



Fair Work Australia

15 October 2009

Mr Joseph Cato
President
Civil Contractors Federation, New South Wales Branch

email: ccfnsw@civilcontractors.com

Dear Mr Cato

Re: Financial Report for the Civil Contractors Federation, New South Wales Branch for year ended 30 June 2009 – FR2009/10009

I acknowledge receipt of correspondence and documentation of 13 October 2009 in reply to matters raised by Fair Work Australia on 7 October 2009 regarding the financial report for the Civil Contractors Federation, New South Wales Branch for the year ended 30 June 2009. The documentation was lodged with Fair Work Australia on 13 October 2009.

The financial report has been filed.

If you wish to discuss any matters I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

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DONNELLAN, Kevin

From: David Elliott [delliott@civilcontractors.com]
Sent: Tuesday, 13 October 2009 4:33 PM
To: DONNELLAN, Kevin
Cc: Joe Cato
Subject: Financial Report for CCF (NSW)
Attachments: Operating Report.pdf; FINAL Financial Report.pdf

13 October 2009

Dear Kevin,

Reference is made to your letter addressed to the outgoing President of CCF (NSW), Mr Joe Cato, regarding the Financial Return of the NSW Branch of the Civil Contractors Federation.

As discussed in our telephone conversation this afternoon, please find attached both the Operating Report and the Auditor's Report which are dated 19 and 20 August respectively.

In accordance with our reporting obligations, these reports were tabled at our Committee of Management meeting on 19 August 2009 and sent to members on 20 August as an agenda item with the notice of our Annual General Meeting, which was subsequently held on Thursday 10 September 2009 at the registered offices of the Federation.


Therefore, please be advised that the Committee of Management Statement lodged with FWA dated 10 September 2009 was dated in error. Similarly the Operating Report dated on 10 September 2009 was also dated in error. Both documents were sighted and endorsed immediately after our Committee of Management meeting on 19 August 2009.

If you have any further questions or concerns please do not hesitate to contact me on the telephone numbers below.

Yours sincerely,

David Elliott | Chief Executive Officer | Civil Contractors Federation (NSW) | Suite 2.07, 25 Solent Circuit, BAULKHAM HILLS NSW 2153

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13/10/2009

**CIVIL CONTRACTORS FEDERATION
(NSW BRANCH)
ABN 55 645 813 882
Financial Report
for the Year Ended
30 June 2009**

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**Operating Report
for the Year Ended 30 June 2009**

Principal Activities s254(2)9a)

The principal activities of the Branch during the financial year were:

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in New South Wales, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to awards rates of and work practices to members of the Federation throughout New South Wales. The Federation represents its members at all levels of Government and lobbies for concessions relating to civil construction and business trade.

Results of principal activities s254(2)(a)

The Branch's principal activities resulted in a loss of \$20,131 (2008 profit \$68,880)

Advocacy and member services in industrial relations services has again been a focus given the proposed Federal Workplace Relations reform including workplace agreements, and Building and Construction industry Code Compliance.

The Branch has also continued service provision in workplace training to meet industry demand.

Membership communications through the NSW Bulletin and e-bulletins, member forums, functions, conferences and publications sales has been significant throughout the year. Member forums regionally throughout NSW continue to expand leading to increased membership. We are also expanding our publications with the development of the NSW Hire Manual.

Continued education and promotion of contractors to achieve recognition as accredited contractors for quality management OH & S and environmental management utilising the Federations Contractor Management System.

Advocacy to both state and federal governments and government agencies has also been an area of high performance in representing the views of members in the industry.

Significant changes in nature of principal activities s254(2)(a)

There were no significant changes in the nature of the Branch's principal activities during the financial year.

Significant changes in Federation's financial affairs s254(2)(b)

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officer, or member holds a dedicated position as a superannuation trustee under s254(2)(d) of the RAO Schedule.

Number of Members RAO reg 159(a)

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 431 full members and 129 associate members.

**Operating Report
for the Year Ended 30 June 2009**

Number of Employees RAO reg 159(b)

The number of persons who were, at the end of the financial year, employees of the NSW Branch of the Federation was: 14 measured on a full-time equivalent basis.

NSW Branch Board Members RAO reg 159(c)

The persons who held office as members of the Board of the NSW Branch during the financial year were:

Joseph Cato –

Branch President (1/07/08 - 30/06/09)

- *Chair of Executive, Finance & Member Services Committee*
- *Member of Land Development & Infrastructure Committee*

John Wade –

Branch Vice-President (1/07/08 - 30/06/09)

- *Member of Executive, Finance & Member Services Committee*
- *Member of Government, Public Affairs & Publications Committee*
- *Member of Land Development & Infrastructure Committee*

Glenn Cherrie – (Life Member)

Board Member (1/07/08 - 30/06/09)

- *Chair of Beaconsfield Press*

Terry Bowen –

Branch Treasurer (01/07/08 - 30/06/09)

- *Chair of OH&S and Contractor Management Systems Committee*
- *Member of Executive, Finance & Member Services Committee*
- *Member of Training Committee*

Robert Antoun –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*

Stuart Ford –

Branch Board Member (01/07/08 - 30/06/09)

- *Chair of Workplace Relations Committee*
- *Member of Demolition & Recycling Committee*
- *Member of OH&S & Contractor Management Systems Committee*

Paul Burton –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*
- *Member of Workplace Relations Committee*

**Operating Report
for the Year Ended 30 June 2009**

Glenn Fordham –

Committee Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*
- *Member of Workplace Relations Committee*
- *Member of Plant Hire & Cartage Committee*

Paul Gleeson –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Waste, Environmental & Sustainability Committee*
- *Member of Land Development & Infrastructure Committee*

Troy Lilliendal –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Workplace Relations Committee*
- *Member of Waste, Environment & Sustainability Committee*

Terry Waterson –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*

Paul Wise –

Branch Board Member (01/07/08 - 30/06/09)

- *Chair of Government, Public Affairs & Publications Committee*

Allan White –

Board Member (01/07/08 to 26/09/08 and 28/10/08 to 30/06/09)

- *Member of Training Committee*

Tom Brady –

Board Member (01/07/08 to 26/09/08)

Michael Boyle –

Board Member (27/09/08 to 30/06/09)

- *Member of Government, Public Affairs & Publications Committee*

Craig Long –

Board Member (27/09/08 to 13/10/08)

**Operating Report
for the Year Ended 30 June 2009**

Manner of resignation

Members may resign from the Federation in accordance with rule 9, which reads as follows:

"9 - RESIGNATION OF MEMBERS

- (a) A Member may resign from the Federation by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Federation takes effect:
 - (i) at the end of two weeks after the notice is received by the Federation: or
 - (ii) on the day specified in the notice;whichever is later.
- (c) Any dues payable but not paid by a former Member of the Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.
- (d) A notice delivered to the person mentioned in subrule (1) shall be taken to have been received by the Federation when it was delivered.
- (e) A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Federation is valid even if it is not effected in accordance with this section if the Member is informed in writing by or on behalf of the Federation that the resignation has been accepted."



Joseph Cato
NSW President

Dated in Sydney this 19th day of August 2009

Certificate of The Chief Executive Officer (NSW)

I, David Elliott, the Chief Executive Officer of Civil Contractors Federation (NSW Branch) hereby certify that to the best of my knowledge and belief that:

- a. There were 560 persons (2008 - 542) that were members of the organisation as at the end of the financial year ended 30 June 2009.
- b. The full general purpose financial report, referred to in Section 268 of the Schedule 1B Workplace Relations Act 1996 was presented to NSW Branch Board through the Executive, Finance and Member Services Sub-Committee on 19th August 2009.
- c. The financial statements set out on pages 7 to 22 show a true and fair view of the financial affairs of the organisation as at the end of the financial year in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Standards Board.
- d. A record has been kept of all money paid by, or collected from members of the organisation, and all money so paid or collected has been credited to the bank account to which the money is to be credited, in accordance with the rules of the Federation; and
- e. The full general purpose financial report is a copy of that presented to the NSW Branch Board on 19th August 2009 and which will be presented to a General Meeting of Members on 10th September 2009



David Elliott
Chief Executive Officer (NSW)

Dated in Sydney, this 19th day of August 2009

**NSW Branch Board Statement
for the Year Ended 30 June 2009**

On, 19th August 2009 the Board of the Civil Contractors Federation (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2009:

The Executive, Finance and Member Services Sub-Committee declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year;
 - (i) meetings of the NSW Branch Board were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1 of the Workplace Relations Act 1996, and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) No requests were received from any member of the reporting unit or a Registrar for information under section 272 of the RAO Schedule; and
 - (vi) No orders have been made by the Commission under section 273 of the RAO Schedule.

For the NSW Branch Board:



Joseph Cato
NSW President

Dated in Sydney, this 19th day of August 2009

CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

**Income Statement
for the Year Ended 30 June 2009**

| | Note | 2009 \$ | 2008 \$ |
|---|------|-----------------|---------------|
| Revenues | 2 | 2,328,467 | 2,437,847 |
| Employee expenses | 3f | (1,106,512) | (976,147) |
| Depreciation and amortisation | 3d | (45,208) | (47,841) |
| Bad and doubtful debts | 3a | (33,348) | (3,097) |
| Merchant fees and bank charges | | (12,360) | (12,078) |
| Rental expenses | | (145,368) | (81,603) |
| Functions, seminars and conference costs | | (412,598) | (351,892) |
| Training costs | | (134,390) | (227,544) |
| Communication costs | | (58,539) | (51,476) |
| Travelling expenses | | (133,207) | (155,661) |
| CCF Bulletin expenses | | (63,678) | (61,330) |
| Other expenses from ordinary activities | | (203,390) | (400,298) |
| Surplus from ordinary activities before income tax expense | | (20,131) | 68,880 |
| Income tax expense | 1a | - | - |
| Net surplus from ordinary activities after income tax expense attributable to the Federation | | (20,131) | 68,880 |

The accompanying notes form part of the financial statements

CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

**Balance Sheet
as at 30 June 2009**

| | Note | 2009 \$ | 2008 \$ |
|--------------------------------------|------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 490,843 | 476,431 |
| Trade and other receivables | 5 | 66,057 | 213,742 |
| Other current assets | 6 | 15,751 | 6,283 |
| TOTAL CURRENT ASSETS | | 572,651 | 696,456 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 7 | 12,500 | 12,500 |
| Plant and equipment | 8 | 131,515 | 161,294 |
| TOTAL NON-CURRENT ASSETS | | 144,015 | 173,794 |
| TOTAL ASSETS | | 716,666 | 870,250 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 171,271 | 304,976 |
| Short term provisions | 10 | 48,886 | 52,106 |
| TOTAL CURRENT LIABILITIES | | 220,157 | 357,082 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | - | 3,590 |
| Long term provisions | 10 | 13,045 | 5,983 |
| TOTAL NON-CURRENT LIABILITIES | | 13,045 | 9,573 |
| TOTAL LIABILITIES | | 233,202 | 366,655 |
| NET ASSETS | | 483,464 | 503,595 |
| MEMBERS' FUNDS | | | |
| Accumulated Surplus | | 483,464 | 503,595 |
| TOTAL MEMBERS' FUNDS | | 483,464 | 503,595 |

The accompanying notes form part of these financial statements

CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

**Statement of Changes in Members' Fund
for the Year Ended 30 June 2009**

| | 2009 | 2008 |
|--|-----------------|----------------|
| | \$ | \$ |
| Balance as at 1 July 2008 | 503,595 | 434,715 |
| Surplus attributable to members | (20,131) | 68,880 |
| Balance at 30 June 2009 | 483,464 | 503,595 |

The accompanying notes form part of these financial statements

CIVIL CONTRACTORS FEDERATION (NSW BRANCH)**Cash Flow Statement
For the Year ended 30 June 2009**

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members and customers | | 2,444,383 | 2,519,960 |
| Interest received | | 31,769 | 45,890 |
| Payments to suppliers and employees | | (2,446,311) | (2,440,669) |
| Net cash provided by operating activities | 13b | 29,841 | 125,181 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of plant and equipment | | (15,429) | (132,996) |
| Proceeds from sale of plant and equipment | | - | 83,211 |
| Net cash used in by investing activities | | (15,429) | (49,785) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayments of borrowings | | - | (109,308) |
| Net (decrease)/increase in cash held | | 14,412 | (33,912) |
| Cash at the beginning of the financial year | | 476,431 | 510,343 |
| Cash at the end of the financial year | 13a | 490,843 | 476,431 |

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 June 2009**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Civil Contractors Federation (NSVV Branch) as an Individual entity. Civil Contractors Federation (NSW Branch) is a Federation incorporated in New South Wales under the Workplace Relations Act 1996.

The financial report of Civil Contractors Federation (NSW Branch) as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) for their entirety.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

Accounting Policies

a. Income Tax

The Federation is registered under the Workplace Relations Act, 1996 and, is considered to be exempt from income tax including capital gains tax, by virtue of the provision of s.50-15 of the Income Tax Assessment Act 1997.

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months and net of bank overdrafts.

c. Plant and Equipment

Each class of plant and equipment are carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and Impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present value in determining recoverable amounts.

Depreciation

The depreciable amounts of plant and equipment are depreciated using the straight line method at rates based on their estimated useful lives commencing from the time the asset is held ready for use.

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

| | |
|---------------------------------|--------|
| Office, furniture and equipment | 20-33% |
| Motor vehicles | 20% |

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Plant and Equipment (continued)

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

The assets carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the Income Statement.

d. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Committee of Management assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an Impairment has arisen, Impairment losses are recognised in the Income Statement.

e. Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions are made by the Federation to employee superannuation funds and are charged as expenses when incurred.

f. Leases

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

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Federation will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST Incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense, receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Revenue

Revenue for membership subscriptions is recognised proportionately over the period to which it relates.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the contract.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

i. Comparative figures

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

j. Operating Segment

The Federation is incorporated under the Workplace Relations Act 1996 and domiciled In Australia.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in New South Wales, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Federation throughout New South Wales.

k. Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgments incorporated Into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Federation.

Key Estimates – Impairment

The Committee of Management assesses Impairment on each reporting date by evaluating conditions specific to the Federation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of any assets for the year ended 30 June 2009, except as stated in the report.

Key Judgements - Doubtful Debts Provision

The Committee of Management have assessed each debtor and have estimated a provision for doubtful debts amounting to \$17,624 (2008: \$7,824). The Committee of Management believes that the full amount of the remaining debtors are recoverable.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Information to be provided to Member or the Registrar

In accordance with the requirements of the Workplace Relations Act 1996 (the RAO Schedule) the attention of Members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which read as follows.

Section 272 Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

The financial report was authorised for issue on 19th August 2009

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------------|------------------|
| NOTE 2: REVENUE | | |
| Operating activities: | | |
| Membership income | 1,005,997 | 923,066 |
| Advertising & sponsorship | 183,883 | 58,420 |
| Training income | 417,738 | 469,557 |
| Functions | 279,989 | 313,974 |
| Seminars income | | 120,441 |
| CCF Bulletins | 62,257 | 90,164 |
| Short courses | 121,011 | 109,317 |
| Daily inspection procedure sales | 57,830 | 69,489 |
| Commission received | 2,455 | 1,381 |
| IMS System | 21,734 | 58,252 |
| Workplace reform | 67,446 | 86,905 |
| Plant assessment | 19,616 | 13,729 |
| (Loss)/Profit on disposal of fixed assets | - | (898) |
| SCIMS packages | 33,432 | 10,952 |
| Investment income | 31,769 | 45,890 |
| Proceeds from windup of Earthmovers and Contractors Association Limited | 722 | 20,298 |
| DCA costs recovered | 12,479 | - |
| Other income | 10,109 | 46,910 |
| Total Revenue | 2,328,467 | 2,437,847 |
| NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES | | |
| The operating surplus of the Federation before income tax expense has been determined after: | | |
| a. Bad and Doubtful Debts | | |
| Bad debts written off | 23,548 | 3,097 |
| Provision for doubtful debts | 9,800 | - |
| | 33,348 | 3,097 |
| b. Auditor's Remuneration | | |
| Accounting fees | 8,432 | - |
| Auditor's remuneration | 5,500 | 16,000 |
| | 13,932 | 16,000 |
| c. Operating Leases | | |
| Leasing charges | - | 12,078 |
| Photocopier charges | 28,182 | 21,308 |
| Rent | 145,368 | 81,603 |
| Telephone and fax | 6,552 | 6,006 |
| | 180,102 | 120,995 |
| d. Depreciation and Amortisation | | |
| Plant and equipment | 23,971 | 17,807 |
| Motor vehicles | 21,237 | 30,034 |
| | 45,208 | 47,841 |

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------|------------|
|--|------------|------------|

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT)

e. Compulsory Levy

| | | |
|----------------------|--------|--------|
| National office levy | 87,388 | 78,296 |
|----------------------|--------|--------|

The levy is imposed by the CCF National Office to assist in funding the National Office operations.

f. Employee related expenses

| | | |
|--------------------------|-----------|---------|
| Salaries | 945,959 | 816,743 |
| Superannuation | 75,468 | 76,479 |
| Employee benefits | 14,963 | 20,806 |
| Payroll tax | 56,933 | 53,977 |
| Training and recruitment | 13,189 | 9,142 |
| | 1,106,512 | 976,147 |

NOTE 4: CASH AND CASH EQUIVALENTS

Current

| | | |
|--------------------------|---------|---------|
| Cash on hand | 500 | 250 |
| Cash at bank | 123,327 | 116,166 |
| Short-term bank deposits | 367,016 | 360,015 |
| | 490,843 | 476,431 |

The weighted average interest rate for cash as at 30 June 2009 is 2.41% (2008, 6.94%)

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current

| | | |
|------------------------------------|------------|------------|
| Trade debtors – related parties | 17,437 | 56,495 |
| - others | 49,037 | 146,074 |
| | 66,474 | 202,569 |
| Less: Provision for doubtful debts | (17,624) | (7,824) |
| | 48,050 | 194,745 |
| Sundry debtors | 17,207 | 18,997 |
| | 66,057 | 213,742 |

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are secured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days.

Details of the trade debtors owing from the related party are outlined at Note 12f.

Sundry debtors are non-interest bearing and unsecured. This amount includes GST receivable, relating to goods and services tax that can be recovered from the Australian Taxation Office.

NOTE 6: OTHER CURRENT ASSETS

Current

| | | |
|-------------|--------|-------|
| Prepayments | 15,751 | 6,283 |
|-------------|--------|-------|

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|---|----------------|----------------|
| NOTE 7: FINANCIAL ASSETS | | |
| a. Non-Current | | |
| Shares in unlisted company – at Committee of Management valuation | 12,500 | 12,500 |
| b. Terms and Conditions | | |
| The Federation holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Company are valued based on the consideration of the transfer to shares to Civil Contractors Federation (ACT Branch) in August 2000. The Committee of Management continues to believe that this valuation is the most appropriate to value these shares. | | |
| Note 8: PLANT AND EQUIPMENT | | |
| Motor vehicles – at cost | 106,186 | 106,186 |
| Less: Accumulated depreciation | (33,072) | (11,835) |
| | <u>73,114</u> | <u>94,351</u> |
| Office furniture and equipment – at cost | 187,392 | 171,963 |
| Less: Accumulated depreciation | (128,991) | (105,020) |
| | <u>58,401</u> | <u>66,943</u> |
| Total plant and equipment – net book value | <u>131,515</u> | <u>161,294</u> |
| Reconciliation of movements in plant and equipment | | |
| Motor vehicle – at cost | | |
| Carrying amount at beginning of the year | 94,351 | 22,497 |
| Additions | - | 170,989 |
| Disposals | - | (69,102) |
| Depreciation expense | (21,237) | (30,033) |
| Carrying amount at end of the year | <u>73,114</u> | <u>94,351</u> |
| Furniture and equipment | | |
| Carrying amount at beginning of the year | 66,943 | 39,937 |
| Additions | 15,429 | 54,234 |
| Disposals | - | (9,421) |
| Depreciation expense | (23,971) | (17,807) |
| Carrying amount at end of the year | <u>58,401</u> | <u>66,943</u> |
| Leased motor vehicles | | |
| Carrying amount at beginning of the year | - | 51,233 |
| Additions | - | - |
| Disposals | - | (51,233) |
| Amortisation expense | - | - |
| Carrying amount at end of the year | <u>-</u> | <u>-</u> |

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|----------------|----------------|
| NOTE 9: TRADE AND OTHER PAYABLES | | |
| a. Current | | |
| Deferred income | 55,980 | 62,203 |
| Creditors and accruals | 80,647 | 195,200 |
| Sundry creditors | 34,644 | 47,573 |
| | <u>171,271</u> | <u>304,976</u> |
| b. Non Current | | |
| Loan – Earthmovers and Contractors Association Limited | - | 3,590 |

c. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the year 2009-10

Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.

The terms and conditions of the loan to Earthmovers and Contractors Association Limited are outlined at Note 12e.

NOTE 10: PROVISIONS

a. Current

| | | |
|-----------------------------|--------|--------|
| Provisions for annual leave | 48,886 | 52,106 |
|-----------------------------|--------|--------|

b. Non-Current

| | | |
|-----------------------------------|--------|-------|
| Provisions for long service leave | 13,045 | 5,983 |
|-----------------------------------|--------|-------|

c. Aggregate employee entitlement liability

| | | |
|--|--------|--------|
| | 61,931 | 58,089 |
|--|--------|--------|

d. Number of employees at year-end

| | | |
|--|----|----|
| | 14 | 15 |
|--|----|----|

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 11: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Federations' financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in a unlisted company.

The Federation does not have any derivative instruments at 30 June 2009.

i. Terms, Conditions and Accounting Policies

The Federation's accounting policies are included in Note 1, while the terms and conditions, including the effective weighted average interest rate of each class of financial asset and financial liability both recognised and unrecognised at the balance date are included under the appropriate note for that instrument.

ii. Treasury Risk Management

The Branch Board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

iii. Financial Risk Exposures and Management

The main risks the Federation is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

Liquidity risk

The Federation manages this risk by monitoring its credit terms on trade debtors

Interest rate risk

The Federation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of the changes in interest rate, with all other variables remaining constant would be as follows:

| | 2009 | 2008 |
|---------------------------------|-------------|-------------|
| | \$ | \$ |
| Change in profit/(loss) | | |
| Increase in interest rate by 2% | 9,816 | 9,529 |
| Decrease in interest rate by 2% | (9,816) | (9,529) |
| Change in equity | | |
| Increase in interest rate by 2% | 9,816 | 9,529 |
| Decrease in interest rate by 2% | (9,816) | (9,529) |

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Federation is not materially exposed to foreign currency fluctuations.

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial report.

The Federation is not materially exposed to any individual credit risk, other than the CCF National Office and the NSW Department of Education and Training, refer to Note 12f and Note 17 respectively.

iv. Net Fair Values

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 12: RELATED PARTIES

a. NSW Branch Board members

The names of the members of the NSW Branch Board who held office during the year are as follows:

Glenn Cherrie, Joseph Cato, Terry Bowen, Robert Antoun, Stuart Ford, Paul Burton, Glenn Fordham, Paul Gleeson, Allan White, John Wade, Paul Wise, Tom Brady, Terry Waterson, Troy Lilliendal, Michael Boyle and Craig Long.

Members of the NSW Branch Board other than the President are entitled to receive an attendance fee of \$100 for meetings held after 27 September 2008. The President is entitled to a stipend of \$500 per month from this date.

b. Names and positions held by key management personnel in office at any time during the year

David Elliott - Chief Executive Officer
 Martin Wright - Business Manager (resigned 31 March 2009)
 Michelle Bass - Manager Member Services
 Brian Duggan - Manager Workplace Relations

| c. Key Management Personnel Remuneration | 2009 | | | 2008 | | |
|---|----------|---------------------|---------|----------|---------------------|---------|
| | Salaries | Super- annuation | Total | Salaries | Super- annuation | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Compensation | 483,019 | 42,046 | 525,065 | 430,517 | 38,747 | 469,263 |

d. Other transactions with the Federation

Entities related to NSW Branch Board members paid membership fees, received training, purchased statutory awards and updates from the Federation during the year on the same commercial terms and conditions offered to all other members.

e. Earthmovers and Contractors Association Limited

Earthmovers and Contractors Association Limited is an unlisted not-for-profit public company, limited by guarantee.

At balance date, the loan owing to the Earthmovers and Contractors Association Limited was \$nil (2008: \$3,590) by the Federation. No interest was charged to the Federation by Earthmovers and Contractor Association Limited, no interest was paid or payable during the financial year.

Earthmovers and Contractors Association Limited has been deregistered.

f. Civil Contractors National Office

At the end of financial year an amount of \$17,437 (2008: \$54,695 per Note 5(a)) was receivable from the CCF National Office, further, an amount of \$87,388 (2008: \$78,296) was paid to the National Office for the National Office levy charged on the revenue of the Federation.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------|------------|
| NOTE 13: CASH FLOW INFORMATION | | |
| a. Reconciliation of Cash | | |
| Cash on hand | 500 | 250 |
| Cash at bank | 123,327 | 116,166 |
| Call deposit | 367,016 | 360,015 |
| | 490,843 | 476,431 |
| b. Reconciliation of surplus from ordinary activities after income tax to net cash provided by operating activities | | |
| Operating surplus after income tax | (20,131) | 68,880 |
| Add/(Less) items classified as investing/financing activities | | |
| - Profit on disposal of non current assets | | 898 |
| Non-cash flows in surplus/(deficit) from ordinary activities | | |
| - Depreciation and amortisation | 45,208 | 47,841 |
| - Bad and doubtful debts provision | 9,800 | - |
| Changes in assets and liabilities | | |
| Decrease/(Increase) in receivables | 137,885 | 52,433 |
| Decrease/(Increase) in other assets | (9,468) | 5,213 |
| (Decrease)/Increase in deferred income | (6,223) | (38,071) |
| (Decrease)/Increase in payables | (127,482) | 37,494 |
| (Decrease)/Increase in provisions | 252 | (49,507) |
| Net cash provided by operating activities | 29,841 | 125,181 |

c. Credit Facility

The federation has a credit facility of \$50,000, through a business card facility. The facility is required to be clear at the end of each month. At 30 June 2009, the available facility was \$50,000.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------|------------|
| NOTE 14: OPERATING COMMITMENTS | | |
| Operating Lease Commitments | | |
| Non-cancellable operating leases contracted for but not capitalized in the financial statements: | | |
| - not later than 12 months | 153,464 | 122,598 |
| - between 12 months and five years | 470,585 | 613,750 |
| - greater than five years | - | - |
| | 624,049 | 736,348 |

a. Office

An operating lease agreement was signed in June 2008 for a period commencing from June 2008 to May 2013 with Norwest Commercial and Industrial Real Estate Pty Limited for the use of these premises situated at 2.07/25 Solent Circuit, Baulkham Hills. The annual rent payable under the lease is \$152,081. The Federation has offered a bank deposit of \$36,600 for restoration, being for the return of the site to its original condition if required.

b. Training Centre

An operating lease has been signed with Penrith Lakes Development Corporation Limited for use of an area of land as a Training Centre. The lease will remain in force for a period of one year from July 2009 and then continues until the land is required for development or the Federation acquires another site. No rent is payable but a security deposit of \$20,000 is held in favour of Penrith Lakes Development Corporation Limited.

NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 16: CONTINGENT LIABILITIES

The Federation is not subject to any material contingent liabilities at balance date.

NOTE 17: ECONOMIC DEPENDENCY

The Federation is economically dependent on ongoing funding in the form of Membership fees, existing worker training from contractors and new entrant training income from the NSW Department of Education and Training.

NOTE 18: FEDERATION DETAILS

The registered office and the principal place of business of the Federation is:
Civil Contractors Federation (NSW Branch)
Suite 2.07
25 Solent Circuit
Norwest Business Park
Baulkham Hills NSW 2153



STANNARDS

Accountants and Advisors

Partners
 Marino Angelini, CA
 Michael Shulman, CA
 Nello Traficante, CPA
 Jason Wall, CA

Associate
 Nicole Postan, CA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

Report on the Financial Report

We have audited the accompanying financial report of Civil Contractors Federation (NSW Branch) ("the Federation") which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in members fund and the cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the NSW Branch Board.

Board's Responsibility for the Financial Report

The NSW Branch Board of the Federation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*. This responsibility includes establishing 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 and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Accounting Standards. These Auditing Standards require that we 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 judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

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



**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the general purpose financial report of Civil Contractors Federation (NSW Branch) presents fairly in accordance with Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996* the Federation's financial position as at 30 June 2009 and its performance for the year ended on that date and complies with Australian Accounting Standards (including the Australian Accounting Interpretations).

These were kept by the Branch satisfactorily accounting records detailed the sources and value of the income (individual income from members) and the nature and purpose of the expenditure.

STANNARDS ACCOUNTANTS & ADVISORS**M B SHULMAN (Chartered Accountant)**

Partner

Auditor Registration no. 163888

Dated in Melbourne this 20th day of August 2009



Fair Work Australia

7 October 2009

Mr Joseph Cato
President
Civil Contractors Federation, New South Wales Branch

email: ccfnsw@civilcontractors.com

Dear Mr Cato

Re: Financial Report for the Civil Contractors Federation, New South Wales Branch for year ended 30 June 2009 – FR2009/10009

I acknowledge receipt of the financial report for the Civil Contractors Federation, New South Wales Branch for the year ended 30 June 2009. The report was lodged with Fair Work Australia (FWA) on 22 September 2009.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in Fair Work Australia within certain timescale requirements. For your assistance I have attached a diagrammatic summary of the financial reporting process and time-limits contained in fact sheet 9 http://www.fwa.gov.au/documents/organisations/factsheets/RO_factsheet_9.pdf.

As you will note from the enclosed diagram the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of the Fair Work (Registered Organisations) Act 2009 and the General Manager's Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

The General Purpose Financial Report, including the Committee of Management Statement and the Operating Report, and the Auditor's Report – known as the full report – are then provided to members. Depending on the rules of the reporting unit, a copy of the full report must be provided to members at least 21 days before they are presented to a general meeting, or, if the rules allow for the full report to be presented to the committee of management, then the documents must be provided within 5 months of the end of the financial year.

The full report, accompanied by a Designated Officer's Certificate, must be lodged with Fair Work Australia within 14 days of its presentation to an appropriate meeting.

The Committee of Management Statement lodged with FWA is dated 10 September 2009, the Operating Report is dated 10 September 2009 and the Auditor's Report is dated 20 August 2009. According to the Designated Officer's Certificate the full report was supplied to members on 20 August 2009.

11 EXHIBITION STREET
MELBOURNE VIC 3000

GPO BOX 1994
MELBOURNE VIC 3001

Telephone: (03) 8661 7777
Facsimile: (03) 9655 0410
Email: www.orgs@fwa.gov.au
Internet: www.fwa.gov.au

If the dates referred to above are correct, then it would appear the full report could not have been supplied to members on 20 August 2009 and FWA cannot file the report. Moreover, if the dates on the documents are accurate, I advise the Branch will need to repeat certain steps in the reporting process.

I request the Branch provides advice in relation to the matters raised above.

If you wish to discuss any of the matters referred to I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

Certificate of Designated Officer

s268 of *Fair Work (Registered Organisations) Act 2009*

I, Joe Cato, being the President of the Civil Contractors Federation NSW Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RO Act; and
- that the full report was provided to members on 20 August 2009; and
- that the full report was presented to a general meeting of members of the reporting unit on 10 September 2009; in accordance with section 266 of the RO Act.

Signature:

A handwritten signature in black ink that reads "Joseph Cato". The signature is written in a cursive style with a large, sweeping initial 'J'.

Date: 10 September 2009

Civil Contractors Federation NSW Branch

Financial Report

For year ended 30 June 2009

**Civil Contractors Federation
NSW Branch**

**Operating Report
For the Year ended 30 June 2009**

Principal activities s254(2)(a)

The principal activities of the Branch during the financial year were:

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in New South Wales, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to awards rates of and work practices to members of the Federation throughout New South Wales. The Federation represents its members at all levels of Government and lobbies for concessions relating to civil construction and business trade.

Results of principal activities s254(2)(a)

The Branch's principal activities resulted in a loss of \$20,131 (2008 profit \$68,880)

Advocacy and member services in industrial relations services have again been a focus given the proposed Federal Workplace Relations reform including workplace agreements, and Building and Construction industry Code Compliance.

The Branch has also continued service provision in workplace training to meet industry demand.

Membership communications through the NSW Bulletin and e-bulletins, member forums, functions, conferences and publications sales has been significant throughout the year. Member forums regionally throughout NSW continue to expand leading to increased membership. We are also expanding our publications with the development of the NSW Hire Manual.

Continued education and promotion of contractors to achieve recognition as accredited contractors for quality management OH & S and environmental management utilising the Federations Contractor Management System.

Advocacy to both state and federal governments and government agencies has also been an area of high performance in representing the views of members in the industry.

Significant changes in nature of principal activities s254(2)(a)

There were no significant changes in the nature of the Branch's principal activities during the financial year.

Significant changes in Federation's Financial Affairs s254(2)(b)

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officer, or member holds a dedicated position as a superannuation trustee under s254(2)(d) of the RAO Schedule.

Number of Members RO reg 159(a)

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 431 full members and 129 associate members.

Number of Employees RO reg 159(b)

The number of persons who were, at the end of the financial year, employees of the NSW Branch of the Federation was: 14 measured on a full-time equivalent basis.

Committee of Management Members RO reg 159(c)

The persons who held office as members of the Board of the NSW Branch during the financial year were:

Joseph Cato –

Branch President (1/07/08 - 30/06/09)

- *Chair of Executive, Finance & Member Services Committee*
- *Member of Land Development & Infrastructure Committee*

John Wade –

Branch Vice-President (1/07/08 - 30/06/09)

- *Member of Executive, Finance & Member Services Committee*
- *Member of Government, Public Affairs & Publications Committee*
- *Member of Land Development & infrastructure Committee*

Glenn Cherrie – (Life Member)

Board Member (1/07/08 - 30/06/09)

- *Chair of Beaconsfield Press*

Terry Bowen –

Branch Treasurer (01/07/08 - 30/06/09)

- *Chair of OH&S and Contractor Management Systems Committee*
- *Member of Executive, Finance & Member Services Committee*
- *Member of Training Committee*

Robert Antoun –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*

Stuart Ford –

Branch Board Member (01/07/08 - 30/06/09)

- *Chair of Workplace Relations Committee*
- *Member of Demolition & Recycling Committee*
- *Member of OH&S & Contractor Management Systems Committee*

Paul Burton –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*
- *Member of Workplace Relations Committee*

Glenn Fordham –

Committee Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*
- *Member of Workplace Relations Committee*
- *Member of Plant Hire & Cartage Committee*

Paul Gleeson –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Waste, Environmental & Sustainability Committee*
- *Member of Land Development & Infrastructure Committee*

Troy Lilliendal –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Workplace Relations Committee*
- *Member of Waste, Environment & Sustainability Committee*

Terry Waterson –

Branch Board Member (01/07/08 - 30/06/09)

- *Member of Land Development & Infrastructure Committee*

Paul Wise –

Branch Board Member (01/07/08 - 30/06/09)

- *Chair of Government, Public Affairs & Publications Committee*

Allan White –

Board Member (01/07/08 to 26/09/08 and 28/10/08 to 30/06/09)

- *Member of Training Committee*

Tom Brady –

Board Member (01/07/08 to 26/09/08)

Michael Boyle –

Board Member (27/09/08 to 30/06/09)

- *Member of Government, Public Affairs & Publications Committee*

Craig Long –

Board Member (27/09/08 to 13/10/08)

Manner of resignation

Members may resign from the Federation in accordance with rule 9, which reads as follows:

"9 - RESIGNATION OF MEMBERS

- (a) A Member may resign from the Federation by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Federation takes effect:
 - (i) at the end of two weeks after the notice is received by the Federation: or
 - (ii) on the day specified in the notice;whichever is later.
- (c) Any dues payable but not paid by a former Member of the Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.
- (d) A notice delivered to the person mentioned in sub rule (1) shall be taken to have been received by the Federation when it was delivered.
- (e) A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Federation is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Federation that the resignation has been accepted."



Joseph Cato
NSW President

Dated in Sydney this 10th day of September 2009

**Civil Contractors Federation
NSW Branch**

**Committee of Management Statement
For the Year ended 30th June 2009**

On, 19th August 2009 the Board of the Civil Contractors Federation (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2009:

The Executive, Finance and Member Services Sub-Committee declare in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year;
 - (i) meetings of the NSW Branch Board were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1 of the Workplace Relations Act 1996, and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) No requests were received from any member of the reporting unit or a Registrar for information under section 272 of the RAO Schedule; and
 - (vi) No orders have been made by the Commission under section 273 of the RAO Schedule.

For the NSW Branch Board:

A handwritten signature in black ink, appearing to read "Joseph Cato". The signature is written in a cursive style with a large, sweeping initial "J".

Joseph Cato
NSW President

Dated in Sydney, this 10th day of September 2009

**Income Statement
for the Year Ended 30 June 2009**

| | Note | 2009 \$ | 2008 \$ |
|---|------|-----------------|---------------|
| Revenues | 2 | 2,328,467 | 2,437,847 |
| Employee expenses | 3f | (1,106,512) | (976,147) |
| Depreciation and amortisation | 3d | (45,208) | (47,841) |
| Bad and doubtful debts | 3a | (33,348) | (3,097) |
| Merchant fees and bank charges | | (12,360) | (12,078) |
| Rental expenses | | (145,368) | (81,603) |
| Functions, seminars and conference costs | | (412,598) | (351,892) |
| Training costs | | (134,390) | (227,544) |
| Communication costs | | (58,539) | (51,476) |
| Travelling expenses | | (133,207) | (155,661) |
| CCF Bulletin expenses | | (63,678) | (61,330) |
| Other expenses from ordinary activities | | (203,390) | (400,298) |
| Surplus from ordinary activities before income tax expense | | (20,131) | 68,880 |
| Income tax expense | 1a | - | - |
| Net surplus from ordinary activities after income tax expense attributable to the Federation | | (20,131) | 68,880 |

The accompanying notes form part of the financial statements

Balance Sheet as at 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--------------------------------------|------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 490,843 | 476,431 |
| Trade and other receivables | 5 | 66,057 | 213,742 |
| Other current assets | 6 | 15,751 | 6,283 |
| TOTAL CURRENT ASSETS | | 572,651 | 696,456 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 7 | 12,500 | 12,500 |
| Plant and equipment | 8 | 131,515 | 161,294 |
| TOTAL NON-CURRENT ASSETS | | 144,015 | 173,794 |
| TOTAL ASSETS | | 716,666 | 870,250 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 171,271 | 304,976 |
| Short term provisions | 10 | 48,886 | 52,106 |
| TOTAL CURRENT LIABILITIES | | 220,157 | 357,082 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | - | 3,590 |
| Long term provisions | 10 | 13,045 | 5,983 |
| TOTAL NON-CURRENT LIABILITIES | | 13,045 | 9,573 |
| TOTAL LIABILITIES | | 233,202 | 366,655 |
| NET ASSETS | | 483,464 | 503,595 |
| MEMBERS' FUNDS | | | |
| Accumulated Surplus | | 483,464 | 503,595 |
| TOTAL MEMBERS' FUNDS | | 483,464 | 503,595 |

The accompanying notes form part of these financial statements

**Statement of Changes in Members' Fund
for the Year Ended 30 June 2009**

| | 2009 | 2008 |
|--|-----------------|----------------|
| | \$ | \$ |
| Balance as at 1 July 2008 | 503,595 | 434,715 |
| Surplus attributable to members | (20,131) | 68,880 |
| Balance at 30 June 2009 | 483,464 | 503,595 |

The accompanying notes form part of these financial statements

**Cash Flow Statement
For the Year ended 30 June 2009**

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members and customers | | 2,444,383 | 2,519,960 |
| Interest received | | 31,769 | 45,890 |
| Payments to suppliers and employees | | (2,446,311) | (2,440,669) |
| Net cash provided by operating activities | 13b | 29,841 | 125,181 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of plant and equipment | | (15,429) | (132,996) |
| Proceeds from sale of plant and equipment | | - | 83,211 |
| Net cash used in by investing activities | | (15,429) | (49,785) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayments of borrowings | | - | (109,308) |
| Net (decrease)/increase in cash held | | 14,412 | (33,912) |
| Cash at the beginning of the financial year | | 476,431 | 510,343 |
| Cash at the end of the financial year | 13a | 490,843 | 476,431 |

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Civil Contractors Federation (NSVV Branch) as an Individual entity. Civil Contractors Federation (NSW Branch) is a Federation incorporated in New South Wales under the Workplace Relations Act 1996.

The financial report of Civil Contractors Federation (NSW Branch) as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) for their entirety.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

Accounting Policies

a. Income Tax

The Federation is registered under the Workplace Relations Act, 1996 and, is considered to be exempt from income tax including capital gains tax, by virtue of the provision of s.50-15 of the Income Tax Assessment Act 1997.

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months and net of bank overdrafts.

c. Plant and Equipment

Each class of plant and equipment are carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and Impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present value in determining recoverable amounts.

Depreciation

The depreciable amounts of plant and equipment are depreciated using the straight line method at rates based on their estimated useful lives commencing from the time the asset is held ready for use.

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

| | |
|---------------------------------|--------|
| Office, furniture and equipment | 20-33% |
| Motor vehicles | 20% |

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Plant and Equipment (continued)

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

The assets carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the Income Statement.

d. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Committee of Management assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an Impairment has arisen, Impairment losses are recognised In the Income Statement.

e. Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions are made by the Federation to employee superannuation funds and are charged as expenses when incurred.

f. Leases

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

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Federation will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST Incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense, receivables and payables in the Balance Sheet is shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Revenue

Revenue for membership subscriptions is recognised proportionately over the period to which it relates.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the contract.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

i. Comparative figures

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

j. Operating Segment

The Federation is incorporated under the Workplace Relations Act 1996 and domiciled In Australia.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in New South Wales, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Federation throughout New South Wales.

k. Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Federation.

Key Estimates – Impairment

The Committee of Management assesses Impairment on each reporting date by evaluating conditions specific to the Federation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of any assets for the year ended 30 June 2009, except as stated in the report.

Key Judgements - Doubtful Debts Provision

The Committee of Management has assessed each debtor and has estimated a provision for doubtful debts amounting to \$17,624 (2008: \$7,824). The Committee of Management believes that the full amount of the remaining debtors is recoverable.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Information to be provided to Member or the Registrar

In accordance with the requirements of the Workplace Relations Act 1996 (the RAO Schedule) the attention of Members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which read as follows.

Section 272 Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

The financial report was authorised for issue on 19th August 2009

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|---|------------------|------------------|
| NOTE 2: REVENUE | | |
| Operating activities: | | |
| Membership income | 1,005,997 | 923,066 |
| Advertising & sponsorship | 183,883 | 58,420 |
| Training income | 417,738 | 469,557 |
| Functions | 279,989 | 313,974 |
| Seminars income | | 120,441 |
| CCF Bulletins | 62,257 | 90,164 |
| Short courses | 121,011 | 109,317 |
| Daily inspection procedure sales | 57,830 | 69,489 |
| Commission received | 2,455 | 1,381 |
| IMS System | 21,734 | 58,252 |
| Workplace reform | 67,446 | 86,905 |
| Plant assessment | 19,616 | 13,729 |
| (Loss)/Profit on disposal of fixed assets | - | (898) |
| SCIMS packages | 33,432 | 10,952 |
| Investment income | 31,769 | 45,890 |
| Proceeds from windup of Earthmovers and Contractors Association Limited | 722 | 20,298 |
| DCA costs recovered | 12,479 | - |
| Other income | 10,109 | 46,910 |
| Total Revenue | 2,328,467 | 2,437,847 |
| NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES | | |
| The operating surplus of the Federation before income tax expense has been determined after: | | |
| a. Bad and Doubtful Debts | | |
| Bad debts written off | 23,548 | 3,097 |
| Provision for doubtful debts | 9,800 | - |
| | 33,348 | 3,097 |
| b. Auditor's Remuneration | | |
| Accounting fees | 8,432 | - |
| Auditor's remuneration | 5,500 | 16,000 |
| | 13,932 | 16,000 |
| c. Operating Leases | | |
| Leasing charges | - | 12,078 |
| Photocopier charges | 28,182 | 21,308 |
| Rent | 145,368 | 81,603 |
| Telephone and fax | 6,552 | 6,006 |
| | 180,102 | 120,995 |
| d. Depreciation and Amortisation | | |
| Plant and equipment | 23,971 | 17,807 |
| Motor vehicles | 21,237 | 30,034 |
| | 45,208 | 47,841 |

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|---|------------|------------|
| NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT) | | |
| e. Compulsory Levy | | |
| National office levy | 87,388 | 78,296 |
| The levy is imposed by the CCF National Office to assist in funding the National Office operations. | | |
| f. Employee related expenses | | |
| Salaries | 945,959 | 816,743 |
| Superannuation | 75,468 | 76,479 |
| Employee benefits | 14,963 | 20,806 |
| Payroll tax | 56,933 | 53,977 |
| Training and recruitment | 13,189 | 9,142 |
| | 1,106,512 | 976,147 |

NOTE 4: CASH AND CASH EQUIVALENTS

Current

| | | |
|--------------------------|---------|---------|
| Cash on hand | 500 | 250 |
| Cash at bank | 123,327 | 116,166 |
| Short-term bank deposits | 367,016 | 360,015 |
| | 490,843 | 476,431 |

The weighted average interest rate for cash as at 30 June 2009 is 2.41% (2008, 6.94%)

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current

| | | |
|------------------------------------|---------|---------|
| Trade debtors – related parties | 17,437 | 56,495 |
| - others | 49,037 | 146,07 |
| | 66,474 | 202,56 |
| Less: Provision for doubtful debts | (17,624 | (7,824) |
| | 48,050 | 194,74 |
| Sundry debtors | 17,207 | 18,997 |
| | 66,057 | 213,74 |
| | 2 | |

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are secured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days.

Details of the trade debtors owing from the related party are outlined at Note 12f.

Sundry debtors are non-interest bearing and unsecured. This amount includes GST receivable, relating to goods and services tax that can be recovered from the Australian Taxation Office.

NOTE 6: OTHER CURRENT ASSETS

Current

Prepayments

15,751

6,283

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------|------------|
|--|------------|------------|

NOTE 7: FINANCIAL ASSETS

a. Non-Current

| | | |
|---|--------|--------|
| Shares in unlisted company – at Committee of Management valuation | 12,500 | 12,500 |
|---|--------|--------|

b. Terms and Conditions

The Federation holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Company are valued based on the consideration of the transfer to shares to Civil Contractors Federation (ACT Branch) in August 2000. The Committee of Management continues to believe that this valuation is the most appropriate to value these shares.

Note 8: PLANT AND EQUIPMENT

| | | |
|--------------------------------|---------------|---------------|
| Motor vehicles – at cost | 106,186 | 106,186 |
| Less: Accumulated depreciation | (33,072) | (11,835) |
| | <u>73,114</u> | <u>94,351</u> |

| | | |
|--|---------------|---------------|
| Office furniture and equipment – at cost | 187,392 | 171,963 |
| Less: Accumulated depreciation | (128,991) | (105,020) |
| | <u>58,401</u> | <u>66,943</u> |

| | | |
|--|----------------|----------------|
| Total plant and equipment – net book value | <u>131,515</u> | <u>161,294</u> |
|--|----------------|----------------|

Reconciliation of movements in plant and equipment

Motor vehicle – at cost

| | | |
|--|----------|----------|
| Carrying amount at beginning of the year | 94,351 | 22,497 |
| Additions | - | 170,989 |
| Disposals | - | (69,102) |
| Depreciation expense | (21,237) | (30,033) |

| | | |
|------------------------------------|---------------|---------------|
| Carrying amount at end of the year | <u>73,114</u> | <u>94,351</u> |
|------------------------------------|---------------|---------------|

Furniture and equipment

| | | |
|--|----------|----------|
| Carrying amount at beginning of the year | 66,943 | 39,937 |
| Additions | 15,429 | 54,234 |
| Disposals | - | (9,421) |
| Depreciation expense | (23,971) | (17,807) |

| | | |
|------------------------------------|---------------|---------------|
| Carrying amount at end of the year | <u>58,401</u> | <u>66,943</u> |
|------------------------------------|---------------|---------------|

Leased motor vehicles

| | | |
|--|---|----------|
| Carrying amount at beginning of the year | - | 51,233 |
| Additions | - | - |
| Disposals | - | (51,233) |
| Amortisation expense | - | - |

| | | |
|------------------------------------|----------|----------|
| Carrying amount at end of the year | <u>-</u> | <u>-</u> |
|------------------------------------|----------|----------|

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|---|------------|------------|
| NOTE 9: TRADE AND OTHER PAYABLES | | |
| a. Current | | |
| Deferred income | 55,980 | 62,203 |
| Creditors and accruals | 80,647 | 195,200 |
| Sundry creditors | 34,644 | 47,573 |
| | 171,271 | 304,976 |
| b. Non Current | | |
| Loan – Earthmovers and Contractors Association Limited | - | 3,590 |
| c. Terms and Conditions | | |
| Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the year 2009-10 | | |
| Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts. | | |
| The terms and conditions of the loan to Earthmovers and Contractors Association Limited are outlined at Note 12e. | | |
| NOTE 10: PROVISIONS | | |
| a. Current | | |
| Provisions for annual leave | 48,886 | 52,106 |
| b. Non-Current | | |
| Provisions for long service leave | 13,045 | 5,983 |
| c. Aggregate employee entitlement liability | | |
| | 61,931 | 58,089 |
| d. Number of employees at year-end | | |
| | 14 | 15 |

NOTE 11: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Federations' financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company.

The Federation does not have any derivative instruments at 30 June 2009.

i. Terms, Conditions and Accounting Policies

The Federation's accounting policies are included in Note 1, while the terms and conditions, and including the effective weighted average interest rate of each class of financial asset and financial liability both recognised and unrecognised at the balance date are included under the appropriate note for that instrument.

ii. Treasury Risk Management

The Branch Board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

iii. Financial Risk Exposures and Management

The main risks the Federation is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

Liquidity risk

The Federation manages this risk by monitoring its credit terms on trade debtors

Interest rate risk

The Federation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of the changes in interest rate, with all other variables remaining constant would be as follows:

| | 2009 | 2008 |
|---------------------------------|-------------|-------------|
| | \$ | \$ |
| Change in profit/(loss) | | |
| Increase in interest rate by 2% | 9,816 | 9,529 |
| Decrease in interest rate by 2% | (9,816) | (9,529) |
| Change in equity | | |
| Increase in interest rate by 2% | 9,816 | 9,529 |
| Decrease in interest rate by 2% | (9,816) | (9,529) |

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Federation is not materially exposed to foreign currency fluctuations.

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of

those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial report.

The Federation is not materially exposed to any individual credit risk, other than the CCF National Office and the NSW Department of Education and Training; refer to Note 12f and Note 17 respectively.

iv. Net Fair Values

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

NOTE 12: RELATED PARTIES

a. NSW Branch Board members

The names of the members of the NSW Branch Board who held office during the year are as follows:

Glenn Cherrie, Joseph Cato, Terry Bowen, Robert Antoun, Stuart Ford, Paul Burton, Glenn Fordham, Paul Gleeson, Allan White, John Wade, Paul Wise, Tom Brady, Terry Waterson, Troy Lilliendal, Michael Boyle and Craig Long.

Members of the NSW Branch Board other than the President are entitled to receive an attendance fee of \$100 for meetings held after 27 September 2008. The President is entitled to a stipend of \$500 per month from this date.

b. Names and positions held by key management personnel in office at any time during the year

David Elliott - Chief Executive Officer
 Martin Wright - Business Manager (resigned 31 March 2009)
 Michelle Bass - Manager Member Services
 Brian Duggan - Manager Workplace Relations

| c. Key Management Personnel Remuneration | 2009 | | | 2008 | | |
|--|----------|-----------------|---------|----------|-----------------|---------|
| | Salaries | Super-annuation | Total | Salaries | Super-annuation | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Compensation | 483,019 | 42,046 | 525,065 | 430,517 | 38,747 | 469,263 |

d. Other transactions with the Federation

Entities related to NSW Branch Board members paid membership fees, received training, and purchased statutory awards and updates from the Federation during the year on the same commercial terms and conditions offered to all other members.

e. Earthmovers and Contractors Association Limited

Earthmovers and Contractors Association Limited is an unlisted not-for-profit public company, limited by guarantee.

At balance date, the loan owing to the Earthmovers and Contractors Association Limited was \$nil (2008: \$3,590) by the Federation. No interest was charged to the Federation by Earthmovers and Contractor Association Limited, no interest was paid or payable during the financial year.

Earthmovers and Contractors Association Limited has been deregistered.

f. Civil Contractors National Office

At the end of financial year an amount of \$17,437 (2008: \$54,695 per Note 5(a)) was receivable from the CCF National Office, further, an amount of \$87,388 (2008: \$78,296) was paid to the National Office for the National Office levy charged on the revenue of the Federation.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

| | 2009 \$ | 2008 \$ |
|--|------------|------------|
| NOTE 13: CASH FLOW INFORMATION | | |
| a. Reconciliation of Cash | | |
| Cash on hand | 500 | 250 |
| Cash at bank | 123,327 | 116,166 |
| Call deposit | 367,016 | 360,015 |
| | 490,843 | 476,431 |
| b. Reconciliation of surplus from ordinary activities after income tax to net cash provided by operating activities | | |
| Operating surplus after income tax | (20,131) | 68,880 |
| Add/(Less) items classified as investing/financing activities | | |
| - Profit on disposal of non current assets | | 898 |
| Non-cash flows in surplus/(deficit) from ordinary activities | | |
| - Depreciation and amortisation | 45,208 | 47,841 |
| - Bad and doubtful debts provision | 9,800 | - |
| Changes in assets and liabilities | | |
| Decrease/(Increase) in receivables | 137,885 | 52,433 |
| Decrease/(Increase) in other assets | (9,468) | 5,213 |
| (Decrease)/Increase in deferred income | (6,223) | (38,071) |
| (Decrease)/Increase in payables | (127,482) | 37,494 |
| (Decrease)/Increase in provisions | 252 | (49,507) |
| Net cash provided by operating activities | 29,841 | 125,181 |

c. Credit Facility

The federation has a credit facility of \$50,000, through a business card facility. The facility is required to be clear at the end of each month. At 30 June 2009, the available facility was \$50,000.

**Notes to the Financial Statements
for the Year Ended 30 June 2009 (Cont'd)**

2009 **2008**
\$ \$

NOTE 14: OPERATING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but no capitalized in the financial statements:

| | | |
|------------------------------------|---------|---------|
| - not later than 12 months | 153,464 | 122,598 |
| - between 12 months and five years | 470,585 | 613,750 |
| - greater than five years | - | - |
| | 624,049 | 736,348 |

a. Office

An operating lease agreement was signed in June 2008 for a period commencing from June 2008 to May 2013 with Norwest Commercial and Industrial Real Estate Pty Limited for the use of these premises situated at 2.07/25 Solent Circuit, Baulkham Hills. The annual rent payable under the lease is \$152,081. The Federation has offered a bank deposit of \$36,600 for restoration, being for the return of the site to its original condition if required.

b. Training Centre

An operating lease has been signed with Penrith Lakes Development Corporation Limited for use of an area of land as a Training Centre. The lease will remain in force for a period of one year from July 2009 and then continues until the land is required for development or the Federation acquires another site. No rent is payable but a security deposit of \$20,000 is held in favour of Penrith Lakes Development Corporation Limited.

NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 16: CONTINGENT LIABILITIES

The Federation is not subject to any material contingent liabilities at balance date.

NOTE 17: ECONOMIC DEPENDENCY

The Federation is economically dependent on ongoing funding in the form of Membership fees, existing worker training from contractors and new entrant training income from the NSW Department of Education and Training.

NOTE 18: FEDERATION DETAILS

The registered office and the principal place of business of the Federation are:
Civil Contractors Federation (NSW Branch)
Suite 2.07
25 Solent Circuit
Norwest Business Park
Baulkham Hills NSW 2153



STANNARDS

Accountants and Advisors

Partners
 Marino Angelini, CA
 Michael Shulman, CA
 Nello Traficante, CPA
 Jason Wall, CA

Associate
 Nicole Postan, CA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

Report on the Financial Report

We have audited the accompanying financial report of Civil Contractors Federation (NSW Branch) ("the Federation") which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in members fund and the cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the NSW Branch Board.

Board's Responsibility for the Financial Report

The NSW Branch Board of the Federation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*. This responsibility includes establishing 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 and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Accounting Standards. These Auditing Standards require that we 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 judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

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



**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the general purpose financial report of Civil Contractors Federation (NSW Branch) presents fairly in accordance with Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996* the Federation's financial position as at 30 June 2009 and its performance for the year ended on that date and complies with Australian Accounting Standards (including the Australian Accounting Interpretations).

These were kept by the Branch satisfactorily accounting records detailed the sources and value of the income (individual income from members) and the nature and purpose of the expenditure.

STANNARDS ACCOUNTANTS & ADVISORS**M B SHULMAN (Chartered Accountant)**

Partner

Auditor Registration no. 163888

Dated in Melbourne this *20th day of August 2009*