



23 October 2017

Mr Ian Hinchliffe
President
Civil Contractors Federation-Northern Territory Branch
ccfnt@ccfnt.com.au

CC: michael.shulman@stannards.com.au

Dear Mr Hinchliffe,

**Civil Contractors Federation-Northern Territory Branch
Financial Report for the year ended 30 June 2017 - [FR2017/243]**

I acknowledge receipt of the financial report of the Civil Contractors Federation-Northern Territory Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 12 September 2017. I also acknowledge receipt on 20 October 2017 of the signed and dated Operating Report, Committee of Management Statement and Auditor's Report.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Date of resolution

Item 36 of the Reporting Guidelines requires that the Committee of Management statement be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided. Please ensure this date is included when signing next year's Committee of Management statement.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale
Registered Organisations Commission

svc-adlib5

From: CCFNT <ccfnt@ccfnt.com.au>
Sent: Friday, 20 October 2017 2:44 PM
To: ROC - Registered Org Commission
Subject: Signed Financial Report
Attachments: Signed CCFNT Financial Report 2017.pdf; Signed Audit Reports CCF NT 2017.pdf

Attention: David Vale

Regards Ann



Ann McNamara Office Administrator
Civil Contractors Federation Northern Territory Ltd

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Constructing Australia's Infrastructure



**CIVIL CONTRACTORS FEDERATION
(NT BRANCH)**

ABN 82 550 580 543

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017**

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**Operating Report
for the Year Ended 30 June 2017**

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the Branch during the financial year were to represent civil engineering contractors in the Northern Territory and provide assistance and expertise in contractor development and industry.

The Branch also provides advocacy services in dealings with the Northern Territory Government and other major stakeholders contracting with its members, as well as a range of other services, either directly or via its National Office, including:

- Industrial relations advice and representation in state and federal industrial courts and commissions;
- Contract and commercial legal advice specific to industry requirements;
- Access to credit, insurance and financial services;
- Advice and direction on meeting industry training and development needs and fulfilling government apprentice training contract conditions;
- Publication of the Territory eNewsletter and information bulletins as required;
- Support services on OH&S, quality and environmental management; and
- Industry updates on government legislation, regulations and initiatives.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Branch's principal activities resulted in a close and cooperative relationship with NT Government agencies, principally with Agencies for Infrastructure, Planning and Logistics, Education and Training and Trade, Business and Innovation, with positive outcomes in direct inputs into procurement reform and project packaging, policies for government roads, repairs and maintenance contracts, procurement planning for capital works programs and input into training and employment programs aligned with the civil construction industry.

The Branch represented the civil construction sector on peak industry advisory panels to the NT Government for training, employment and workforce development through the Advisory Board of ISACNT, sustainable employment (including indigenous) and other major economic and social development projects.

Advocacy services were provided by regular meetings with the NT Minister for Infrastructure, Planning and Logistics and the Chief Executives and senior executive management of relevant infrastructure, training and employment agencies with a generally high level of accommodation of the CCF requests on behalf of the civil construction industry and the Branch membership.

In this regard, the Branch made representations on road and infrastructure priority investment projects for consideration for inclusion in territory and federal Budgets and joint planning for industry development and capacity building to match the continuing infrastructure roll-out in the Northern Territory.

Continuing cooperation with Civil Train SA finalised civil construction training packages in actively developing a future skilled workforce of Territory technicians, operators and civil supervisors, managers and professionals.

In consolidating its leadership role in the civil and roads construction sectors, the Branch exercised alliances with the Local Government Association of the NT, the NT Road Transport Association and the Extractive Industries Association NT along with other key Territory transport and infrastructure stakeholders.

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

Results of principal activities (cont'd)

As a member of the NT Business Council, the Branch participated in wider advocacy on Territory development, including 'Territory Economic Summit' taskforce, leading to the formation of a ten year infrastructure plan, other major project developments and industry skills and employment strategy formalisation. Industrial relations and other potentially impactful government policies also were considered under this cooperative structure and the broader CCF policy umbrella.

The Branch provided a range of communication services to members through the distribution of its national and state office network on federal industry and workplace reforms. Regular newsletters and contributions to the Earthmoving & Civil Contractor magazine provided a readily accessible medium for updating members locally in the Territory with industry issues.

All members were provided with ready access to CCF services on demand and assistance was rendered to achieve resolution of individual member's issues.

The Branch did not acquire an asset or liability during the financial year as a result of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act, a restructure of the branches of an organisation, and/or a determination or revocation by the Commissioner, Registered Organisations Commission.

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 of the reporting unit (to the best of my knowledge) holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

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: 36 Members and 42 Associate Members. At the end of the previous financial year there were 37 Members and 44 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 Northern Territory Branch of the Federation was 1. The branch also has 1 contractor (2016: 1 employee, the branch also had 1 contractor).

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

COMMITTEE OF MANAGEMENT MEMBERS (BOARD) RO reg 159(c)

The persons who held office as members of the Committee/Board of Management of the Northern Territory Branch during the financial year were:

Name	Position	Status
Scott Chapman	President	1-7-2016 to 30-6-2017
Ian Hinchliffe	Vice President	1-7-2016 to 30-6-2017
Patrick Coleman	Honorary Treasurer	1-7-2016 to 30-6-2017
Michael Cull	Board Member National Rep	1-7-2016 to 30-6-2017
Michael Bellis	Board Member	1-7-2016 to 30-6-2017
Anthony Hillier	Board Member	1-7-2016 to 30-6-2017
Dennis McDonald	Board Member	1-7-2016 to 30-6-2017
Samuel Sage	Board Member	1-7-2016 to 30-6-2017
Jacob Skewes	Board Member	1-7-2016 to 30-6-2017
Mark Wilkes	Board Member	1-7-2016 to 30-6-2017
John Klaas	Board Member	1-7-2016 to 30-6-2017

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

MANNER OF RESIGNATION

Members may resign from the Branch in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009 and with rule 9 of the Civil Contractors Federation Constitution and Rules, 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."

Scott Chapman
NT Branch President



Dated:

08/08/17.

**NT Branch Committee of Management Statement
for the Year Ended 30 June 2017**

On 2017, the Committee of Management of the Civil Contractors Federation NT Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2017.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Commissioner, Registered Organisations Commission and Australian Accounting Standards;
- (b) the financial statements and notes give a true and fair view of the financial performance, position and cash flows of the reporting unit for the financial year to which they relate;
- (c) 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;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the Northern Territory Branch were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (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;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the information sought in any request of a member of the reporting unit or the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
 - (v) the financial records of the reporting unit have been kept, to the extent we have been advised of them and as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - (vi) no requests were received from any member of the reporting unit or a Commissioner, Registered Organisation Commission for information under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vii) there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year; and
- (e) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

Resolved by the Committee of Management:

Scott Chapman
NT Branch President



Dated:

08/08/17

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
CIVIL CONTRACTORS FEDERATION – NT BRANCH**

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

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stannards Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141



MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated: 8 August 2017

**Statement of Profit or Loss
for the Year Ended 30 June 2017**

	Note	2017 \$	2016 \$
Revenue	2	372,289	421,956
Employee expenses	3f	(43,271)	(37,513)
Depreciation	3c	(1,308)	(1,857)
Bad and doubtful debts	3a	-	-
Accounting and audit fees	3b	(600)	(3,100)
Merchant fees and bank charges		(976)	(438)
National Levy	3e	(16,500)	(16,500)
Functions, seminars and conference costs		(86,483)	(124,332)
Training awards		(2,250)	(6,250)
Consultant costs		144	(3,180)
Contracting Fees		(140,000)	(140,413)
Travelling expenses		(3,140)	(3,417)
Motor Vehicle Expenses		-	375
Member Services		(250)	(329)
Other expenses from ordinary activities	3d	(25,053)	(17,481)
Profit / (loss) from ordinary activities before income tax expense		52,602	67,521
Income tax expense	1a	-	-
Profit / (loss) from ordinary activities after income tax expense attributable to the Branch		52,602	67,521

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2017**

	2017	2016
	\$	\$
Profit / (loss) for the period	52,602	67,521
Other Comprehensive Income for the period		
Total Comprehensive Income for the period	52,602	67,521
Total Comprehensive Income attributable to members of the organisation	52,602	67,521

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	307,008	273,638
Trade and other receivables	5	32,632	122,960
TOTAL CURRENT ASSETS		339,640	396,598
NON-CURRENT ASSETS			
Plant and equipment	6	1,575	2,883
TOTAL NON-CURRENT ASSETS		1,575	2,883
TOTAL ASSETS		341,215	399,481
CURRENT LIABILITIES			
Trade and other payables	7	19,631	130,499
Provisions	8	-	-
TOTAL CURRENT LIABILITIES		19,631	130,499
TOTAL LIABILITIES		19,631	130,499
NET ASSETS		321,584	268,982
MEMBERS' FUNDS			
Accumulated Surplus		321,584	268,982
TOTAL MEMBERS' FUNDS		321,584	268,982

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2017**

	\$
Balance as at 1 July 2015	201,461
Profit /(Loss) attributable to members	<u>67,521</u>
Balance at 30 June 2016	<u>268,982</u>
	\$
Balance as at 1 July 2016	268,982
Profit /(Loss) attributable to members	<u>52,602</u>
Balance at 30 June 2017	<u>321,584</u>

The accompanying notes form part of the financial statements

**Statement of Cash Flows
for the Year ended 30 June 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		443,891	288,081
Receipts from related entities		16,543	28,838
Payments to suppliers and employees		(409,614)	(224,688)
Payments to related entities		(19,633)	(21,716)
Interest received		2,183	3,304
Net cash provided by operating activities	13b	33,370	73,819
CASH FLOW FROM INVESTING ACTIVITIES			
Plant and Equipment Acquired		-	(2,085)
Proceeds from disposal		-	136
Net Cash (Used) in Investing Activities		-	(1,949)
Net (decrease)/increase in cash held		33,370	71,870
Cash at the beginning of the financial year		273,638	201,768
Cash at the end of the financial year	13a	307,008	273,638

The accompanying notes form part of the financial statements

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

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 Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009.

The financial report covers Civil Contractors Federation (NT Branch) as an Individual entity. Civil Contractors Federation (NT Branch) is a Federation incorporated in Australian Capital Territory under the Fair Work (Registered Organisations) Act 2009.

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.

Basis of Preparation

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

The Civil Contractors Federation (NT Branch) is a 'not for profit' organisation.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cost is based on fair values of consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

Prior Year Comparatives

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

Accounting Policies

a. Income Tax

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and is believed to be exempt from income tax including capital gains tax, by virtue of the provisions 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, net of bank overdrafts.

c. 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 Statement of Profit and Loss.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. 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.

e. Trade and other Receivables

Trade and other receivable are recognised initially at fair value and are generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

f. Trade and other Payables

Trade payables and other accounts payable are recognised when the Branch becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

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

h. 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 Statement of Financial Position 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.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Revenue

Revenue from 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 service.

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

j. Operating Segment

The Federation is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in the Northern Territory, 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 Australian Capital Territory.

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 2017.

Key Judgements - Doubtful Debts Provision

The Committee of Management have assessed each debtor and have estimated a provision for doubtful debts amounting to \$nil (2016: nil). The Committee of Management believes that the full amount of the remaining debtors is recoverable.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Fair Value of Assets and Liabilities

The Branch measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

m. Capitation Fees

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Branch, together with an assessment of the potential impact of such pronouncements on the Branch when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Committee of Management anticipate that the adoption of AASB 9 may have an impact on the Branch's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited numbers of exemption, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contracts(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods (cont'd)

The Transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Committee of Management anticipate that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Lease* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-10: Amendments to Australian Accounting Standards – *Sale of Contribution of Assets between an investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods (cont'd)

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- A gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- The remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- Any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture.
- The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the Committee of Management anticipate that the adoption of AASB 2014-10 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

p. Information to be provided to Members or Commissioner, Registered Organisations Commission

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows: -

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 2: REVENUE		
Operating activities:		
Membership Fees	112,800	99,515
Associate Membership Fees	56,000	59,727
Sponsorship Fees	30,500	48,455
Functions	68,631	106,721
Capitation Fees	-	-
Levies	-	-
SCIMS Programme	175	250
Grants Received	102,000	100,000
Interest Received	2,183	3,304
Trading Income	-	3,368
Other Income	-	480
Profit on Disposal	-	136
Total Revenue	372,289	421,956
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off	-	-
Provision for doubtful debts	-	-
b. Accounting and Audit Fees		
Accounting fees	-	400
Auditor's remuneration – financial statement audit (Other services \$nil (2016: \$nil))	600	2,700
	600	3,100
c. Depreciation and Amortisation		
Plant and equipment	1,308	1,857
Motor vehicle	-	-
	1,308	1,857

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (cont'd)

	2017 \$	2016 \$
d. Other expenses comprise:		
Meeting expenses	3,859	3,487
Postage	672	591
Communication expenses	1,569	1,120
Donations < \$1,000	-	-
Donations > \$1,000	-	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Sponsorship	3,000	2,500
Stationery	478	482
Legal Fees - Litigation	-	-
Legal Fees - Other	-	-
Insurance expenses	1,727	2,409
Electricity, Gas and Water	-	-
Loss on Asset Disposal	-	1,354
Other	13,748	5,538
Penalties – via RO Act or Regulations	-	-
Consideration to Employers for Payroll Deductions	-	-
Attendance Allowance / Fees – Meetings & Conferences	-	-
Other Capitation Fees	-	-
Other Levies (Other Parties)	-	-
Affiliation Fees	-	-
	25,053	17,481
e. Levy		
National office levy	16,500	16,500
	16,500	16,500

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

f. Employee related expenses

Salaries	36,871	35,206
Superannuation	3,478	3,204
Employee benefits	-	-
Payroll tax	2,219	(897)
Training and recruitment	703	-
	43,271	37,513

NOTE 4: CASH AND CASH EQUIVALENTS

Current

Cash at bank	307,008	273,638
	307,008	273,638

The weighted average interest rate for cash as at 30 June 2017 is 2.55% (2016: 2.75%)

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 5: TRADE AND OTHER RECEIVABLES		
a. Current		
Trade debtors	32,632	122,960
	32,632	122,960
Less: Provision for doubtful debts	-	-
	32,632	122,960

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days. No trade debtors are outside of trading terms at reporting date.

Details of the trade debtors owing from related parties are outlined at Note 11.

NOTE 6: PLANT AND EQUIPMENT

Plant and equipment – at cost	5,761	5,761
Less: Accumulated depreciation	(4,186)	(2,878)
	1,575	2,883

Total plant and equipment – net book value	1,575	2,883
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Plant and Equipment – at cost

Carrying amount at beginning of the year	2,883	4,145
Additions	-	2,085
Disposals	-	(1,490)
Depreciation expense	(1,308)	(1,857)

Carrying amount at end of the year	1,575	2,883
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NOTE 7: TRADE AND OTHER PAYABLES

a. Current

Deferred income	3,000	103,750
Trade creditors	16,631	23,769
Sundry creditors and accruals	-	2,980
	19,631	130,499

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2017/18 year and project funding received for 2017/18 and beyond.

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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 8: PROVISIONS		
a. Current		
Provisions for annual leave	-	-
b. Non Current		
Provisions for long service leave	-	-
c. Aggregate employee entitlement liability	-	-
d. Number of employees at year-end	1	1

The number of persons who were, at the end of the financial year, employees of the Northern Territory Branch of the Federation was 1. The branch also has 1 contractor (2016: 1 employee and 1 contractor).

Of the amounts owing above, they are payable as follows: -

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2016: \$nil)

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 9: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Wages and Salaries	-	-	36,871	35,206	36,871	35,206
Annual Leave and Long Service Leave	-	-	-	-	-	-
Redundancy Payments	-	-	-	-	-	-
Other	-	-	2,922	(897)	2,922	(897)
Superannuation	-	-	3,478	3,204	3,478	3,204
Total	-	-	43,271	37,513	43,271	37,513

No bonuses or other performance incentives, nor share-based payments, were made to office holders or employees in 2017 or 2016.

NOTE 10: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The Branch does not have any derivative instruments at 30 June 2017.

i. Terms, Conditions and Accounting Policies

The Branch'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 Committee of Management 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 Branch is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

Liquidity risk

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

Interest rate risk

The Branch 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 10: FINANCIAL RISK MANAGEMENT (cont'd)

As at 30 June 2017, 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:

	2017 \$	2016 \$
Change in profit/(loss)		
Increase in interest rate by 1%	3,070	2,736
Decrease in interest rate by 1%	(3,070)	(2,736)
Change in equity		
Increase in interest rate by 1%	3,070	2,736
Decrease in interest rate by 1%	(3,070)	(2,736)

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

NOTE 11: RELATED PARTIES

a. NT Branch Committee members

The names of the members of the NT Committee of Management who held office during the year are as follows:

Scott Chapman, Ian Hinchliffe, Patrick Coleman, Michael Cull, Michael Bellis, Anthony Hillier, Dennis McDonald, Samuel Sage, Jacob Skewes, Mark Wilkes and John Klaas.

Members of the NT Branch Committee of Management received no attendance fees during the year, nor did they accrue any entitlements.

The officeholders received no 'non cash' benefits (2016: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch (this year or last year) received any remuneration because they were a member of, or held position with a Board or other peak council because:-

- i) The officeholder held such a position with the Board or other peak council only because they were an officeholder of the Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 11: RELATED PARTIES (cont'd)

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

Neil Hallagan (Chief Executive Officer) – contractor.

	2017			2016		
	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
c. Key Management Personnel Remuneration						
	\$	\$	\$	\$	\$	\$
Total Compensation	140,000	-	140,000	140,000	-	140,000

	2017			2016		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year						
	\$	\$	\$	\$	\$	\$
Total Leave Provision	-	-	-	-	-	-

No termination benefits or share based payments were received, nor any performance bonuses (2016: \$nil).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 11: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

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

Levy Payment	2017	2016
	\$	\$
During the year, the NT Branch paid a National capitation levy calculated in accordance with the rules.	16,500	16,500

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal office and other branches	2017	2016
	\$	\$
National Office	(2,066)	(2,440)
Queensland Branch	-	-
Victoria Branch	83	275
South Australia Branch	(1,201)	879
	<u>(3,184)</u>	<u>(1,286)</u>
Balance Reconciliation- related entities		
National Office		
Carrying amount at beginning of the year	(2,440)	-
Levy payment	(16,500)	(16,500)
Sundry income	-	1,008
Sundry charges	(2,759)	(7,217)
Payment made	19,633	21,276
Receipts	-	(1,007)
Carrying amount at end of the year	<u>(2,066)</u>	<u>(2,440)</u>
Queensland Branch		
Carrying amount at beginning of the year	-	-
Sundry income	-	-
Sundry charges	-	(440)
Receipts	-	-
Payment made	-	440
Carrying amount at end of the year	<u>-</u>	<u>-</u>
Victoria Branch		
Carrying amount at beginning of the year	275	(3,467)
Sundry income	3,713	20,606
Sundry charges	-	-
Receipts	(3,905)	(16,864)
Payment made	-	-
Carrying amount at end of the year	<u>83</u>	<u>275</u>
South Australia Branch		
Carrying amount at beginning of the year	879	-
Sundry charges	(2,200)	-
Sundry income	12,758	11,846
Receipts	(12,638)	(10,967)
Payment made	-	-
Carrying amount at end of the year	<u>(1,201)</u>	<u>879</u>

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 12: FINANCIAL RISK MANAGEMENT

Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities			Total \$
				1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	
30 June 2017							
Assets:							
Cash	2.55	307,008	-	-	-	-	307,008
Trade Debtors and Other		-	-	-	-	32,632	32,632
		307,008	-	-	-	32,632	339,640
Liabilities:							
Sundry Creditors		-	-	-	-	(19,631)	(19,631)
		-	-	-	-	(19,631)	(19,631)
Net financial assets		307,008	-	-	-	13,001	320,009
30 June 2016							
Assets:							
Cash	2.75	273,638	-	-	-	-	273,638
Trade Debtors and Other		-	-	-	-	122,960	122,960
		273,638	-	-	-	122,960	396,598
Liabilities:							
Sundry Creditors		-	-	-	-	(130,499)	(130,499)
		-	-	-	-	(130,499)	(130,499)
Net financial assets		273,638	-	-	-	(7,539)	266,099

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 Statement of Financial Position and notes to the financial report.

The Branch is not materially exposed to any individual credit risk.

iv. Net Fair Values

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at bank	307,008	273,638
	<u>307,008</u>	<u>273,638</u>
b. Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Operating profit / (loss) after income tax	52,602	67,521
Non-cash flows in profit/(deficit) from ordinary Activities		
- Depreciation and amortisation	1,308	1,857
- Disposal of plant and equipment	-	1,354
Changes in assets and liabilities		
Decrease/(Increase) in receivables	90,328	(101,733)
Decrease/(Increase) in other assets	-	25,775
(Decrease)/Increase in payables and other creditors	(110,868)	79,045
Net cash provided by operating activities	<u>33,370</u>	<u>73,819</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
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	-	-
- between 12 months and five years	-	-
- greater than five years	-	-

NOTE 15: FAIR VALUE MEASUREMENT

The Branch measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Branch does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Branch selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Branch are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities/
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 15: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the branch gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Branch assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	30 June 2017			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

	30 June 2016			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
Available-for-sale financial assets:	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 15: FAIR VALUE MEASUREMENT (cont'd)

b. Valuation Techniques and Inputs Used to Measure Fair Values

Description	Fair Value at 30 June 2017 & 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Non-financial assets		n/a	n/a
Financial assets at fair value through profit or loss:	-	n/a	n/a
Available-for-sale financial assets:	-	n/a	n/a
	-	n/a	n/a

c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liability.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 16: CONTINGENT LIABILITIES

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

NOTE 17: ECONOMIC DEPENDENCY

The Branch is economically dependent on ongoing funding in the form of membership fees, government grants and sponsorships.

NOTE 18: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year, nor did it provide such support to any other reporting unit. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

There were no payables (at reporting date) to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date, nor were there any unpaid legal fees. (2016: \$nil).

NOTE 19: BRANCH DETAILS

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

Civil Contractors Federation (NT Branch)
Shop 7 Winnellie Shopping Centre
347 Stuart Highway, Winnellie NT 0820

NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

The CCF Group is currently undertaking a restructure wherein the branches (including CCF NT), will transfer their net operating assets to newly established companies limited by guarantee for no consideration. It is envisaged the companies limited by guarantee will continue to be controlled by the branch executive / members, and that the branches will ultimately be wound up. This is expected to occur prior to the end of the next financial year.

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including;
 - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 30 June 2017, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

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

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

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

**INDEPENDENT AUDIT REPORT
(Cont'd)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.



Stannards Accountants and Advisors



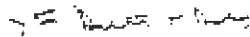
Michael Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations -- AA2017/45)

Dated: 8 August 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
CIVIL CONTRACTORS FEDERATION – NT BRANCH**

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

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141



MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated: 8 August 2017

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including:
 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 30 June 2017, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

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

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

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

**INDEPENDENT AUDIT REPORT
(Cont'd)**

Committee of Management Responsibility for the Financial Report

The Branch Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are responsible in the circumstances.

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

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditing 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.



Stannards Accountants and Advisors



Michael Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated: 8 August 2017

**CIVIL CONTRACTORS FEDERATION
(NT BRANCH)**

ABN 82 550 580 543

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017**

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**Operating Report
for the Year Ended 30 June 2017**

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the Branch during the financial year were to represent civil engineering contractors in the Northern Territory and provide assistance and expertise in contractor development and industry.

The Branch also provides advocacy services in dealings with the Northern Territory Government and other major stakeholders contracting with its members, as well as a range of other services, either directly or via its National Office, including:

- Industrial relations advice and representation in state and federal industrial courts and commissions;
- Contract and commercial legal advice specific to industry requirements;
- Access to credit, insurance and financial services;
- Advice and direction on meeting industry training and development needs and fulfilling government apprentice training contract conditions;
- Publication of the Territory eNewsletter and information bulletins as required;
- Support services on OH&S, quality and environmental management; and
- Industry updates on government legislation, regulations and initiatives.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Branch's principal activities resulted in a close and cooperative relationship with NT Government agencies, principally with Agencies for Infrastructure, Planning and Logistics, Education and Training and Trade, Business and Innovation, with positive outcomes in direct inputs into procurement reform and project packaging, policies for government roads, repairs and maintenance contracts, procurement planning for capital works programs and input into training and employment programs aligned with the civil construction industry.

The Branch represented the civil construction sector on peak industry advisory panels to the NT Government for training, employment and workforce development through the Advisory Board of ISACNT, sustainable employment (including indigenous) and other major economic and social development projects.

Advocacy services were provided by regular meetings with the NT Minister for Infrastructure, Planning and Logistics and the Chief Executives and senior executive management of relevant infrastructure, training and employment agencies with a generally high level of accommodation of the CCF requests on behalf of the civil construction industry and the Branch membership.

In this regard, the Branch made representations on road and infrastructure priority investment projects for consideration for inclusion in territory and federal Budgets and joint planning for industry development and capacity building to match the continuing infrastructure roll-out in the Northern Territory.

Continuing cooperation with Civil Train SA finalised civil construction training packages in actively developing a future skilled workforce of Territory technicians, operators and civil supervisors, managers and professionals.

In consolidating its leadership role in the civil and roads construction sectors, the Branch exercised alliances with the Local Government Association of the NT, the NT Road Transport Association and the Extractive Industries Association NT along with other key Territory transport and infrastructure stakeholders.

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

Results of principal activities (cont'd)

As a member of the NT Business Council, the Branch participated in wider advocacy on Territory development, including 'Territory Economic Summit' taskforce, leading to the formation of a ten year infrastructure plan, other major project developments and industry skills and employment strategy formalisation. Industrial relations and other potentially impactful government policies also were considered under this cooperative structure and the broader CCF policy umbrella.

The Branch provided a range of communication services to members through the distribution of its national and state office network on federal industry and workplace reforms. Regular newsletters and contributions to the Earthmoving & Civil Contractor magazine provided a readily accessible medium for updating members locally in the Territory with industry issues.

All members were provided with ready access to CCF services on demand and assistance was rendered to achieve resolution of individual member's issues.

The Branch did not acquire an asset or liability during the financial year as a result of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act, a restructure of the branches of an organisation, and/or a determination or revocation by the Commissioner, Registered Organisations Commission.

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 of the reporting unit (to the best of my knowledge) holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

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: 36 Members and 42 Associate Members. At the end of the previous financial year there were 37 Members and 44 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 Northern Territory Branch of the Federation was 1. The branch also has 1 contractor (2016: 1 employee, the branch also had 1 contractor).

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

COMMITTEE OF MANAGEMENT MEMBERS (BOARD) RO reg 159(c)

The persons who held office as members of the Committee/Board of Management of the Northern Territory Branch during the financial year were:

Name	Position	Status
Scott Chapman	President	1-7-2016 to 30-6-2017
Ian Hinchliffe	Vice President	1-7-2016 to 30-6-2017
Patrick Coleman	Honorary Treasurer	1-7-2016 to 30-6-2017
Michael Cull	Board Member National Rep	1-7-2016 to 30-6-2017
Michael Bellis	Board Member	1-7-2016 to 30-6-2017
Anthony Hillier	Board Member	1-7-2016 to 30-6-2017
Dennis McDonald	Board Member	1-7-2016 to 30-6-2017
Samuel Sage	Board Member	1-7-2016 to 30-6-2017
Jacob Skewes	Board Member	1-7-2016 to 30-6-2017
Mark Wilkes	Board Member	1-7-2016 to 30-6-2017
John Klaas	Board Member	1-7-2016 to 30-6-2017

**Operating Report
for the Year Ended 30 June 2017 (cont'd)**

MANNER OF RESIGNATION

Members may resign from the Branch in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009 and with rule 9 of the Civil Contractors Federation Constitution and Rules, 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."

Scott Chapman
NT Branch President

Dated:

**NT Branch Committee of Management Statement
for the Year Ended 30 June 2017**

On 2017, the Committee of Management of the Civil Contractors Federation NT Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2017.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Commissioner, Registered Organisations Commission and Australian Accounting Standards;
- (b) the financial statements and notes give a true and fair view of the financial performance, position and cash flows of the reporting unit for the financial year to which they relate;
- (c) 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;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the Northern Territory Branch were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (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;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the information sought in any request of a member of the reporting unit or the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
 - (v) the financial records of the reporting unit have been kept, to the extent we have been advised of them and as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - (vi) no requests were received from any member of the reporting unit or a Commissioner, Registered Organisation Commission for information under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vii) there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year; and
- (e) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

Resolved by the Committee of Management:

Scott Chapman
NT Branch President

Dated:

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
CIVIL CONTRACTORS FEDERATION – NT BRANCH**

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

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stannards Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141

MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated

**Statement of Profit or Loss
for the Year Ended 30 June 2017**

	Note	2017 \$	2016 \$
Revenue	2	372,289	421,956
Employee expenses	3f	(43,271)	(37,513)
Depreciation	3c	(1,308)	(1,857)
Bad and doubtful debts	3a	-	-
Accounting and audit fees	3b	(600)	(3,100)
Merchant fees and bank charges		(976)	(438)
National Levy	3e	(16,500)	(16,500)
Functions, seminars and conference costs		(86,483)	(124,332)
Training awards		(2,250)	(6,250)
Consultant costs		144	(3,180)
Contracting Fees		(140,000)	(140,413)
Travelling expenses		(3,140)	(3,417)
Motor Vehicle Expenses		-	375
Member Services		(250)	(329)
Other expenses from ordinary activities	3d	(25,053)	(17,481)
Profit / (loss) from ordinary activities before income tax expense		52,602	67,521
Income tax expense	1a	-	-
Profit / (loss) from ordinary activities after income tax expense attributable to the Branch		52,602	67,521

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2017**

	2017	2016
	\$	\$
Profit / (loss) for the period	52,602	67,521
Other Comprehensive Income for the period		
Total Comprehensive Income for the period	52,602	67,521
Total Comprehensive Income attributable to members of the organisation	52,602	67,521

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	307,008	273,638
Trade and other receivables	5	32,632	122,960
TOTAL CURRENT ASSETS		339,640	396,598
NON-CURRENT ASSETS			
Plant and equipment	6	1,575	2,883
TOTAL NON-CURRENT ASSETS		1,575	2,883
TOTAL ASSETS		341,215	399,481
CURRENT LIABILITIES			
Trade and other payables	7	19,631	130,499
Provisions	8	-	-
TOTAL CURRENT LIABILITIES		19,631	130,499
TOTAL LIABILITIES		19,631	130,499
NET ASSETS		321,584	268,982
MEMBERS' FUNDS			
Accumulated Surplus		321,584	268,982
TOTAL MEMBERS' FUNDS		321,584	268,982

The accompanying notes form part of the financial statements

Statement of Changes in Members' Funds for the Year Ended 30 June 2017

	\$
Balance as at 1 July 2015	201,461
Profit /(Loss) attributable to members	<u>67,521</u>
Balance at 30 June 2016	<u>268,982</u>
	\$
Balance as at 1 July 2016	268,982
Profit /(Loss) attributable to members	<u>52,602</u>
Balance at 30 June 2017	<u>321,584</u>

The accompanying notes form part of the financial statements

**Statement of Cash Flows
for the Year ended 30 June 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		443,891	288,081
Receipts from related entities		16,543	28,838
Payments to suppliers and employees		(409,614)	(224,688)
Payments to related entities		(19,633)	(21,716)
Interest received		2,183	3,304
Net cash provided by operating activities	13b	33,370	73,819
CASH FLOW FROM INVESTING ACTIVITIES			
Plant and Equipment Acquired		-	(2,085)
Proceeds from disposal		-	136
Net Cash (Used) in Investing Activities		-	(1,949)
Net (decrease)/increase in cash held		33,370	71,870
Cash at the beginning of the financial year		273,638	201,768
Cash at the end of the financial year	13a	307,008	273,638

The accompanying notes form part of the financial statements

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

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 Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009.

The financial report covers Civil Contractors Federation (NT Branch) as an Individual entity. Civil Contractors Federation (NT Branch) is a Federation incorporated in Australian Capital Territory under the Fair Work (Registered Organisations) Act 2009.

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.

Basis of Preparation

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

The Civil Contractors Federation (NT Branch) is a 'not for profit' organisation.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cost is based on fair values of consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

Prior Year Comparatives

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

Accounting Policies

a. Income Tax

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and is believed to be exempt from income tax including capital gains tax, by virtue of the provisions 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, net of bank overdrafts.

c. 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 Statement of Profit and Loss.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. 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.

e. Trade and other Receivables

Trade and other receivable are recognised initially at fair value and are generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

f. Trade and other Payables

Trade payables and other accounts payable are recognised when the Branch becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

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

h. 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 Statement of Financial Position 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.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Revenue

Revenue from 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 service.

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

j. Operating Segment

The Federation is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in the Northern Territory, 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 Australian Capital Territory.

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 2017.

Key Judgements - Doubtful Debts Provision

The Committee of Management have assessed each debtor and have estimated a provision for doubtful debts amounting to \$nil (2016: nil). The Committee of Management believes that the full amount of the remaining debtors is recoverable.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. Fair Value of Assets and Liabilities

The Branch measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

m. Capitation Fees

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Branch, together with an assessment of the potential impact of such pronouncements on the Branch when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Committee of Management anticipate that the adoption of AASB 9 may have an impact on the Branch's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited numbers of exemption, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods (cont'd)

The Transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Committee of Management anticipate that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Lease* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-10: Amendments to Australian Accounting Standards – *Sale of Contribution of Assets between an investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. New Accounting Standards for Application in Future Periods (cont'd)

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- A gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- The remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- Any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture.
- The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the Committee of Management anticipate that the adoption of AASB 2014-10 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

p. Information to be provided to Members or Commissioner, Registered Organisations Commission

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows: -

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 2: REVENUE		
Operating activities:		
Membership Fees	112,800	99,515
Associate Membership Fees	56,000	59,727
Sponsorship Fees	30,500	48,455
Functions	68,631	106,721
Capitation Fees	-	-
Levies	-	-
SCIMS Programme	175	250
Grants Received	102,000	100,000
Interest Received	2,183	3,304
Trading Income	-	3,368
Other Income	-	480
Profit on Disposal	-	136
Total Revenue	372,289	421,956
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off	-	-
Provision for doubtful debts	-	-
	-	-
b. Accounting and Audit Fees		
Accounting fees	-	400
Auditor's remuneration – financial statement audit (Other services \$nil (2016: \$nil))	600	2,700
	600	3,100
c. Depreciation and Amortisation		
Plant and equipment	1,308	1,857
Motor vehicle	-	-
	1,308	1,857

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (cont'd)

	2017	2016
	\$	\$
d. Other expenses comprise:		
Meeting expenses	3,859	3,487
Postage	672	591
Communication expenses	1,569	1,120
Donations < \$1,000	-	-
Donations > \$1,000	-	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Sponsorship	3,000	2,500
Stationery	478	482
Legal Fees - Litigation	-	-
Legal Fees - Other	-	-
Insurance expenses	1,727	2,409
Electricity, Gas and Water	-	-
Loss on Asset Disposal	-	1,354
Other	13,748	5,538
Penalties – via RO Act or Regulations	-	-
Consideration to Employers for Payroll Deductions	-	-
Attendance Allowance / Fees – Meetings & Conferences	-	-
Other Capitation Fees	-	-
Other Levies (Other Parties)	-	-
Affiliation Fees	-	-
	25,053	17,481
e. Levy		
National office levy	16,500	16,500
	16,500	16,500

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

f. Employee related expenses

Salaries	36,871	35,206
Superannuation	3,478	3,204
Employee benefits	-	-
Payroll tax	2,219	(897)
Training and recruitment	703	-
	43,271	37,513

NOTE 4: CASH AND CASH EQUIVALENTS

Current

Cash at bank	307,008	273,638
	307,008	273,638

The weighted average interest rate for cash as at 30 June 2017 is 2.55% (2016: 2.75%)

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 5: TRADE AND OTHER RECEIVABLES		
a. Current		
Trade debtors	32,632	122,960
	32,632	122,960
Less: Provision for doubtful debts	-	-
	32,632	122,960

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days. No trade debtors are outside of trading terms at reporting date.

Details of the trade debtors owing from related parties are outlined at Note 11.

NOTE 6: PLANT AND EQUIPMENT

Plant and equipment – at cost	5,761	5,761
Less: Accumulated depreciation	(4,186)	(2,878)
	1,575	2,883

Total plant and equipment – net book value	1,575	2,883
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Plant and Equipment – at cost

Carrying amount at beginning of the year	2,883	4,145
Additions	-	2,085
Disposals	-	(1,490)
Depreciation expense	(1,308)	(1,857)

Carrying amount at end of the year	1,575	2,883
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NOTE 7: TRADE AND OTHER PAYABLES

a. Current

Deferred income	3,000	103,750
Trade creditors	16,631	23,769
Sundry creditors and accruals	-	2,980
	19,631	130,499

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2017/18 year and project funding received for 2017/18 and beyond.

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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 8: PROVISIONS		
a. Current		
Provisions for annual leave	-	-
b. Non Current		
Provisions for long service leave	-	-
c. Aggregate employee entitlement liability	-	-
d. Number of employees at year-end	1	1

The number of persons who were, at the end of the financial year, employees of the Northern Territory Branch of the Federation was 1. The branch also has 1 contractor (2016: 1 employee and 1 contractor).

Of the amounts owing above, they are payable as follows: -

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2016: \$nil)

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 9: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Wages and Salaries	-	-	36,871	35,206	36,871	35,206
Annual Leave and Long Service Leave	-	-	-	-	-	-
Redundancy Payments	-	-	-	-	-	-
Other	-	-	2,922	(897)	2,922	(897)
Superannuation	-	-	3,478	3,204	3,478	3,204
Total	-	-	43,271	37,513	43,271	37,513

No bonuses or other performance incentives, nor share-based payments, were made to office holders or employees in 2017 or 2016.

NOTE 10: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company. The Branch does not have any derivative instruments at 30 June 2017.

i. Terms, Conditions and Accounting Policies

The Branch'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 Committee of Management 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 Branch is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

Liquidity risk

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

Interest rate risk

The Branch 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.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 10: FINANCIAL RISK MANAGEMENT (cont'd)

As at 30 June 2017, 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:

	2017 \$	2016 \$
Change in profit/(loss)		
Increase in interest rate by 1%	3,070	2,736
Decrease in interest rate by 1%	(3,070)	(2,736)
Change in equity		
Increase in interest rate by 1%	3,070	2,736
Decrease in interest rate by 1%	(3,070)	(2,736)

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

NOTE 11: RELATED PARTIES

a. NT Branch Committee members

The names of the members of the NT Committee of Management who held office during the year are as follows:

Scott Chapman, Ian Hinchliffe, Patrick Coleman, Michael Cull, Michael Bellis, Anthony Hillier, Dennis McDonald, Samuel Sage, Jacob Skewes, Mark Wilkes and John Klaas.

Members of the NT Branch Committee of Management received no attendance fees during the year, nor did they accrue any entitlements.

The officeholders received no 'non cash' benefits (2016: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch (this year or last year) received any remuneration because they were a member of, or held position with a Board or other peak council because:-

- i) The officeholder held such a position with the Board or other peak council only because they were an officeholder of the Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 11: RELATED PARTIES (cont'd)

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

Neil Hallagan (Chief Executive Officer) – contractor.

	2017 \$			2016 \$		
	Short Term Benefits \$	Post Employment Benefits \$	Total \$	Short Term Benefits \$	Post Employment Benefits \$	Total \$
c. Key Management Personnel Remuneration						
Total Compensation	140,000	-	140,000	140,000	-	140,000

	2017 \$			2016 \$		
	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year						
Total Leave Provision	-	-	-	-	-	-

No termination benefits or share based payments were received, nor any performance bonuses (2016: \$nil).

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 11: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

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

Levy Payment	2017	2016
	\$	\$
During the year, the NT Branch paid a National capitation levy calculated in accordance with the rules.	16,500	16,500

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal office and other branches	2017	2016
	\$	\$
National Office	(2,066)	(2,440)
Queensland Branch	-	-
Victoria Branch	83	275
South Australia Branch	(1,201)	879
	<u>(3,184)</u>	<u>(1,286)</u>
Balance Reconciliation- related entities		
National Office		
Carrying amount at beginning of the year	(2,440)	-
Levy payment	(16,500)	(16,500)
Sundry income	-	1,008
Sundry charges	(2,759)	(7,217)
Payment made	19,633	21,276
Receipts	-	(1,007)
Carrying amount at end of the year	<u>(2,066)</u>	<u>(2,440)</u>
Queensland Branch		
Carrying amount at beginning of the year	-	-
Sundry income	-	-
Sundry charges	-	(440)
Receipts	-	-
Payment made	-	440
Carrying amount at end of the year	<u>-</u>	<u>-</u>
Victoria Branch		
Carrying amount at beginning of the year	275	(3,467)
Sundry income	3,713	20,606
Sundry charges	-	-
Receipts	(3,905)	(16,864)
Payment made	-	-
Carrying amount at end of the year	<u>83</u>	<u>275</u>
South Australia Branch		
Carrying amount at beginning of the year	879	-
Sundry charges	(2,200)	-
Sundry income	12,758	11,846
Receipts	(12,638)	(10,967)
Payment made	-	-
Carrying amount at end of the year	<u>(1,201)</u>	<u>879</u>

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 12: FINANCIAL RISK MANAGEMENT

Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities 1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2017							
Assets:							
Cash	2.55	307,008	-	-	-	-	307,008
Trade Debtors and Other		-	-	-	-	32,632	32,632
		307,008	-	-	-	32,632	339,640
Liabilities:							
Sundry Creditors		-	-	-	-	(19,631)	(19,631)
		-	-	-	-	(19,631)	(19,631)
Net financial assets		307,008	-	-	-	13,001	320,009
30 June 2016							
Assets:							
Cash	2.75	273,638	-	-	-	-	273,638
Trade Debtors and Other		-	-	-	-	122,960	122,960
		273,638	-	-	-	122,960	396,598
Liabilities:							
Sundry Creditors		-	-	-	-	(130,499)	(130,499)
		-	-	-	-	(130,499)	(130,499)
Net financial assets		273,638	-	-	-	(7,539)	266,099

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 Statement of Financial Position and notes to the financial report.

The Branch is not materially exposed to any individual credit risk.

iv. Net Fair Values

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at bank	307,008	273,638
	<u>307,008</u>	<u>273,638</u>
b. Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Operating profit / (loss) after income tax	52,602	67,521
Non-cash flows in profit/(deficit) from ordinary Activities		
- Depreciation and amortisation	1,308	1,857
- Disposal of plant and equipment	-	1,354
Changes in assets and liabilities		
Decrease/(Increase) in receivables	90,328	(101,733)
Decrease/(Increase) in other assets	-	25,775
(Decrease)/Increase in payables and other creditors	(110,868)	79,045
Net cash provided by operating activities	<u>33,370</u>	<u>73,819</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
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	-	-
- between 12 months and five years	-	-
- greater than five years	-	-

NOTE 15: FAIR VALUE MEASUREMENT

The Branch measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Branch does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Branch selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Branch are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities/
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 15: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the branch gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Branch assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	30 June 2017			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

	30 June 2016			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 15: FAIR VALUE MEASUREMENT (cont'd)

b. Valuation Techniques and Inputs Used to Measure Fair Values

Description	Fair Value at 30 June 2017 & 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Non-financial assets		n/a	n/a
Financial assets at fair value through profit or loss:	-	n/a	n/a
Available-for-sale financial assets:	-	n/a	n/a
	-	n/a	n/a

c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liability.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 16: CONTINGENT LIABILITIES

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

NOTE 17: ECONOMIC DEPENDENCY

The Branch is economically dependent on ongoing funding in the form of membership fees, government grants and sponsorships.

NOTE 18: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year, nor did it provide such support to any other reporting unit. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

There were no payables (at reporting date) to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date, nor were there any unpaid legal fees. (2016: \$nil).

NOTE 19: BRANCH DETAILS

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

Civil Contractors Federation (NT Branch)
Shop 7 Winnellie Shopping Centre
347 Stuart Highway, Winnellie NT 0820

NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

The CCF Group is currently undertaking a restructure wherein the branches (including CCF NT), will transfer their net operating assets to newly established companies limited by guarantee for no consideration. It is envisaged the companies limited by guarantee will continue to be controlled by the branch executive / members, and that the branches will ultimately be wound up. This is expected to occur prior to the end of the next financial year.

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including:
 - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 30 June 2017, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

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

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

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

INDEPENDENT AUDIT REPORT (Cont'd)

Committee of Management Responsibility for the Financial Report

The Branch Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are responsible in the circumstances.

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

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditing 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

Stannards Accountants and Advisors

Michael Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated:



CCF NORTHERN TERRITORY BRANCH

ABN 82 550- 580 543

Northern Australia Development Office

Ground Floor, Development House

76 The Esplanade, Darwin NT 0800

PO Box 36519, Winnellie NT 0821

P (08) 8999 6221

E ccfnt@ccfnt.com.au

www.ccfnt.com.au

Certificate of Designated Officer

s268 of Fair Work (Registered Organisations) Act 2009

I *Ian Hinchliffe* being the President of the Civil Contractors Federation Northern Territory 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 *Thursday 10th August 2017* and
- that the full report was presented to a general meeting of members of the reporting unit on *Thursday 31st August 2017*; in accordance with section 266 of the RO Act.

Signature:

Ian Hinchliffe

President

Date: 7/9/17.



9 August 2017

Mr Kevin Williams
Chief Executive Officer
Northern Territory Branch
Civil Contractors Federation
By Email: ccfnt@civilcontractors.com

Dear Mr Williams,

**Re: Lodgement of Financial Report - [FR2017/243]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Civil Contractors Federation-Northern Territory Branch (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

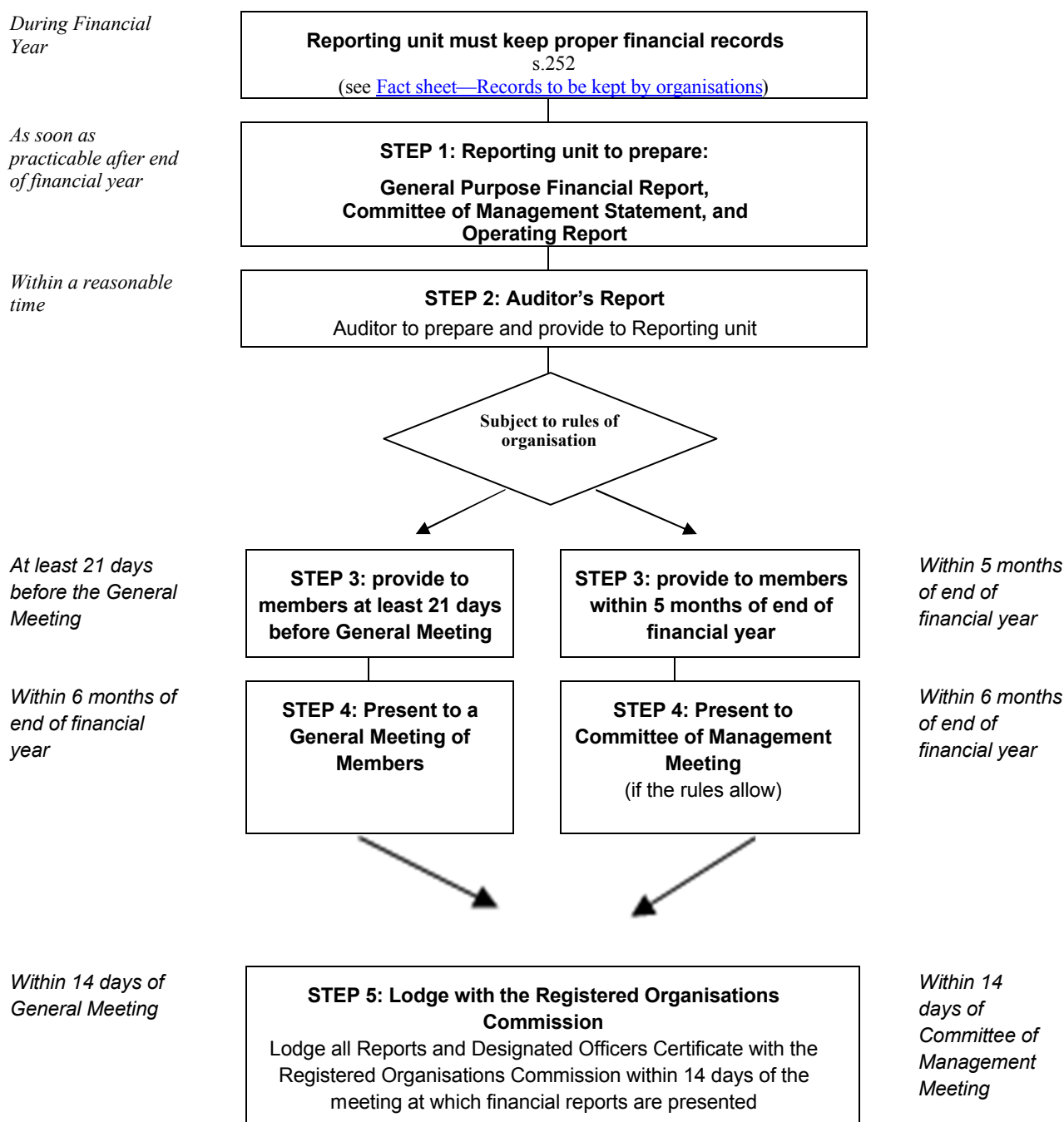
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:





- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*



*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon⁷

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.