilities			
Trade and other payables	9	72,263	207,350
Provision for scheme liabilities	10	240,000	195,000
TOTAL CURRENT LIABILITIES		312,263	402,350
Non-current liabilities			
Provision for scheme liabilities	10	13,363,000	7,426,000
TOTAL NON-CURRENT LIABILITIES		13,363,000	7,426,000
Total liabilities		13,675,263	7,828,350
Net assets		9,308,829	5,495,633
EQUITY			
Implementation Funding		296,867	269,867
Retained surplus		9,011,962	5,198,766
Total equity		9,308,829	5,495,633

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2009

	Note	Retained Surplus $	Other Reserves $	Total $
As at 30 June 2007		1,169,370	296,867	1,466,237
Net Surplus (Deficit)		4,029,396	-	4,029,396
At 30 June 2008		5,198,766	296,867	5,495,633
Net Surplus (Deficit)		4,029,396	-	4,029,396
At 30 June 2009		9,011,962	296,867	9,308,829

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
for the year ended 30 June 2009

	Note	2009 $	2008 $
Cash flows from operating activities:			
Contributions from levy payers		12,853,279	7,183,549
Payments to suppliers and employees		(1,405,303)	(1,095,582)
Interest received		416,335	80,512
Interest paid		-	-
Net Cash provided by/(used in) operating activities	**5(b)**	11,864,311	6,168,479
Cash flows from investing activities:			
Purchase of property, plant and equipment		-	-
Purchase of investments		-	(3,900,000)
Net cash provided by/(used in) investing activities		-	(3,900,000)
Cash flows from financing activities:			
Repayment of borrowings		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash		11,864,311	2,268,479
Cash at the beginning of the financial year		3,210,058	941,579
Cash at the end of the financial year	**5(a)**	15,074,369	3,210,058

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements
for the year ended 30 June 2009

Note 1 STATEMENT OF ACCOUNTING POLICIES

(a) The reporting entity

NT Build has its principal office at Charlton Court, Woolner, NT 0820. The entity was established in 2005 under the Northern Territory *Construction Industry Long Service Leave and Benefits Act* and it administers this Act which provides a portable long service benefits scheme to building and construction workers in NT.

(b) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

The accounts have been prepared on an accruals basis and are based on historical cost convention and have not been adjusted to take into account changing money values or current valuations of non-current assets and their impact on the operating results.

(c) Property, plant and equipment

Property, plant and equipment is initially valued at cost in accordance with AASB 116. Where an item of property, plant and equipment is acquired for no or nominal consideration, the item's fair value at acquisition date is deemed as its cost. Subsequent to initial recognition, each class is carried at cost or fair value, where applicable, less any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Board to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of remaining service potential from the assets employment.

(d) Depreciation

Depreciation of plant and equipment is provided on a straight line basis over the estimated useful life of the asset. Leasehold improvements are depreciated over the shorter of either the unexpired period of lease or estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Leasehold improvements	20%
Furniture and fixtures	10%
Field and office equipment	20%
Computer equipment	33.30%
Computer software	33.30%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

(e) Leases

The Board is not a party to any finance lease. Existing operating leases relate to leasing premises at Charlton Court, Woolner. Operating leases are expensed in the periods in which they are incurred.

(f) Income tax

As a public authority constituted under a law of the Northern Territory the income of the Board is exempt from income tax under section 50-25 of the Income Tax Assessment Act 1997 and no charge for income tax expense is required.

(g) Revenue

Revenue is recognised, at the fair value of consideration, when the Board has control of the goods or the right to receive it, and it is probable that the economic benefits will flow to the Board and the amount of revenue can be measured reliably.

Operating revenue represents revenue from long service levy income and investment income, which are recognised as they accrue.

Gains and losses on investments are calculated as the difference between the net market value at sale, or at the year end, and the net market value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses.

(h) Long service levy

The long service levy rate is 0.5% of the cost of building and construction work costing $200,000 or more.

The levy does not apply to work:

- On single detached dwellings, including related private garages, carports, sheds or the like:
- For which the total contract price for the construction work is less than $200,000 in value; or
- Undertaken for not for profit organisations in respect of voluntary labour and donated materials.

(i) Employee long service leave

(i) Long Service Leave Benefits Expense

Employees and contractors who are registered with the Board accrue 13 weeks (3 months) long service leave after 10 years' service in the building and construction industry for service after 1 July 2005. Workers receive credit of 1 year's service for each 260 days worked.

Leave may be claimed after the employee or contractor has been credited with a total of 65 days of long service leave for the first time or they have been credited with 32.5 days of additional long service credits after the employee or contractor was credited with 65 days of long service leave.

(ii) Accrued Long Service Leave Benefits Liability

The provision for accrued long service leave benefits is determined as the present value of all future payments which arise from the service of all eligible workers up to the balance date. The stated amount has been calculated by the Board's actuary using an actuarial valuation method that takes into account assumptions or rates of departure from the industry, mortality rates, increases in wages and rates of return on investment. The current portion of the liability is calculated as an expectation of benefits likely to be paid over the next twelve months based on experience of benefit payments from industry trends.

(j) Accounting for Goods and Service Tax

Revenues, expenses are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Board as a purchaser that is not recoverable from Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included; and
- the GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the ATO is classified as operating cash flows.

(k) Trade and other payables

These amounts represent unpaid liabilities for goods received by and services provided to the entity prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 days of recognition.

(l) Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

(m) Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Board will not be able to collect all amounts due according to the original terms.

(n) Investments and other financial assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Board commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Held for trading

Investments held for trading are measured at fair value with gains or losses recognised in the income statement. A financial asset is classified as held-for-trading if acquired principally for the purpose of selling in the short term or if it is a derivative that is not designated as a hedge. Investments held for trading are classified as current assets on the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board has the positive intention and ability to hold-to-maturity and are measured at amortised cost subsequent to initial recognition using the effective interest method. If the Board were to sell other than an insignificant amount of held-to-maturity investments, the whole category is then reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category, and are classified as non-current assets. After initial recognition, these investments are measured at fair value with gains or losses recognised as a separate component of equity (available-for-sale investments revaluation reserve). Where losses have been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss, being the difference between the acquisition cost and current fair value less any impairment loss previously recognised in the income statement, is removed from equity and recognised in the income statement.

Reversals of impairment losses on equity instruments classified as available-for-sale cannot be reversed through the income statement. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through the income statement where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in the income statement.

The fair value of quoted investments are determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. The realisation value or fair value of the investment represents the amounts available on cash withdrawal after making allowance for the application redemption transaction charge payable on realisation.

Loans and receivables

Non-current loans and receivables include loans due from trade and other receivables repayable within 366 days of balance sheet date. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited to the income statement immediately and amortised using the effective interest method.

(o) Impairment of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined by publicly available information such as quoted market prices or by calculating the net present value of future anticipated cash flows. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral.

In addition to an allowance account for specific provisions against individually significant financial assets the Board also makes a collective allowance on portfolios of similar assets, that are individually insignificant, for impairment losses that have been incurred but not yet identified. On confirmation that the financial asset will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms and the collective impairment provision is estimated for any such group where credit risk characteristics of the group of financial assets has deteriorated. Factors such as any deterioration in country risk, industry performance, technological obsolescence as well as identified structural weaknesses or deterioration in cash flows are taken into consideration and the amount of the provision is based on the historical loss pattern within each group, adjusted to reflect current economic change.

Impairment losses on assets measured at amortised cost using the effective interest rate method are calculated by comparing the carrying value of the asset with the present value of estimated future cash flows at the original effective interest rate. Losses are recognised in 'Provisions for losses on loans and advances and impairment of investment securities' in the income statement and interest on the impaired asset continues to be recognised as part of the unwinding of the discount.

(p) Fair values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at balance sheet date. The quoted market price for financial assets is the current bid price and the quoted market price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(q) Accounting Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Board's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 101 Presentation of Financial Statements (revised September 2007), AASB 2007-8 Amendments to Australian Accounting Standards Arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101

Effective for annual reporting period beginning on or after 1 January 2009.

The main changes from the previous version of AASB 101 require an entity to: (a) present non-owner changes in equity separately from owner changes in equity. The former cannot be presented in the statement of changes in equity; (b) display components of other comprehensive income in the statement of comprehensive income.

continued: Notes to and forming part of the financial statements - 30 June 2009

			2009 $	2008 $
Note	**2**	**OTHER INCOME**		
		Interest received - Bank deposits	41,105	51,108
		Investment income	1,134,797	173,147
		Movement in equity investments	(1,903,974)	(954,875)
		Total income from investments	(728,072)	(730,620)
		Sundry income	15,678	16,951
		Total other income	(712,393)	(713,669)
Note	**3**	**EXPENSES**		
	3(a)	Depreciation and amortisation of non-current assets		
		- leasehold improvements	59,411	59,410
		- plant and equipment	11,195	13,469
		Total depreciation and amortisation	70,606	72,879
	3(b)	Fees and Allowances		
		- board members' fees	40,075	22,449
		- other allowances	-	-
		Total fees and allowances	40,075	22,449
	3(c)	Auditor's Remuneration		
		Remuneration of the auditor for:		
		- audit of the financial reports	14,000	14,000
		- other services	-	-
		Total auditor's remuneration	14,000	14,000

			2009	2008
			$	$
Note	**4**	**CASH AND CASH EQUIVALENTS**		
		Cash on hand	200	200
		Cash deposits with banks	2,550,636	380,455
		Short term money market deposits	12,523,533	2,829,403
		Total cash and cash equivalents	15,074,396	3,210,058
		Effective interest rate on short term deposits is 4.00%		

Note 5 RECONCILIATION OF CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents at the end of the financial period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2009	2008
Cash on hand	200	200
Cash deposits with banks	2,550,636	380,455
Short term money market deposits	12,523,533	2,829,403
Balance per statement of cash flows	15,074,396	3,210,058

(b) Reconciliation of cash flow from operations with Net Surplus (Deficit)

	2009	2008
Net Surplus (Deficit)	3,813,196	4,029,396
Depreciation and amortisation	70,606	72,879
Movement in market value of investments	1,128,729	794,181
Scheme liability expenses	5,982,000	2,161,000
Changes in assets and liabilities		
(Increase)/decrease in trade & term debtors	1,004,867	(989,734)
Increase/(decrease) in trade creditors and accruals	(135,087)	100,757
Cash flows from operations	11,864,311	6,168,479

(c) Loan facilities

	2009	2008
Loan facilities with NT Treasury	1,500,000	1,500,000
Amount utilised	-	-
Unused loan facility	1,500,000	1,500,000

continued: Notes to and forming part of the financial statements - 30 June 2009

			2009 $	2008 $
Note	**6**	**TRADE AND OTHER RECEIVABLES**		
		CURRENT		
		Levy debtors	426,818	2,053,397
		Provision for doubtful debts	-	-
			426,818	2,053,397
		Other debtors	28,793	82,615
			28,793	82,615
		Accrued industry contributions	1,062,029	386,494
		Total trade and other receivables	1,517,640	2,522,506

a) Past due but not impaired

As of 30 June 2009, trade receivables of $310,006 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009 $	2008 $
Not past due	91,034	1,046,766
Past due [30] days	104,792	5,000
Past due [30-60] days	177,717	2,500
Past due [>60] days	27,498	21,098
Instalments	25,777	978,033
Total	426,818	2,053,397

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Board does not hold any collateral in relation to these receivables.

b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Note 7 OTHER FINANCIAL ASSETS - INVESTMENTS

	2009	2008
	$	$
MLC (NCIT) Moderate Trust	6,303,654	7,432,383
Total other financial assets - investments	6,303,654	7,432,383

The Actual asset allocation of the investment portfolio at the balance date was:

	2009	2008
- Australian Shares	32%	32%
- Global Shares	33%	33%
- Bonds	31%	31%
- Property Securities	4%	4%

Fair value

For equity securities, fair value is determined by reference to closing bid prices on the Australian Stock Exchange.

continued: Notes to and forming part of the financial statements - 30 June 2009

		2009 $	2008 $
Note 8	**PROPERTY, PLANT & EQUIPMENT**		
(a)	**LAND AND BUILDINGS**		
	Leasehold		
	Leasehold improvements		
	At cost	297,052	297,052
	Less accumulated depreciation	(237,642)	(178,231)
		59,410	118,821
	Plant and Equipment		
	Plant and equipment		
	At cost	44,645	44,645
	Less accumulated depreciation	(36,371)	(28,248)
		8,274	16,397
	Furniture and fittings		
	At cost	30,720	30,720
	Less accumulated depreciation	(9,975)	(6,902)
		20,745	23,818
	Software		
	At cost	4,642	4,642
	Less accumulated depreciation	(4,642)	(4,642)
		-	-
	Total Property, Plant and Equipment	88,429	159,035

continued: Notes to and forming part of the financial statements - 30 June 2009

Note 8 PROPERTY, PLANT & EQUIPMENT (Cont'd)

(b) Movements in carrying values

Movements in the carrying values of each class of property, plant and equipment between the beginning and end of the financial year:

	Leasehold Improvements	Plant & equipment	Furniture & fittings	Software	Total
	$	$	$	$	$
At the 1 July 2007	178,232	25,863	26,273	1,547	231,915
Additions	-	-	-	-	
Disposals	-	-	-	-	-
Depreciation and Amortisation	(59,411)	(9,467)	(2,455)	(1,547)	(72,880)
At 30 June 2008	118,822	16,397	23,819	-	159,035
At the 1 July 2008	118,822	16,397	23,819	-	159,035
Additions	-	-	-	-	
Disposals	-	-	-	-	-
Depreciation and Amortisation	(59,411)	(8,122)	(3,073)	-	(70,606)
At 30 June 2009	59,410	8,274	20,745	-	88,429

			2009	2008
			$	$
Note	**9**	**TRADE AND OTHER PAYABLES**		
		CURRENT		
		Trade creditors	28,812	34,299
		Other creditors and accruals - other entities	43,451	173,051
		Total trade and other payables	72,263	207,350
Note	**10**	**PROVISIONS FOR SCHEME LIABILITIES**		
		CURRENT		
		Scheme liabilities	240,000	195,000
		NON-CURRENT		
		Scheme liabilities - current year	13,603,000	7,621,000
		Scheme liabilities - prior year	-	-
		Less: Current portion of scheme liabilities	(240,000)	(195,000)
		Total provisions for scheme liabilities	13,363,000	7,426,000
		Reconciliation of movement in scheme liabilities		
		Balance at beginning of year	7,621,000	5,460,000
		Actuarial valuation adjustment recognised in the income statement	5,982,000	2,161,000
		Balance at end of year	13,603,000	7,621,000

(a) The NT Build Long Service Leave liability valuation was carried out on 9 September 2009 by Cumpston Sarjeant Pty Ltd, Consulting Actuaries, in respect of the year ended 30 June 2009.

In performing the valuation the following assumptions were made by the actuary:

- 25% of service credits will be abandoned;
- the average period until payment will be 9 years
- a discount rate of 5.6% and a salary growth rate of 4.5%.

The discount rate was determined based on the prevailing Commonwealth bond rate at 30 June 2009, as required by AASB 119, Employee Benefits. the salary growth rate of 4.5% per annum is consistent with NT Treasury's expectations for future salary growth in the Territory, and is consistent with external forecasts.

Note 11 RELATED PARTY TRANSACTIONS

(i) Board members

The names of the members of the Board who held office during the year are Mr. Barry Chambers (Chairperson), Mr. Joe Gallagher, Mr. Dick Guit, Mr. Graham Kemp, Mr. Alan Paton, Mr. Tony Stubbin, Mr. Trevor Gauld and Mr. Bob Wade. Mr. Joe Gallagher and Mr. Alan Paton resigned from their duties during the reporting period and Mr. Trevor Gauld and Mr. Bob Wade were appointed to take their places.

As a Northern Territory Public Sector employee, Mr. Stubbin does not receive remuneration payment in respect of his role as a Board member. Prior to his resignation from the Board of NT Build taking effect, Mr. Paton did not receive remuneration payments in respect of meetings attended during this reporting period due to his change in employment.

(ii) Attendance of meetings

Name	Eligible Meetings*	Meetings Attended
Barry Chambers	20	20
Joe Gallagher	9	8
Dick Guit	20	16
Graham Kemp	20	20
Alan Paton	3	2
Tony Stubbin	20	17
Trevor Gauld	15	13
Bob Wade	5	5

*Includes scheduled and out of session Board meetings

Note 12 FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the Board is exposed to risks that arise from its use of financial instruments. This note describes the Board's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Board's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The carrying amounts of the Board's financial assets and liabilities are disclosed as below:

	2009	2008
	$	$
Financial assets		
Cash assets	15,074,369	3,210,058
Receivables	1,517,640	2,522,506
Available-for-sale financial assets	6,303,654	7,432,383
	22,895,664	13,164,947
Financial liabilities		
Payables	72,263	207,350
	72,263	207,350

The Board has overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team.

The Board's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Board where such impacts may be material.

The Board receives monthly reports from the Registrar through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Board's flexibility. Further details regarding these policies are set out below:

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Board incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Board's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

There is no concentration of credit risk with respect to current receivables as the Board has a large number of diverse customers.

The receivables of the Board arise out of a statutory obligation on various entities undertaking building and construction work costing $200,000 or more. As a result the Board cannot implement any credit policies beforehand to ensure that individual risk on each customer is minimised.

The maximum exposure to credit risk for trade receivables at balance date by type of customer is as follows:

	2009	2008
	$	$
Instalment	25,777	978,033
Non-Instalment	401,041	1,075,364
	426,818	2,053,397

The Board's most significant customer accounts for 40% of trade receivables at 30 June 2009.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cashflows, and the availability of funding through an adequate amount of committed credit facilities. The Board manages liquidity risk by continuously monitoring forecast and actual cashflows. Surplus funds are generally invested in instruments that are tradeable in highly liquid markets.

Financing arrangements

The following financing facilities were available at balance date:

	2009	2008
	$	$
Credit stand-by arrangements		
Total facilities:		
Loan from NT Treasury	1,500,000	1,500,000
Used at balance date:		
Loan from NT Treasury	-	-
Unused at balance date:		
Loan from NT Treasury	1,500,000	1,500,000

The stand by facility, with a variable interest rate of 3.47% per annum, is part of a draw down facility arranged by the NT Treasury to help fund the Board's working capital requirements. The upper limit of the drawdown facility is $1.5 million.

Maturity Analysis - 2009

Financial Liabilities	**Rate**	**Carrying Amount**	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		$	$	$	$	$	$
Non-derivaties							
Payables		72,263	72,263	72,263	-	-	-
Finance lease liabilities		-	-	-	-	-	-
Bank overdrafts		-	-	-	-	-	-
TOTAL		72,263	72,263	72,263	-	-	

continued: Maturity Analysis - 2009

Financial Assets	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		$	$	$	$	$	$
Non-derivaties							
Trade Debtors		1,517,640	1,517,640	1,517,640	-	-	-
Investments	-15.1%	6,303,654	6,303,654	6,303,654	-	-	-
TOTAL		7,821,294	7,821,294	7,821,294	-	-	-

Maturity Analysis - 2008

As a result of the continued volatility in the financial markets, the Board's investment in the MLC (NCIT) Moderate Trust decreased after the end of the 2007-08 year. At 30 September 2008, the value of the investment was $6,945,547.00

Financial Liabilities	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		$	$	$	$	$	$
Non-derivaties							
Trade Creditors		207,350	207,350	207,350	-	-	-
Finance lease liabilities		-	-	-	-	-	-
Bank overdrafts		-	-	-	-	-	-
TOTAL		207,350	207,350	207,350	-	-	-

Financial Assets	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		$	$	$	$	$	$
Non-derivaties							-
Trade Debtors		2,522,507	2,522,507	2,522,507	-	-	-
Investments	-8.6%	7,432,383	7,432,383	7,432,383	-	-	-
TOTAL		9,954,890	9,954,890	9,954,890	-	-	-

(d) Market Risk

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

Sensitivity Analysis

As the Board's investments with MLC are in the form of units in a unit trust, it is not possible to perform an effective sensitivity analysis as it is not possible to identify the proportion of the shares held by the trust which relate directly to the Board. The movement in the price of the units is a combination of the underlying shares invested and the overheads accruing to the trust.

Note 13 CAPITAL AND LEASING COMMITMENTS

	2009	2008
Operating Lease Commitments	**$**	**$**
Payable:		
One year or less	70,021	66,494
Later than one year and not later than five years	100,991	98,750
Later than five years	-	-
Total operating lease commitments payable	171,012	165,245

Non cancellable operating lease commitments include:

- Leases of computer equipment and motor vehicles with various terms, with rental payable monthly in advance.

Note 14 EVENTS SUBSEQUENT TO REPORTING DATE

(a) In contrast to the previous year, a recovery in the financial markets has led to the increase in value of the Board's investment in the MLC (NCIT) Moderate Trust after the end of the 2008-09 year. At 31 August 2009, the value of the investment was $8,422,285.

(b) In response to a review conducted by the scheme's actuary, which found that there was scope to temporarily reduce the levy rate while still ensuring that workers entitlements are fully funded, the Northern Territory Government approved a 20% temporary reduction of the Long Service Levy, from 0.5% of the value of the construction project to 0.4%. The reduction in the levy only affect projects commencing on or after 1/7/2009 and up to 30/6/2011 - regardless of completion date.