



15 July 2019

Michael Unger  
President  
Civil Contractors Federation

By e-mail: [ccfnat@civilcontractors.com](mailto:ccfnat@civilcontractors.com)

CC: [michael.shulman@stannards.com.au](mailto:michael.shulman@stannards.com.au)

Dear Michael Unger,

**Civil Contractors Federation-Australian Capital Territory Branch**

**Civil Contractors Federation-New South Wales Branch**

**Civil Contractors Federation- Northern Territory Branch**

**Civil Contractors Federation-Queensland Branch**

**Civil Contractors Federation-South Australia Branch**

**Civil Contractors Federation-Tasmanian Branch**

**Civil Contractors Federation-Victorian Branch**

**Civil Contractors Federation-Western Australian Branch**

**Financial Reports for the year ended 31 December 2018 - [FR2018/381], [FR2018/382], [FR2018/383], [FR2018/384], [FR2018/385], [FR2018/386], [FR2018/387], [FR2018/388]**

I acknowledge receipt of the financial reports of the above listed former branches of the Civil Contractors Federation (**the reporting units**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 June 2019. I also acknowledge receipts of the certificates by prescribed designated officer which were lodged with the ROC on 14 June 2019.

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.

You are not required to take any further action in respect of the reports lodged however please find below my comments in relation to these lodged reports.

### **Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Documents must be lodged with ROC within 14 days after the meeting of the committee of management

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting of the committee of management referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 7 May 2019. If this is correct the documents should have been lodged with the ROC by 21 May 2019.

As indicated above, the full reports were lodged on 13 June 2019.

### **Redaction of Information**

Key management personnel compensation – redaction of information

As mentioned in the previous year filing letter for the Civil Contractors Federation – Tasmanian branch (**the TAS branch**), certain information disclosed in Note 14b, on page 26 has again been redacted from the copy of the TAS branch's financial report by the ROC before publishing it on its website.

The Australian Accounting Standard *AASB 124 Related Party Disclosures* (paragraph 17) requires the disclosure of certain information relating to key management personnel compensation however, AASB 124 does not require a reporting entity to identify those individuals who meet the definition of key management personnel.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988 (Privacy Act)*. The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

### **Reporting Requirements**

I note that the reporting units ceased on 31 December 2018 and this will be the final report for each reporting unit.

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [Kylie.Ngo@roc.gov.au](mailto:Kylie.Ngo@roc.gov.au).

Yours sincerely



**Kylie Ngo**  
**Financial Reporting Assistant**  
**Registered Organisations Commission**

## Civil Contractors Federation

*s.268 Fair Work (Registered Organisations) Act 2009*

### **CERTIFICATE BY PRESCRIBED DESIGNED OFFICER**

Certificate for the year ended 31<sup>st</sup> December 2018

I, Michael Unger, being the National President of the Civil Contractors Federation certify:

- that the documents lodged herewith are copies of the full reports for
  - Civil Contractors Federation, ACT Branch
  - Civil Contractors Federation, NSW Branch
  - Civil Contractors Federation, NT Branch
  - Civil Contractors Federation, QLD Branch
  - Civil Contractors Federation, SA Branch
  - Civil Contractors Federation, TAS Branch
  - Civil Contractors Federation, VIC Branch
  - Civil Contractors Federation, WA Branch
- that the full reports were provided to Members of the reporting unit on 10.00am on 7th May 2019, and
- that the full reports were presented to a meeting of the Committee of Management of the reporting unit at 10.30am of 7<sup>th</sup> May 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Michael Unger  
Civil Contractors Federation  
President

7<sup>th</sup> May 2019



**CIVIL CONTRACTORS  
FEDERATION**

**CIVIL CONTRACTORS FEDERATION  
(QLD BRANCH)**

**ABN 24 778 482 952**

**Financial Report  
for the Period Ended  
31 December 2018**

**CIVIL CONTRACTORS FEDERATION  
(QLD BRANCH)**

**ABN 24 778 482 952**

**Financial Report  
for the Period Ended  
31 December 2018**

**Contents**

Operating Report ..... 1 - 3

National Board Statement ..... 4

Auditor's Independence Declaration..... 5

Expenditure Report Under Subsection 255 (2A).....6

Statement of Profit or Loss ..... 7

Statement of Comprehensive Income ..... 8

Statement of Financial Position ..... 9

Statement of Changes in Members' Fund..... 10

Statement of Cash Flow ..... 11

Notes to the Financial Statements ..... 12 - 35

Auditor's Report..... 36 - 38

## **Operating Report for the Period Ended 31 December 2018**

The National Board of Civil Contractors Federation (CCF) presents the operating report on Civil Contractors Queensland Branch (CCF QLD) for the period ended 31 December 2018.

### **Principal Activities s254(2) (9a)**

The principal activities of the Branch during the financial period were as follows:

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

### **Results of principal activities s254(2)(a)**

The Branch's principal activities resulted in a trading loss of \$325,393 for the period ended 31 December 2018, before providing for a 'significant item of expense' of \$7,340,294 (refer below) relating to the disbandment of the Branch (30 June 2018 loss: \$1,246,010).

Advocacy and member services in industrial relations services have again been a focus given the Federal Workplace Relations reform including workplace agreements and Building and Construction Industry Code Compliance. Other advocacy included, state and local government procurement, demerit points system, workplace diversity, QBCC licensing and oversight, WH&S, security of payments, skills development and training, government spending, forms of contract and tax reform.

The Branch has also continued service provision in workplace training to meet industry demand. Such demand has however stagnated for this period. This was forecasted and as such reduced training revenues were anticipated. More robust inflows of revenue were forecast for the last half of the financial year.

Events have been well received. The major event for period was the Queensland Excellence in Civil Construction Awards which was attended by over 400. Industry events and regional functions have been well attended.

Membership has grown and is exceeding forecasts. The number of industry committees has been increased. The committees are:

- Work Health and Safety
- Environmental and Sustainability
- Diversity in Civil Construction
- TMR Technical Committee Working Group

The North Queensland office is now consolidated with senior staff and trainers.

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

Matters and circumstances that arose which significantly affected the financial affairs of the branch were:

- Turnover of staff
- Access to trainees
- Timing of securing sponsorship

Additionally, on 31 December 2018, the Branch was disbanded and its net assets transferred to CCF for no consideration in accordance with the approval of members and the Fair Work Commission.

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

Refer to Note 1 'Disbandment of Branch' relating to circumstances during the period which significantly affect the financial affairs of the Branch.

**Operating Report  
for the Period Ended 31 December 2018**

**Officers or Members who are Superannuation Fund Trustee(s) or Director of a Company that is a Superannuation Fund Trustee where being a Member or Officer of a Registered Organisation is a criterion for them holding such position S254(2)(D)**

No officers and members held positions 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 the Branch.

**Number of Members** *reg 159(a)*

The number of persons who, at the end of the period (i.e. immediately prior disbandment), were recorded on the Register of members was: 88 full members and 76 associate members. (2018 financial year; 86 full members and 82 associate members).

**Number of Employees** *reg 159(b)*

The number of persons who were, at the end of the period (i.e. immediately prior disbandment), full time employees of the QLD Branch of the Federation was 18 (30 June 2018: 20).

**QLD Branch Board Members** *reg 159(c)*

The persons who held office as members of the Board of the QLD Branch during the period until its disbandment were:

<b>Name</b>	<b>Position</b>	<b>Period</b>
Peter Kendall	Branch President	01-07-18 – 31-12-18
Tim McIlwain	Branch Vice President	01-07-18 – 31-12-18
Mark Goodwin	Branch Treasurer	01-07-18 – 31-12-18
Luke Bird	Branch Board Member	01-07-18 – 31-12-18
Gavin Turner	Branch Board Member	01-07-18 – 31-12-18
Terry Cogill	Branch Board Member	01-07-18 – 31-12-18
Mark Goodwin	Branch Board Member	01-07-18 – 31-12-18
Peter Kendall	Branch Board Member	01-07-18 – 31-12-18
Tim McIlwain	Branch Board Member	01-07-18 – 31-12-18
Mark Panizza	Branch Board Member	01-07-18 – 31-12-18
David Moody	Branch Board Member	01-07-18 – 31-12-18
Stephen Beck	Branch Board Member	01-07-18 – 31-12-18

Following disbandment, the responsibility for presentation and approval of the financial report of the QLD Branch rested with the National Board of CCF.



**Operating Report  
for the Period Ended 31 December 2018**

**Manner of resignation**

Members could 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 Branch by written notice addressed and delivered to the Chief Executive Officer.
- (b) A notice of resignation from membership of the Branch takes effect:
  - (i) at the end of two weeks after the notice is received by the Branch: 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 Branch in relation to a period before the Member's resignation from the Branch took effect, may be sued for and recovered in the name of the Branch, in a court of competent jurisdiction, as a debt due to the Branch.
- (d) A notice delivered to the person mentioned in sub-rule (1) shall be taken to have been received by the Branch when it was delivered.
- (e) A notice of resignation that has been received by the Branch 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 Branch is valid even if it is not effected in accordance with this section if the Member is informed in writing by or on behalf of the Branch that the resignation has been accepted."

Signature of designated officer:



Name and title of designated officer: Michael Unger, National President

Dated: 7th May 2019

**National Board Statement  
for the Period Ended 31 December 2018**

On 7th May 2019 the Civil Contractors Federation National Board passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the period ended 31 December 2018:

The National Board declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit could pay its debts as and when they become due and payable prior to disbandment; and
- (e) during the period to which the GPFR relates:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:



Name and title of designated officer: Michael Unger, National President

Dated: 7th May 2019

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

We declare that, to the best of our knowledge and belief, during the period ended 31 December 2018 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 – AA2018/45)

Dated 7th May 2019

**Expenditure Report  
For the Period ended 31 December 2018**

The National Board of CCF presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 31 December 2018.

Note	1 July 2018 - 31 December 2018 \$	1 July 2017 - 30 June 2018 \$
<b>CATEGORIES OF EXPENDITURE</b>		
Remuneration and other employment-related costs and Expenses - employees	888,253	2,059,644
Advertising	19,980	46,638
Operating Costs	773,917	1,896,971
Donations to Political Parties	-	318
Legal Costs	4,303	2,984
<b>Total</b>	<b>1,686,453</b>	<b>4,006,555</b>

Signature of designated officer:



Name and title of designated officer: Michael Unger, National President

Dated: 7th May 2019

CIVIL CONTRACTORS FEDERATION (QLD BRANCH)

**Statement of Profit or Loss  
for the Period Ended 31 December 2018**

	Note	1 July 2018 - 31 December 2018 \$	1 July 2017 - 30 June 2018 \$
Revenues	3	1,361,060	2,760,545
Employee expenses	4f	(888,253)	(2,059,644)
Rental expenses	4c	(23,734)	(60,267)
Functions, seminars and conference costs		(91,881)	(227,970)
Direct training costs and resource development		(49,351)	(338,950)
Depreciation and amortisation	4d	(204,390)	(364,269)
Bad and doubtful debts	4a	-	(6,672)
Auditor's Remuneration	4b	(5,500)	(9,730)
Advertising & promotion		(19,980)	(46,638)
Communications		(26,802)	(54,689)
Computer Support / Maintenance		(39,847)	(80,101)
National Levy	4e	(67,619)	(104,500)
Staff Training & development		(3,278)	(6,702)
Printing & stationery		(3,826)	(13,262)
Travelling expenses		(22,238)	(36,104)
Merchant fees and bank charges		69	249
Motor vehicle expenses		(44,265)	(108,082)
Consultancy Fees		-	(66,417)
Other expenses from ordinary activities	4g	(195,558)	(422,807)
<b>(Loss) from ordinary activities</b>		<b>(325,393)</b>	<b>(1,246,010)</b>
Significant Item of Expense	16c	(7,340,294)	-
<b>(Loss) from ordinary activities after Significant Item of Expense</b>		<b>(7,665,687)</b>	<b>(1,246,010)</b>
Income tax expense	1a	-	-
<b>(loss) from ordinary activities after income tax expense attributable to the Federation</b>		<b>(7,665,687)</b>	<b>(1,246,010)</b>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income  
for the Period Ended 31 December 2018**

	<b>1 July 2018 - 31 December 2018</b>	<b>1 July 2017 - 30 June 2018</b>
	<b>\$</b>	<b>\$</b>
(Loss) / Profit for the period	(7,665,687)	(1,246,010)
Other Comprehensive Income for the period (net of tax)	-	-
Total Comprehensive (Loss) / Income for the period	(7,665,687)	(1,246,010)
Total Comprehensive (Loss) / Income attributable to members of the organisation	(7,665,687)	(1,246,010)

The accompanying notes form part of the financial statements

**Statement of Financial Position  
as at 31 December 2018**

	Note	31 December 2018 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	-	466,460
Trade and other receivables	6	-	545,347
Other current assets	7	-	139,177
<b>TOTAL CURRENT ASSETS</b>		-	<b>1,150,984</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	-	57,202
Plant and equipment	9	-	7,589,841
<b>TOTAL NON-CURRENT ASSETS</b>		-	<b>7,647,043</b>
<b>TOTAL ASSETS</b>		-	<b>8,798,027</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	-	1,004,042
Short term provisions	11a	-	85,760
Borrowings	13	-	11,241
<b>TOTAL CURRENT LIABILITIES</b>		-	<b>1,101,043</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	-	31,297
<b>TOTAL NON-CURRENT LIABILITIES</b>		-	<b>31,297</b>
<b>TOTAL LIABILITIES</b>		-	<b>1,132,340</b>
<b>NET ASSETS</b>		-	<b>7,665,687</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Surplus		-	<b>7,665,687</b>
<b>TOTAL MEMBERS' FUNDS</b>		-	<b>7,665,687</b>

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds  
for the Period Ended 31 December 2018**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Retained Earnings Balance as at 1 July 2018	7,665,687	8,911,697
(Loss) / Profit attributable to members	(7,665,687)	(1,246,010)
Balance at 31 December 2018	-	7,665,687

The accompanying notes form part of the financial statements



**Statement of Cash Flow  
For the Period ended 31 December 2018**

	Note	31 December 2018 \$	30 June 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and customers		1,308,258	3,165,944
Receipts from related entities – National Office		38,372	32,371
Receipts from related entities – Victoria Branch		1,018	1,982
Receipts from related entities – WA Branch		9,290	261,038
Payments to suppliers and employees		(1,588,615)	(3,608,515)
Payments to related entities – National Office		(45,260)	(111,847)
Payments to related entities – Victoria Branch		(47)	(400)
Interest received		1,429	5,614
<b>Net cash provided by operating activities</b>	16b	<b>(275,555)</b>	<b>(253,813)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(2,806)	(57,794)
Net proceeds of sale of plant and equipment		14,283	23,058
<b>Net cash (used in) investing activities</b>		<b>11,477</b>	<b>(34,736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings		(4,909)	42,538
<b>Net cash (used in) financing activities</b>		<b>(4,909)</b>	<b>42,538</b>
<b>Net (decrease)/increase in cash held</b>		<b>(268,987)</b>	<b>(246,011)</b>
Cash at the beginning of the financial year		466,460	712,471
Transfer of cash to CCF on disbandment of Branch		(197,473)	-
<b>Cash at the end of the financial year</b>	16a	<b>-</b>	<b>466,460</b>

The accompanying notes form part of these financial statements

**Notes to the Financial Statements  
for the Period Ended 31 December 2018****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Preparation of the Financial Statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Civil Contractors Federation (QLD Branch) is a 'not for profit' entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. Given the disbandment of the Branch effective at 31 December, 2018 – refer the note below, the financial statements have not been prepared on a going concern basis, all assets and liabilities having been transferred to Civil Contractors Federation on that date. Rather, the financial report and in particular the assets and liabilities of the branch, prior transfer, were measured on a "liquidation" basis which reflected their recoverable values and expected settlement amounts as at the date of transfer.

The financial statements are presented in Australian dollars.

The financial report covers Civil Contractors Federation (QLD Branch) as an Individual entity. Civil Contractors Federation (QLD Branch) was a Federation incorporated in Queensland under the Fair Work (Registered Organisations) Act 2009 until the date of disbandment referred to above.

**Disbandment of Branch**

In accordance with a resolution made by the National Board of CCF on 16 November, 2018, with effect from 31 December, 2018, CCF adopted a new constitution and rules which were certified by the Fair Work Commission. It was also resolved that effective as at 31 December, 2018, all assets, liabilities and undertakings of the branch be transferred for \$nil consideration to CCF at which point in time, the branch would be disbanded. Set out below is a summary of the assets, liabilities and undertakings transferred by the branch to CCF as at 31 December, 2018:

	<b>\$</b>
Cash	197,473
Trade Receivables	538,750
Plant & Equipment	379,095
Other Assets	192,764
Land & Buildings	7,017,211
Trade and Other Payables	(861,258)
Borrowings	(37,629)
Employee Entitlements	(86,112)
<b>Net Assets</b>	<b>7,340,294</b>

On the basis that \$nil consideration was received for this transfer, an amount of \$7.340 million has been reported as a "Significant Item of Expense" in the Statement of Profit/Loss and Other Comprehensive Income.

As set out in the bases of accounting note, the Branch will no longer operate and hence is not a going concern as at the date of this financial report.

**Prior Year Comparatives**

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

**Notes to the Financial Statements  
for the Period Ended 31 December 2018**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of the Financial Statements**

**Accounting Policies**

**a. Income Tax**

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and, is believed to have been 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 included 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. Plant and Equipment**

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

Cost and valuation

Plant and equipment were measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment were reviewed at each reporting date by the Board to ensure they were not in excess of the recoverable amount of those assets. The recoverable amount was assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present value in determining recoverable amounts.

All other fixed assets were measured at the lower of cost and fair value.

Depreciation

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

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

	<b>31 December 2018</b>	<b>30 June 2018</b>
Leasehold improvements	2.5% - 33.33%	2.5% - 33.33%
Office plant and equipment	10%-20%	10%-37.5%
Furniture and Fittings	18.75%	18.75%
Motor Vehicles	12.5%-40%	12.5%-40%

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

The assets' carrying value were written down immediately to recoverable amount if the carrying amount was greater than estimated recoverable amount.

Gains and losses on disposal were determined by comparing the proceeds with the carrying amount. These gains and losses have been included in the Statement of Profit and Loss.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of the Financial Statements**

**Accounting Policies**

**d. Trade and other Receivables**

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

The collectability of debts has been reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable was 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 was recognised in the income statement as an expense.

**e. Trade and other Payables**

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

**f. Financial Instruments**

Financial instruments were 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 Board 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 have been recognised in the Statement of Profit and Loss.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

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

**g. Employee Benefits**

Short-term employee benefits

Provision has been made for the Branch's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits have been measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Branch's obligations for short-term employee benefits such as wages, salaries and sick leave have been recognised as part of current trade and other payables in the statement of financial position.

Long-term employee benefits

Provision was made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits were measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits were recognised in profit or loss in the periods in which the changes occur.

The Branch's obligations for long-term employee benefits were presented as non-current provisions in its statement of financial position, except where the Branch did not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations were presented as current provisions.

No provision has been made for sick leave as there is no vested liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Superannuation

Contributions were made by the Branch to employee superannuation funds and are expensed when incurred. The Branch is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

**h. Leases**

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

Finance leases were 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 were depreciated on a straight line basis over their estimated useful lives where it is likely that the Branch would obtain ownership of the asset over the term of the lease. Lease payments were allocated between the reduction of the lease liability and the lease interest expense for the period.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

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

**h. Leases (cont'd)**

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

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

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets have been 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 has been recognised as part of the cost of acquisition of the asset or as part of an item of expense, and included in receivables and payables in the Statement of Financial Position.

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.

**j. Revenue**

Revenue from membership subscriptions is recognised proportionately over the period to which it relates. Any contribution received in advance for the next period is included in deferred income.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service (this includes any grant income received/receivable).

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

**k. Operating Segment**

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

The Branch operated predominantly in one business and geographical segment, being a representative body of civil engineering contractors in QLD Australia, 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 Branch throughout QLD Australia.

**l. Fair Value of Assets and Liabilities**

The Branch measured 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 were 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.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**I. Fair Value of Assets and Liabilities (cont'd)**

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 took 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 have been 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 was not available, other valuation techniques were adopted and, where significant, detailed in the respective note to the financial statement.

**m. Capitation Fees**

These fees were recognised on an accruals basis, and recorded as an expense in the period to which they related.

**n. Critical Accounting Estimates and Judgements**

The Board evaluates 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 Branch.

*Key Estimates – Impairment*

The Board assesses impairment on each reporting date by evaluating conditions specific to the Branch 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 period ended 31 December 2018, except as stated in this report.

*Key Judgements - Doubtful Debts Provision*

The Board assessed each debtor and estimated no provision for doubtful debts was required except as disclosed at Note 6. The Board believes that the full amount of the remaining debtors was recoverable.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

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

**o. New Accounting Standards for Application in Future Periods**

The AASB issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which would have been relevant to the entity. The Committee of Management and CCF Board decided not to early adopt any of the new and amended pronouncements as at the date of disbandment.

**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 subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

**q. Going Concern**

Given the disbandment of the branch effective at 31 December 2018, the financial statements have not been prepared on a going concern basis, all assets and liabilities having been transferred to Civil Contractors Federation on that date. Rather, the financial report and in particular the assets and liabilities of the branch, prior transfer, were measured on a "liquidation" basis which reflected their recoverable values and expected settlement amounts as at the date of transfer.

The Branch has not been reliant on any agreed financial support to continue as a going concern, nor has it agreed to provide such support to ensure other branches operated as a going concern.

**2. FUND ANALYSIS**

For the financial period ended 31 December 2018, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch; and

- there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose; and
- there is no balance within the general fund.



**CIVIL CONTRACTORS FEDERATION (QLD BRANCH)**

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 3: REVENUE</b>		
Operating activities:		
Training courses and funding	772,011	1,421,785
Member subscriptions	232,178	448,548
Function meeting and other activities	106,543	181,113
Interest income	1,429	5,614
Sponsorship income	113,650	271,695
Skills Centre Funding	-	194,202
CSQ Capability Skills Contract	37,500	76,750
Other income	70,871	141,649
IMS Systems	100	300
Profit on sale of disposal	14,283	18,889
Partnership	12,495	-
Capitation Fee	-	-
Director Fees	-	-
Affiliation Fees	-	-
Compulsory Levies	-	-
Donations > \$1,000	-	-
Donations < \$1,000	-	-
Grants > \$1,000	-	-
Grants < \$1,000	-	-
Financial Support- other Branches	-	-
Other Revenue Derived From Undertaking Recovery of Wager Activity	-	-
<b>Total Revenue</b>	<b>1,361,060</b>	<b>2,760,545</b>
<b>NOTE 4: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
The operating profit/(loss) of the Branch before income tax expense has been determined after:		
<b>a. Bad and Doubtful Debts</b>		
Bad debts written off to expense	-	6,672
Provision for doubtful debts	-	-
	-	6,672
<b>b. Auditor's Remuneration</b>		
Accounting fees – other parties	-	-
Auditor's remuneration – Audit of Financial Statements (other services - \$nil (30 June 2018: \$nil))	5,500	9,730
	5,500	9,730
<b>c. Rental Expense on Leases</b>		
Office rental	23,734	60,267
	23,734	60,267
<b>d. Depreciation and Amortisation</b>		
Plant and equipment and National Resource Training Unit amortisation	204,390	364,269
	204,390	364,269

**CIVIL CONTRACTORS FEDERATION (QLD BRANCH)**

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 4: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
<b>e. Levy</b>		
National office levy	67,619	104,500
The levy is imposed by the CCF National Office to assist in funding the National Office operations.		
<b>f. Employee related</b>		
Salaries	770,262	1,785,088
Superannuation	72,271	163,818
Separation and Redundancies	-	17,126
Payroll Tax	45,720	100,046
Employee benefits (annual leave and long service leave)	-	(6,434)
	<b>888,253</b>	<b>2,059,644</b>
<b>g. Other expenses</b>		
Business Development	2,922	1,706
Board Meeting Costs	6,435	6,575
Postage	2,958	10,778
Fringe Benefit Tax	23,501	41,032
Member Service Costs	19,005	-
Subscriptions – Other	3,878	25,780
Donations > \$1,000	-	-
Donations < \$1,000	-	318
Legal costs – Litigation	-	-
Legal costs – Consultation (Other Matters)	4,303	2,984
Disposal loss on Fixed Assets	-	-
Affiliation Fees	-	-
Attendance Allowance / Fee – Meetings & Conferences	-	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Penalties – via RO Act or Regulations	-	-
Other Compulsory Levies	-	-
Membership Subscriptions	-	-
Public Relations	-	-
Sponsorship	-	-
Subscriptions – Political Parties etc.	-	-
Holdings Meetings Costs	-	-
Forgiveness of Loans	-	-
Capitation Fees	-	-
Levies – Other Parties	-	-
Consideration to employers for making payroll deductions of membership subscriptions	-	-
Other / Sundry	132,556	333,634
	<b>195,558</b>	<b>422,807</b>

**h. Expenses – Financial Affairs Administered by Other Entities**

For the financial year ended 31 December 2018, there was \$nil incurred for any financial affairs administered by other entities (30 June 2018 \$nil).

**CIVIL CONTRACTORS FEDERATION (QLD BRANCH)**

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Cash on hand	-	6,746
Cash at bank	-	175,296
Short-term bank deposits	-	284,418
	-	466,460

The weighted average interest rate for cash as at 31 December 2018 is 1.2% (30 June 2018: 1.2%)

**NOTE 6: TRADE AND OTHER RECEIVABLES**

**a. Current**

Trade debtors	-	368,784
Less: Provision for doubtful debts	-	-
	-	368,784
Accrued Income	-	176,563
	-	545,347

**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.

Details of the trade debtors owing from related parties are outlined at Note 15f.

Sundry debtors are non-interest bearing and unsecured.

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 7: OTHER CURRENT ASSETS</b>		
<b>Current</b>		
Prepayments	-	141,329
Deposits	-	(2,152)
	-	139,177

**NOTE 8: FINANCIAL ASSETS**

**a. Non-Current**

Carrying value of Investment in National Resource Training Unit	57,202	71,454
Additions	-	-
Disposals	-	-
Amortisation of National Resource Training Unit	(8,048)	(14,252)
Transfer to CCF	(49,154)	-
	-	57,202

**b. Terms and Conditions**

The Branch held 68.65% of National Resource Training Unit at reporting date (prior to disbandment of branch). This is an unlisted investment.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

<b>NOTE 9: PLANT AND EQUIPMENT</b>	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Land– at cost	-	1,850,000
Land & Buildings – at cost	-	6,919,247
Less: Accumulated depreciation	-	(1,620,800)
	-	5,298,447
Office equipment – at cost	-	676,694
Less: Accumulated depreciation	-	(416,015)
	-	260,679
Furniture & Fittings – at cost	-	57,692
Less: Accumulated depreciation	-	(39,632)
	-	18,060
Motor vehicles – at cost	-	446,057
Less: Accumulated depreciation	-	(283,402)
	-	162,655
Total plant and equipment – net book value	-	7,589,841

**Reconciliation of movements in plant & equipment**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	<b>Office Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Land &amp; Buildings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	260,679	18,060	162,655	7,148,447	7,589,841
Additions	1,492	1,314	-	-	2,806
Disposals	-	-	-	-	-
Depreciation expense	(30,151)	(3,743)	(31,211)	(131,236)	(196,341)
Transfer to CCF	(232,020)	(15,631)	(131,444)	(7,017,211)	(7,396,306)
Carrying amount at the end of the year	-	-	-	-	-

**NOTE 10: TRADE AND OTHER PAYABLES**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>a. Current</b>		
Deferred income	-	445,273
Creditors and accruals	-	558,769
	-	1,004,042

**b. Terms and Conditions**

Deferred income related to cash receipts for membership fees, training and advertising revenue received for beyond the current reporting period and project funding received for beyond the current reporting period.

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.

Details of the trade payables owing from related parties are outlined at Note 15f.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 11: PROVISIONS</b>		
<b>a. Current</b>		
Provisions for annual leave	-	85,760
Provision for Long Service Leave	-	-
	-	85,760
<b>b. Non-Current</b>		
Provisions for long service leave	-	-
<b>c. Aggregate employee entitlement liability</b>	-	85,760
<b>d. Number of employees at year-end (prior to disbandment)</b>	18	20

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	85,760	-	-	-	85,760
<b>Total</b>	-	85,760	-	-	-	85,760

	Separation and Redundancy Provisions		Other Employee Provisions		Total	
	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

There were no bonuses for separation and redundancy or other provisions for officeholders or other employees (30 June 2018: \$nil), except as set out at Note 15.

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

The current portion for this provision included 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 did 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 were classified as current liabilities since the Branch did not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 11: PROVISIONS (cont'd)**

The non-current portion for this provision included 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.

**NOTE 12: EMPLOYEE BENEFITS**

	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	31/12/2018	30/06/2018	31/12/2018	30/06/2018	31/12/2018	30/06/2018
Employee benefits paid/accrued during the period	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	770,262	1,785,088	770,262	1,785,088
Annual Leave and Long Service Leave	-	-	-	(6,434)	-	(6,434)
Redundancy Payments	-	-	-	17,126	-	17,126
Superannuation	-	-	72,271	163,818	72,271	163,818
Other employee expenses	-	-	45,720	100,046	45,720	100,046
<b>Total</b>	-	-	888,253	2,059,644	888,253	2,059,644

	31 December 2018	30 June 2018
	\$	\$
<b>NOTE 13: BORROWINGS</b>		
<b>a. Current</b>		
Hire Purchase Liability	-	11,241
<b>b. Non-Current</b>		
Hire Purchase Liability	-	31,297

**c. Terms and Conditions**

Hire Purchase facilities are secured by the assets they are financing.

**NOTE 14: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

The Branch's financial instruments consisted mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company. The Branch did not have any derivative instruments at 31 December 2018.

**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 Board members met 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.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)**

**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 managed 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 period results and equity which could result from a change in this risk.

As at 31 December 2018, 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:

	31 December 2018 \$	30 June 2018 \$
<b>Change in profit/(loss)</b>		
Increase in interest rate by 1%	-	4,172
Decrease in interest rate by 1%	-	(4,172)
<b>Change in equity</b>		
Increase in interest rate by 1%	-	4,172
Decrease in interest rate by 1%	-	(4,172)

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

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

Credit Risk Exposure

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

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

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 \$	
<b>31 December 2018</b>							
<b>Assets:</b>							
Cash	N/A	-	-	-	-	-	-
Trade and Sundry Debtors		-	-	-	-	-	-
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities		-	-	-	-	-	-
Borrowings	N/A	-	-	-	-	-	-
<b>Net financial assets</b>		-	-	-	-	-	-

**CIVIL CONTRACTORS FEDERATION (QLD BRANCH)**

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)**

	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 \$	
<b>30 June 2018</b>							
<b>Assets:</b>							
Cash	1.2%	459,714	-	-	-	6,746	466,460
Trade and Sundry Debtors		-	-	-	-	684,524	684,524
		459,714	-	-	-	691,270	1,150,984
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities	12.7%	-	(11,241)	(31,297)	-	(1,004,042)	(1,046,580)
		-	(11,241)	(31,297)	-	(1,004,042)	(1,046,580)
Net financial assets		459,714	(11,241)	(31,297)	-	(312,772)	104,404

**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 Period Ended 31 December 2018 (cont'd)**

**NOTE 15: RELATED PARTIES**

**a. QLD Branch Committee of Management**

The names of the members of the QLD Committee of Management who held office during the period are as follows:

Peter Kendall, Tim McIlwain, Mark Goodwin, Luke Bird, Gavin Turner, Terry Cogill, Mark Panizza, David Moody and Stephen Beck.

No officeholder received any remuneration during the period or accrued an employee entitlement.

The officeholders received no 'non cash' benefits (30 June 2018: \$nil). No officeholder of the Branch during the period and/or the prior period declared any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire. Personal interests and directorships are disclosed in the Operating Report.

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

- i) The officeholder held such a position with the Board or other organisation 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.

**b. Names and positions held by key management personnel at any time during the period ended 31 December 2018:**

Damian Long - Chief Executive Officer  
 Tamara Andary - General Manager - Marketing and Events  
 Doris Westwood - Manager – Finance, Compliance and Townsville Office  
 Adrian Kent - General Manager of Training Services  
 Leanne Weier - Client Services Manager  
 David Huddleston - Sales & Operations Manager

There were 18 full time equivalent staff at disbandment date (30 June 2018: 20 full time equivalent staff).

**c.**

Key Management Personnel Remuneration	31 December 2018				
	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
	\$	\$	\$	\$	\$
Total	344,061	32,686	-	-	-

**c.**

Key Management Personnel Remuneration	30 June 2018				
	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
	\$	\$	\$	\$	\$
Total	734,056	68,867	-	-	-

**CIVIL CONTRACTORS FEDERATION (QLD BRANCH)**

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 15: RELATED PARTIES**

	31 December 2018			30 June 2018		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel During the Year	\$	\$	\$	\$	\$	\$
Total Leave Provision	-	-	-	58,322	-	58,322

**.e. Transactions with National Office, Branches and Related Entities**

Entities related to QLD Branch Board members paid membership fees, event costs and 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. Total transactions are as follows:

Membership fees \$6,548 (30 June 2018: \$56,964)  
 Events \$5,682 (30 June 2018: \$23,676)  
 Training \$9,932 (30 June 2018: \$98,578)  
 Sponsorship \$nil (30 June 2018: \$19,500)

Transactions with officers and officer related entities.

These transactions were on normal commercial terms and conditions.

Levy Payment	31 December 2018	30 June 2018
	\$	\$
During the period, the QLD Branch paid a National capitation levy calculated in accordance with the rules.	67,619	104,500

**f. Related Party balances at year end**

Amounts receivable/(payable) at reporting date – Federal office and other branches	31 December 2018	30 June 2018
	\$	\$
National Office	-	(2,813)
Victoria Branch	-	-
Western Australia	-	79,084
	-	76,271

Balance Reconciliation- related entities: -

National Office		
Carrying amount at beginning of the year	(2,813)	(5,445)
Levy charge	(67,619)	(104,500)
Sundry charges	(2,511)	(3,372)
Sundry income	35,124	31,028
Receipts	(38,372)	(32,371)
Payment made	45,260	111,847
Transfer to CCF	30,931	-
Carrying amount at end of the year	-	(2,813)

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 15: RELATED PARTIES****f. Related Party balances at year end**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Victoria Branch		
Carrying amount at beginning of the year	-	1,740
Sundry charges	(47)	(400)
Sundry income	1,018	242
Receipts	(1,018)	(1,982)
Payment made	47	400
Transfer to CCF	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>
Western Australia Branch		
Carrying amount at beginning of the year	79,084	221,623
Sundry charges	-	-
Sundry income	4,592	118,499
Receipts	(9,290)	(261,038)
Payment made	-	-
Transfer to CCF	(74,386)	-
Carrying amount at end of the year	<u>-</u>	<u>79,084</u>

There is no provision for doubtful debts in respect of the related party balances listed above (30 June 2018: \$nil).

The sales to and purchases from related parties were made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at 31 December 2018 were unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 2018, the Civil Contractors Federation (VIC Branch) has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (30 June 2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No payments to a former related party of the Branch occurred for the period to 31 December 2018.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 16: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash</b>		
Cash at bank and deposit	-	466,460
	-	466,460
<b>b. Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Operating profit / (loss) after income tax	(7,665,687)	(1,246,010)
<b>Non-cash flows in profit/(loss) from ordinary activities</b>		
- Depreciation and amortisation	204,390	364,269
- Loss on transfer of Net Assets to CCF	7,340,294	-
- Disposal (Gain) / Loss - Plant	(14,283)	(18,889)
<b>Changes in operating assets and liabilities</b>		
(Increase) / Decrease in receivables	6,597	706,404
(Increase) / Decrease in other assets	(4,434)	180,549
Increase / (Decrease) in payables and employee entitlements	(142,432)	(240,136)
<b>Net cash provided by operating activities</b>	<b>(275,555)</b>	<b>(253,813)</b>

**c. Cash Transfer**

At disbandment date, the fair value of net assets transferred to CCF for \$nil consideration amounted to \$7.340 million (refer Note 1). Cash of \$197,473 was transferred to CCF as part of this transaction (refer also Note 1).

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 17: OPERATING COMMITMENTS</b>		
<b>Operating Lease Commitments – as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases at 30 June are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-
<b>Operating Lease Commitments – as lessee</b>	<b>-</b>	<b>-</b>
<b>Operating Lease Commitments – as lessor</b>		
*Future minimum rentals payable under non-cancellable operating leases at 30 June are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	52,077
- After one year but not more than five years	-	156,005
- More than five years	-	-
<b>Operating Lease Commitments – as lessor</b>	<b>-</b>	<b>208,082</b>

**a. Office Rental**

\*Given the disbandment of the Branch, new lease agreements will be signed and will be receivable by the Civil Contractors Federation Queensland Ltd.

**NOTE 18: FINANCE LEASE COMMITMENTS**

At 30 June 2018, the entity has nil finance lease commitments.

**NOTE 19: CAPITAL COMMITMENTS**

At 31 December 2018, the entity has no capital commitments.

**NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE**

At 31 December 2018, there are no subsequent events to balance date.

**NOTE 21: 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.

## Notes to the Financial Statements for the Period Ended 31 December 2018 (cont'd)

### NOTE 21: FAIR VALUE MEASUREMENT (cont'd)

#### a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises 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.

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.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 21: FAIR VALUE MEASUREMENT (cont'd)**

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

Note	31 December 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available for sales assets	-	-	-	-
<b>Total financial assets recognised at fair value</b>	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	-	-	-
<b>Total non-financial assets recognised at fair value</b>	-	-	-	-

	30 June 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Financial assets available for sale:	-	57,202	-	57,202
<b>Total financial assets recognised at fair value</b>	-	57,202	-	57,202
<i>Non-financial assets</i>				
Freehold land & buildings	-	7,148,447	-	7,148,447
<b>Total non-financial assets recognised at fair value</b>	-	7,148,447	-	7,148,447

**b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 31 December 2018 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Financial assets at fair value through future cash flow:	-	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Market price per share, market borrowing date
	-		

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 21: FAIR VALUE MEASUREMENT (cont'd)**

**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
<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

**NOTE 22: CONTINGENT ASSETS OR LIABILITIES**

The Branch is not subject to any material contingent assets and/or liabilities at balance date.

**NOTE 23: ECONOMIC DEPENDENCY**

The Branch was economically dependent on ongoing funding in the form of membership fees.

**NOTE 24: OTHER DISCLOSURES**

The Branch did not receive or provide any financial support from/(to) any other reporting unit during the period.

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.

At 31 December 2018, there was \$nil payable in respect of legal costs – relating to ‘other matters’ and \$nil payable relating to legal litigation (30 June 2018: \$nil - relating to ‘other matters’, \$nil payable relating to litigation). No payable exists at reporting date in respect of consideration for payroll deductions of membership subscriptions (30 June 2018: \$nil).



**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**

**NOTE 25: OTHER ACTIVITIES**

The Branch did not acquire an asset or liability during the financial period due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, and/or a determination or revocation by the General Manager, Fair Work Commission.

**NOTE 26: BRANCH DETAILS**

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

Civil Contractors Federation (QLD Branch)

11 Hi Tech Court

Eight Mile Plains

Queensland 4113

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

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Civil Contractors Federation (QLD Branch), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, paying due regard to the matter set out in the 'Going Concern Basis' paragraph below, the accompanying financial report presents fairly, in all material aspects, the financial position of Civil Contractors Federation (QLD Branch) as at 31 December 2018, and its financial performance and its cash flows for the period 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).

We declare that management's use of the liquidation basis of accounting – refer further below, in the preparation of the financial statements of the QLD Branch is appropriate.

#### **Going Concern Basis**

We draw attention to Note 1 in the financial report, which indicates that with effect from 31 December 2018, Civil Contractors Federation (QLD Branch) was disbanded. This occurrence has precluded the QLD Branch from operating as a 'going concern' at the end of the reporting period. The financial report has been henceforth been prepared on a 'liquidation' basis at reporting date, wherein the statement of financial position reflects the recoverable amounts of assets and estimated liability settlement amounts at that date. Our opinion is not modified in respect of this matter.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management and the National Board of CCF are 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.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

### **Responsibilities of Committee of Management and CCF National Board for the Financial Report**

The Committee of Management of QLD Branch and the National Board of CCF were 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 they 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 and the National Board of CCF have been responsible for assessing QLD Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and ultimately using the liquidation basis of accounting given QLD Branch operations ceased on 31 December 2018.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our 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 skepticism 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 and the National Board's use of the liquidation basis of accounting, based on the audit evidence obtained. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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. We are responsible for the direction, supervision and performance of the CCF QLD audit. We remain solely responsible for our audit opinion.

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

We communicated 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 identified during our audit.

Stannards Accountants and Advisors

A handwritten signature in black ink, appearing to read 'MBS', with a long horizontal stroke extending to the right.

Michael B Shulman  
Partner

Melbourne, VIC  
Dated: 7th May 2019

Registered Company Auditor (163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations – AA2018/45)



21 January 2019

Mr Peter Kendall  
Branch President  
Civil Contractors Federation-Queensland Branch  
By Email: pkendall@cmc.net.au

Dear Mr Kendall,

**Re: Lodgement of Financial Report - [FR2018/384]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Civil Contractors Federation-Queensland Branch (the reporting unit) ended on 31 December 2018. 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 the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

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. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be 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 its rules) no later than 30 June 2019 (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 (see attached *Loans Grants and Donations* fact sheet FS 009). 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.

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, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Subsection 255(2A) report**

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

## **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](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

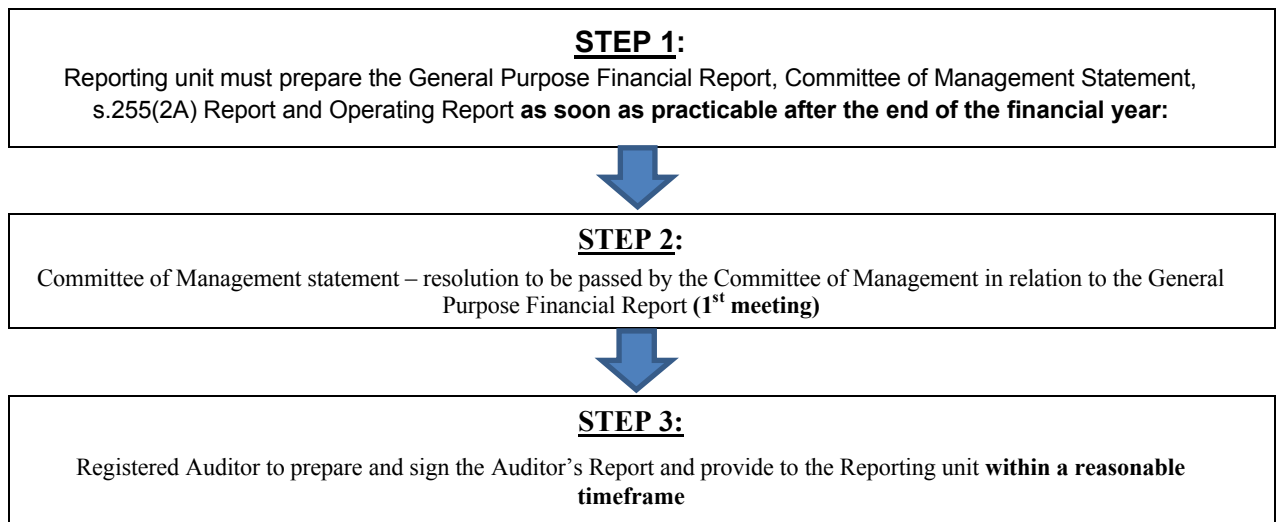


## Fact sheet

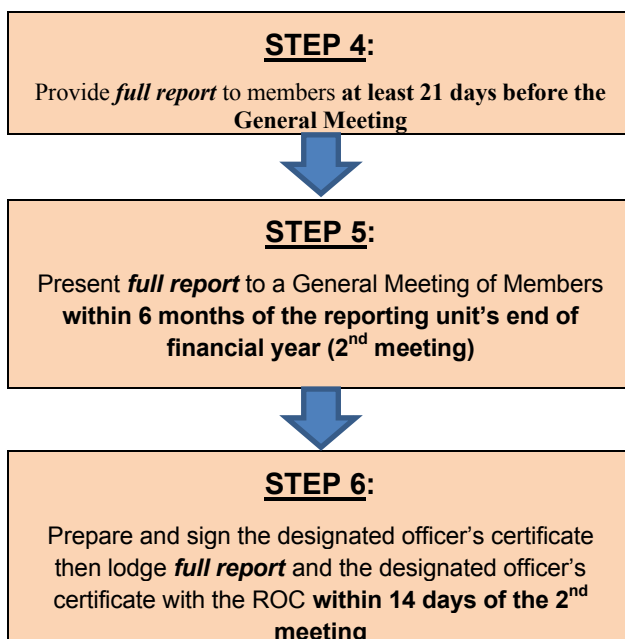
### Summary of financial reporting timelines – s.253 financial reports

General Information:

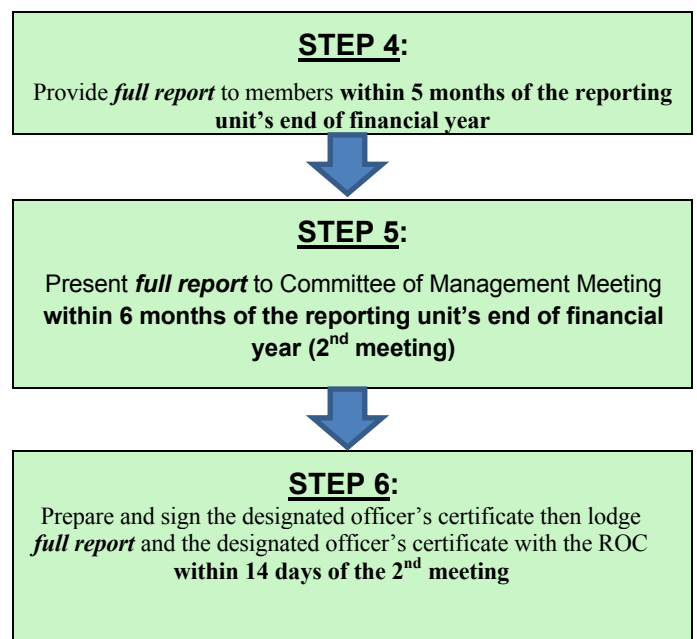
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT  
AT **GENERAL MEETING OF MEMBERS**  
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT  
**COMMITTEE OF MANAGEMENT MEETING**  
(Special rules must be in the rulebook to use this process)



## Misconceptions

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

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.





## **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
<p><b>X</b> Only reporting units must lodge the Statement.</p>	<p><b>✓</b> 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.</p>
<p><b>X</b> Employees can sign the Statement.</p>	<p><b>✓</b> The statement must be signed by an elected officer of the relevant branch.</p>
<p><b>X</b> Statements can be lodged with the financial report.</p>	<p><b>✓</b> 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.</p>

**Grants & Donations within the Financial Report**

Item 14(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:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, 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](mailto:regorgs@roc.gov.au)

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.