



FAIR WORK  
AUSTRALIA

6 October 2010

Mr Christopher Reynolds  
Branch President  
Civil Contractors Federation South Australia  
1 South Road  
Thebarton SA 5031

Via email: [ccfsa@civilcontractors.com](mailto:ccfsa@civilcontractors.com)

Dear Mr Reynolds,

**Re: Financial report of the Civil Contractors Federation South Australia Branch for the year ended 30 June 2010 (FR2010/2611)**

I acknowledge receipt of the financial report of the Civil Contractors Federation South Australia Branch for the year ended 30 June 2010. The documents were lodged with Fair Work Australia on 9 September 2010.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

**Review of principal activities**

[Subsection 254\(2\)\(a\) of the RO Act](#) requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the operating report provides a review of the principal activities, but does not explain the results of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

**Disclosure of employee benefits to office holders and other employees**

The Reporting Guidelines require reporting units to disclose in the income statement or in the notes to the financial statements employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)).

I note that the income statement makes reference to 'Employee and subcontractor benefits'. The financial statements do not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees should be separately disclosed.

The Reporting Guidelines also require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 3 discloses these liabilities but does not distinguish between provisions for office holders and other employees. Provisions for office holders and other employees should be separately disclosed.

## Levies and contributions

Reporting Guideline 11(e) mandates that where compulsory levies are imposed on the reporting unit, the amount, a brief description of the purpose of the levy and the name of the entity imposing the levy must be given. Note 3 of the financial documents makes reference to a “CCF National Levy” and an “NTRU SA contribution”. In a telephone conversation with Mr Raj Rajaramanan this afternoon I sought clarification in relation to the meaning of these terms. I was advised that these were payments to the National body for administrative expenses and training. No description of these levies is included within the financial documents. In future years, please ensure that if levies are imposed on the branch, the amount, a brief description of the purpose and the name of the entity imposing the levy are disclosed for each such levy.

If you wish to discuss any matters further, I can be contacted on (03) 8661 7926 or via email [erin.bulluss@fwa.gov.au](mailto:erin.bulluss@fwa.gov.au).

Yours sincerely,



Erin Bulluss  
Tribunal Services and Organisations  
Fair Work Australia  
Email: [erin.bulluss@fwa.gov.au](mailto:erin.bulluss@fwa.gov.au)

## CIVIL CONTRACTORS FEDERATION SA

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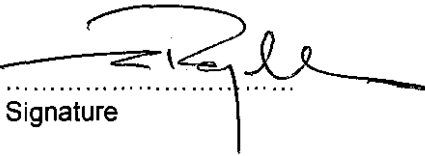


### DESIGNATED OFFICER'S CERTIFICATE

In accordance with section s268 of the Fair Work (Registered Organisations) Act 2009

I, Christopher Reynolds being the designated officer of the Civil Contractors Federation - SA Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the audited financial report was provided to members on 8 August 2010 and
- that the full report was presented at a meeting of the committee of management of the reporting unit on 2 August 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.
- In accordance with section 266 of the Fair Work (Registered Organisations) Act 2009, the full report was presented to the annual general meeting of members held on 8th September 2010



Signature

Name Christopher Reynolds

Branch President

Date: 8 September 2010

# **Civil Contractors Federation SA Branch**

**ABN: 65 484 720 549**

## **Financial Statements**

**For the Year Ended 30 June 2010**

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

For the Year Ended 30 June 2010

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# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Committee Of Management Statement

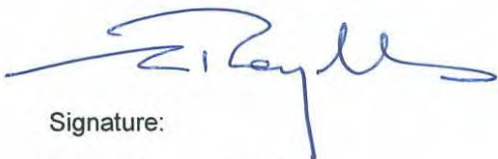
For the Year Ended 30 June 2010

On 2 August 2010, the Committee of Management (Board) of the Civil Contractors Federation (SA Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2010:

The Committee of Management (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 the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the branch including the rules of a branch concerned;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the branch including the rules of a branch concerned;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009, and the Fair Work (Registered Organisations) Regulations 2009;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the branch;
  - (v) no requests were received from any member of the reporting unit or a Registrar for information under section 272 of the Fair Work (Registered Organisations) Act 2009;
  - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009; and
  - (vii) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

For Committee of Management (Board):  
Christopher Reynolds  
CCF SA Branch President



Signature:

Date: 2 August 2010

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Operating Report

For the Year Ended 30 June 2010

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009, the operating report is as follows

### Principal Activities

The principal activities of the Branch during the financial year were: The provision of advocacy, management systems, training and the conduct of regular industry meetings, functions and events to comply with the relevant objects of the Federation. s 254(2) (a)

### Operating Result

The operating result of the branch for the year ended 30 June 2010 was a surplus of \$77,198. s 254(2) (a) There was an increase in the number of members in comparison to previous years. The Member Services Unit during this year commenced providing increased services to members in industrial relations and occupational health and safety. The effects of the global financial crisis resulted in a reduction in training activities in comparison to the previous financial year. The CMP activities were completed during the early part of the financial year. This resulted in a reduction in the revenue generated from Liveworks activities during this financial year. New training activities have commenced at Playford.

### Significant Changes in the nature of principal activities

There were no significant changes in the nature of the Branch's principal activities during the financial year other than for the purchase and sale of properties as described below.

### Significant Changes in the Branches Financial Affairs

The Branch has taken a loan of \$3,000,000 from the Commonwealth Bank of Australia for the purchase of the Thebarton property. Land and Buildings owned by the Branch have been secured against this loan. Contracts have been signed for the sale of the Woodville (effective 23rd July 2010) and Dry Creek property (effective 23rd December 2010). s 254(2) (b). The SA Branch operations situated at Woodville and Dry Creek will be consolidated at the new site in Thebarton.

### Superannuation Office Holders

There are no officers and/or members of the branch that are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered branch s254(2)(d)

### Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009

- (a) the number of persons that were at the end of the financial year recorded in the register of members for Sec 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered branch under Sec 240 of the Fair Work (Registered Organisations) Act 2009 was 131 Associate members, 21 Associate Stakeholders (also known as Affiliates), 2 Life members and 240 Full members. Total being 394.
- (b) the number of persons who were at the end of the financial year employees of the branch including both full and part-time employees measured on a full-time equivalent basis was a total of 33.2.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Operating Report

For the Year Ended 30 June 2010

(c) the names of those who have been members of the Committee of Management of the branch at any time during the financial year:

Title	Name	Period Of Office
Christopher Reynolds	Branch President	01-07-09 to 30-06-10
Garry Stewart	Branch Vice President	01-07-09 to 30-06-10
Andrew Young	Branch Honorary Treasurer	01-07-09 to 30-06-10
<b>SA Board Members</b>		
Andrew Lukasik	Branch Board Member	01-07-09 to 30-06-10
Aaron Blackmore	Branch Board Member	01-07-09 to 30-06-10
Allan Wilkey	Branch Board Member	01-07-09 to 30-06-10
Ted Paluszek	Branch Board Member	01-07-09 to 30-06-10
Brian Sickerdick	Branch Board Member	01-07-09 to 30-06-10
John Allen	Branch Board Member	01-07-09 to 30-06-10
Philip Cornish	Branch Board Member	01-07-09 to 29-04-10
Peter Little	Branch Board Member	01-07-09 to 30-06-10
Gerard Beltrame	Branch Board Member	01-07-09 to 30-06-10
Stephen Fines-Phillips	Branch Board Member	01-07-09 to 30-06-10
Nick Karapetsas	Branch Board Member	12-10-09 to 30-06-10
Peter Nolan	Chief Executive Officer	01-07-09 to 30-06-10
Joel Mathews	Associate Member Rep (Observer)	01-07-09 to 05-04-10
Nick Anderson	Associate Member Rep (Observer)	01-07-09 to 30-06-10
David Slama	Associate Member Rep (Observer)	12-04-10 to 30-06-10

The persons who held office as Board Members of the National Branch during the Financial year were:

Anthony Baulderstone	National Board Member	01-07-09 to 30-06-10
Christopher Reynolds	Alternate Board Member	01-07-09 to 30-06-10

## Rights of Members

Subject to the rules of the branch and Sec 174 of the Act, members have the rights to resign from membership of the branch by written notice addressed to and delivered to the secretary of the branch.

## Manner of resignation

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

### "9 - RESIGNATION OF MEMBERS

- (a) A member may resign from the Federation by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Federation takes effect:
  - (i) at the end of two weeks after the notice is received by the Federation; or
  - (ii) on the day specified in the notice;

whichever is later.



# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Operating Report

For the Year Ended 30 June 2010

- (c) Any dues payable but not paid by a former Member of the Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.
- (d) A notice delivered to the person mentioned in sub rule (1) shall be taken to have been received by the Federation when it was delivered.
- (e) A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Federation is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Federation that the resignation has been accepted.

### Other Relevant Information

Nil

For Committee of Management (Board):  
Christopher Reynolds  
Branch President



Signature:

Date: 2 August 2010

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Statement of Comprehensive Income

For the Year Ended 30 June 2010

		2010	2009
	Note	\$	\$
Revenue	2	5,190,031	5,737,238
Other income	2	489,031	221,714
Employee and subcontractor benefits	3	(2,667,972)	(2,239,887)
Depreciation, amortisation and impairments		(302,495)	(279,079)
Advertising		(156,992)	(166,355)
Co-location		(113,125)	-
Employer costs		(187,441)	(145,813)
Finance costs		(79,391)	-
Function		(177,660)	(199,061)
Levies and contributions		(198,677)	(220,672)
Motor vehicle expenses		(147,473)	(224,095)
Repairs and maintenance		(196,032)	(274,296)
Printing and stationery		(156,528)	(265,576)
Training materials and equipment		(343,306)	(239,207)
Other operating expenses		(874,772)	(643,862)
<b>Profit for the year</b>		<b>77,198</b>	<b>1,061,049</b>
<b>Other Comprehensive Income</b>			
Revaluation increase/(decrease)		(185,000)	850,000
<b>Total Comprehensive Income</b>	3	<b>(107,802)</b>	<b>1,911,049</b>

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Statement of Financial Position

30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,124,025	1,171,133
Trade and other receivables	6	1,057,252	955,282
Investments		-	1,278,719
Other assets	7	58,834	40,381
<b>TOTAL CURRENT ASSETS</b>		<b>2,240,111</b>	<b>3,445,515</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	8,598,166	4,047,313
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,598,166</b>	<b>4,047,313</b>
<b>TOTAL ASSETS</b>		<b>10,838,277</b>	<b>7,492,828</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,057,384	630,563
Short-term provisions	11	83,807	71,069
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,141,191</b>	<b>701,632</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	3,000,000	-
Long-term provisions	11	26,639	12,947
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,026,639</b>	<b>12,947</b>
<b>TOTAL LIABILITIES</b>		<b>4,167,830</b>	<b>714,579</b>
<b>NET ASSETS</b>		<b>6,670,447</b>	<b>6,778,249</b>
<b>EQUITY</b>			
Reserves		1,988,749	1,251,708
Retained earnings		4,681,698	4,604,500
Capital Distribution from ECA		-	922,041
<b>TOTAL EQUITY</b>		<b>6,670,447</b>	<b>6,778,249</b>

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Statement of Changes in Equity

For the Year Ended 30 June 2010

### 2010

	Retained Earnings	Capital Distribution from ECA	Asset Revaluation Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2009	4,604,500	922,041	1,251,708	6,778,249
Profit attributable to members	77,198	-	-	77,198
Revaluation increment (decrement)	-	-	(185,000)	(185,000)
Transfers to and from reserves				
- Capital distribution reserve	-	(922,041)	922,041	-
<b>Balance at 30 June 2010</b>	<b>4,681,698</b>	<b>-</b>	<b>1,988,749</b>	<b>6,670,447</b>

### 2009

	Retained Earnings			Total
Note	\$	\$	\$	\$
Balance at 1 July 2008	3,543,451	922,041	401,708	4,867,200
Profit attributable to members	1,061,049	-	-	1,061,049
Revaluation increment	-	-	850,000	850,000
<b>Balance at 30 June 2009</b>	<b>4,604,500</b>	<b>922,041</b>	<b>1,251,708</b>	<b>6,778,249</b>

#### Asset Revaluation reserve

The asset revaluation reserve records revaluation of non-current assets

#### Transfer of Funds From ECA

This represents the transfer of funds from Earthmovers and Contractors Association for the 2009 year.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Statement of Cash Flows

For the Year Ended 30 June 2010

	2010	2009
Note	\$	\$
<b>Cash from operating activities:</b>		
Receipts from members & other customers	6,572,656	5,678,516
Payments to suppliers and employees	(5,719,973)	(4,637,760)
Receipt from CCF QLD	-	32,727
Interest received	61,893	87,543
Interest paid	(79,391)	-
Payments to CCF National	(121,419)	(109,803)
<b>Net cash provided by (used in) operating activities</b>	<b>12(a) 713,766</b>	<b>1,051,223</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property, plant and equipment	-	12,636
Purchase of property, plant & equipment	(5,039,593)	(157,843)
Purchase of financial assets	1,278,719	(280,719)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,760,874)</b>	<b>(425,926)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	3,000,000	-
Funds received from merger	-	92,603
<b>Net cash provided by (used in) financing activities</b>	<b>3,000,000</b>	<b>92,603</b>
<b>Other activities:</b>		
<b>Net increase (decreases) in cash held</b>	<b>(47,108)</b>	<b>717,900</b>
Cash at beginning of financial year	1,171,133	453,233
<b>Cash at end of financial year</b>	<b>4 1,124,025</b>	<b>1,171,133</b>

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies

#### (a) General Information

The financial report covers Civil Contractors Federation SA Branch as an individual entity. Civil Contractors Federation SA Branch is an association incorporated under the Fair Work (Registered Organisations) Act 2009.

#### (b) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank and other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts.

#### (d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Investment property revenue is recognised on a straight-line basis over a period of lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

# Civil Contractors Federation SA Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Summary of Significant Accounting Policies continued

### (d) Revenue and Other Income continued

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

### (e) Property, Plant and Equipment

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

#### Plant and equipment

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

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

All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis and diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (e) Property, Plant and Equipment continued

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

**Class of Fixed Asset**

Buildings	2 - 2.5%
Plant and Equipment	5 - 30%
Furniture, Fixtures and Fittings	10 - 30%
Motor Vehicles	20 - 30%
Other	10 - 30%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (f) Branch Relationship with the Civil Contractors Federation

This Branch, while autonomous in relation to most of its day to day operations, is not considered to be a separate entity by law from the Civil Contractors Federation.

The ownership of Branch assets and responsibility for Branch liabilities are believed to ultimately rest with the Civil Contractors Federation. It is therefore possible that Branch assets may be appropriated by the Civil Contractors Federation to meet its obligations, which could include providing financial support to other branches.

#### (g) Going Concern

While the Branch, if viewed as an autonomous legal entity, is believed to be able to pay its debts as and when they fall due, no assessment has been made as to the likelihood of the Branch being called upon to financially support the Civil Contractors Federation either nationally or in respect of its other branches.

#### (h) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.



# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (i) Income Tax

The Civil Contractors Federation SA Branch is exempt from income tax in accordance with Division 50-15 of the Income Tax Assessment Act.

#### (j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

#### (k) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

#### (l) Fair Work (Registered Organisations) Act 2009

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

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

#### (m) Comparative Figures

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

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (n) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (o) Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Branch commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Summary of Significant Accounting Policies continued

### (o) Financial Instruments continued

carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Branch does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### (i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The branch has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

#### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method .

Loans and receivables are included in current assets except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

#### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is Branch's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current.

If during the period the Branch sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

#### (iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (o) Financial Instruments continued

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

#### (v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### **Impairment**

At each reporting date, the Branch assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

#### (p) Critical Accounting Estimates and Judgments

The Committee of Management (Board) evaluate estimates and judgements 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 Branch assesses impairment at each reporting date by evaluating conditions specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### *Key judgments - Doubtful Debts Provision*

Included in trade receivables at reporting date is an amount receivable from sales made by the Branch during the current financial year amounting to \$ 36,520 that may be impaired and may not be derived by the Branch.

# Civil Contractors Federation SA Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Summary of Significant Accounting Policies continued

### (q) Adoption of New Revised Accounting Standards

During the current year, the Branch has adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Branch.

#### AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and impact on the association's financial statements.

#### Disclosure impact

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** - The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** - The revised AASB 101 requires all income and expenses to be presented in either one statement - the statement of comprehensive income, or two statements - a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement. The Branch's financial statements now contain a statement of comprehensive income.

**Other comprehensive income**- The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relation to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

### (r) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Branch has not adopted early. A discussion of those future requirements and their impact on the Branch is as follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12] (applicable for annual reporting periods commencing

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 1 Summary of Significant Accounting Policies continued

#### (r) New Accounting Standards for Application in Future Periods continued

on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined any potential impact on the financial statements.

These changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the annual improvements projects [AASB 2 and AASB 138 and AASB interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further amendments to Australian accounting standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010). These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Branch.

AASB 2009-12: Amendments to Australian accounting standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

These standards make a number of editorial amendments to a range of Australian accounting standards and interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Branch.

AASB Interpretation 19: Extinguishing financial liabilities with equity instruments (applicable for annual reporting periods commencing from 1 July 2010).

This interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Branch.

The Branch does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Branch's financial statements.

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 2 Revenue and Other Income

	2010	2009
	\$	\$
Operating revenue		
- Qualifications	1,549,178	2,100,156
- Short courses	2,263,115	2,279,856
- Member subscription	504,841	446,143
- Function and Sponsorship income	398,776	305,509
- Production income	274,406	488,096
- Other	199,715	117,478
	<u>5,190,031</u>	<u>5,737,238</u>
<b>- Other Income</b>		
- Grants received	265,083	30,824
- Interest received	61,893	87,543
- Lease income	112,287	71,088
- Others	49,768	32,259
-	<u>489,031</u>	<u>221,714</u>
Total Revenue	<u>5,679,062</u>	<u>5,958,952</u>

### 3 Significant Expenses

	2010	2009
	\$	\$
The following significant expense items are relevant in explaining the financial performance:		
Depreciation, amortisation and impairments	302,495	279,079
CCF National Levy	115,733	104,200
N.T.R.U. SA contribution	82,944	116,472
Meeting expenses	32,809	16,776
Finance costs	79,391	-
Profit/(loss on sale of assets)	(1,244)	805
Legal fees	1,825	5,124
Contract labour	629,914	491,065
Wages and salaries	1,722,074	1,505,618
Annual leave	130,163	113,285
Long service leave	13,692	(14,744)
Superannuation	172,129	144,663
	<u>3,281,925</u>	<u>2,762,343</u>

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 4 Cash and Cash Equivalents

	2010	2009
	\$	\$
Cash on hand	2,500	2,500
Operating accounts	999,976	1,168,633
Saving accounts	121,549	-
	<u>1,124,025</u>	<u>1,171,133</u>

#### (a) Reconciliation of cash

	2010	2009
Note	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	13 <u>1,124,025</u>	<u>1,171,133</u>
	<u>1,124,025</u>	<u>1,171,133</u>

### 5 Auditors' Remuneration

	2010	2009
	\$	\$
Remuneration of the auditor for:		
- auditing the financial report - 2009	8,440	11,560
- auditing the financial report - 2010	12,000	-
- other audit services - 2009	-	4,500
- other audit services - 2010	10,610	-

### 6 Trade and other receivables

	2010	2009
Note	\$	\$
CURRENT		
Trade receivables	6(b) 1,080,068	989,239
Provision for impairment of receivables	6(a) (36,520)	(60,505)
GST Refund	6 -	5,093
Sundry debtors	13,704	21,455
	<u>1,057,252</u>	<u>955,282</u>



# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 6 Trade and other receivables continued

#### (a) Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in other expense item.

Movement in the provision for impairment of receivables is as follows:

<b>Provision for impairment as at 30 June 2008</b>	15,000.00
Charge for year	<u>45,505.00</u>
<b>Provision for impairment as at 30 June 2009</b>	60,505.00
Charge for year	1,610.00
Written off	<u>(25,595.00)</u>
<b>Provision for impairment as at 30 June 2010</b>	<u><u>36,520.00</u></u>

#### (b) Credit risk - Trade and Other Receivables

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivable specially provided for and mentioned within Note 6. The main source of credit risk to the Branch is considered to relate to the class of assets described as trade and other receivables.

The following table details the Branch's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	31-60	61-90	> 90	Within initial trade terms
	\$	\$	\$	\$	\$	\$
<b>2010</b>						
Trade and term receivables	1,093,772	36,520	180,974	54,500	32,745	789,033
Total	<u>1,093,772</u>	<u>36,520</u>	<u>180,974</u>	<u>54,500</u>	<u>32,745</u>	<u>789,033</u>
<b>2009</b>						
Trade and term receivables	1,010,694	60,505	216,698	77,622	80,047	575,822
Total	<u>1,010,694</u>	<u>60,505</u>	<u>216,698</u>	<u>77,622</u>	<u>80,047</u>	<u>575,822</u>

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 6 Trade and other receivables continued (c) Financial assets classified as loans and receivables

	2010	2009
	\$	\$
Trade and other receivables	1,057,252	955,282
Financial assets	<u>1,057,252</u>	<u>955,282</u>

### 7 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	41,609	35,683
Accrued income	17,225	4,698
	<u>58,834</u>	<u>40,381</u>

### 8 Property, Plant and Equipment

	2010	2009
	\$	\$
Freehold land		
At valuation	3,925,000	1,850,000
	<u>3,925,000</u>	<u>1,850,000</u>
Buildings		
At valuation	4,007,534	1,492,209
Accumulated depreciation	(118,032)	(81,362)
	<u>3,889,502</u>	<u>1,410,847</u>
Plant and equipment		
At cost	1,653,413	1,497,042
Accumulated depreciation	(1,162,638)	(1,047,921)
	<u>490,775</u>	<u>449,121</u>
Furniture, fixture and fittings		
At cost	388,154	355,452
Accumulated depreciation	(308,499)	(274,332)
Total furniture, fixture and fittings	<u>(79,655)</u>	<u>(81,120)</u>
Motor vehicles		
At cost	572,257	499,904
Accumulated depreciation	(371,627)	(256,346)
	<u>200,630</u>	<u>243,558</u>

# Civil Contractors Federation SA Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 8 Property, Plant and Equipment continued

	2010	2009
	\$	\$
Other		
At cost	62,000	62,000
Accumulated depreciation	(49,396)	(49,333)
	<u>12,604</u>	<u>12,667</u>
Total property, plant and equipment	<u>8,598,166</u>	<u>4,047,313</u>

The properties were valued by the Branch at 30 June 2010. Valuations were based on signed contracts for sale. The revaluation decrease was debited to the Asset Revaluation Reserve in equity.

### (a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	1,850,000	1,410,847	449,121	81,120	243,558	12,667	4,047,313
Additions	2,075,000	2,700,325	156,371	35,545	72,352	-	5,039,593
Disposals	-	-	-	(1,245)	-	-	(1,245)
Depreciation expense	-	(36,670)	(114,717)	(35,765)	(115,280)	(63)	(302,495)
Revaluation decrease recognised in equity	-	(250,000)	-	-	-	-	(250,000)
Revaluation increase recognised in equity	-	65,000	-	-	-	-	65,000
Carrying amount at the end of 30 June 2010	<u>3,925,000</u>	<u>3,889,502</u>	<u>490,775</u>	<u>79,655</u>	<u>200,630</u>	<u>12,604</u>	<u>8,598,166</u>
Balance at the beginning of year	1,000,000	597,195	560,110	63,889	267,318	12,731	2,501,243
Additions	-	7,500	6,561	47,853	95,929	-	157,843
Disposals	-	-	-	-	(12,132)	-	(12,132)
Transfers	-	820,000	-	9,438	-	-	829,438
Depreciation expense	-	(13,848)	(117,550)	(40,060)	(107,557)	(64)	(279,079)
Revaluation increase recognised in equity	850,000	-	-	-	-	-	850,000
Carrying amount at the end of 30 June 2009	<u>1,850,000</u>	<u>1,410,847</u>	<u>449,121</u>	<u>81,120</u>	<u>243,558</u>	<u>12,667</u>	<u>4,047,313</u>

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 9 Trade and other payables

	2010	2009
	\$	\$
CURRENT		
Trade payables	206,331	275,463
Amounts received in advance	654,282	320,179
Sundry Payables & Accrued expenses	196,771	34,921
	<u>1,057,384</u>	<u>630,563</u>

#### (a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2010	2009
		\$	\$
Trade and other payables			
- Total Current		1,057,384	630,563
Less:			
Amounts received in advance		(654,282)	(320,179)
Financial liabilities as trade and other payables	13	<u>403,102</u>	<u>310,384</u>

### 10 Borrowings

	Note	2010	2009
		\$	\$
NON-CURRENT			
Secured liabilities			
Bank loans		3,000,000	-
		<u>3,000,000</u>	<u>-</u>

#### (a) Bank and Mortgage Loans

The mortgage loans is secured by first registered mortgages over certain freehold property of the Association.

There are no covenants within the bank borrowings.

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 11 Provisions

	2010	2009
	\$	\$
<b>CURRENT</b>		
Employee benefits	83,807	71,069
	<u>83,807</u>	<u>71,069</u>
	2010	2009
	\$	\$
<b>NON-CURRENT</b>		
Employee benefits	26,639	12,947
	<u>26,639</u>	<u>12,947</u>

	Employee entitlements	Total
	\$	\$
Opening balance at 1 July 2009	84,016	84,016
Additional provisions	143,856	143,856
Amounts used	(117,426)	(117,426)
Balance at 30 June 2010	<u>110,446</u>	<u>110,446</u>

#### Analysis of Total Provisions

	2010	2009
	\$	\$
Current	83,807	71,069
Non-current	26,639	12,947
	<u>110,446</u>	<u>84,016</u>

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits had been included in Note 1 to this report.

# Civil Contractors Federation SA Branch

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 12 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Profit from ordinary activities	77,198	1,061,049
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	302,495	279,079
Net gain on disposal of property, plant and equipment	1,245	(501)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(101,970)	(332,977)
(Increase)/decrease in other assets	(18,453)	14,310
Increase/(decrease) in trade payables and accruals	426,821	60,548
Increase/(decrease) in provisions	26,430	(30,285)
	<u>713,766</u>	<u>1,051,223</u>

### 13 Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable,

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2010	2009
Note	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	4    1,124,025	1,171,133
Loans and receivables	6(c) 1,057,252	955,282
- Investments	-	1,278,719
	<u>2,181,277</u>	<u>3,405,134</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	9(a) 403,102	310,384
- Borrowings	10    3,000,000	-
	<u>3,403,102</u>	<u>310,384</u>

# Civil Contractors Federation SA Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Financial Risk Management continued

### Financial Risk Management Policies

The Branch's Committee of Management (Board) is responsible for, among other issues, monitoring and managing financial risk exposures of the Branch. The Board meets monthly and reviews risk and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

### Specific Financial Risk Exposures and Management

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

#### (a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

#### (b) Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities..

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

# Civil Contractors Federation SA Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Financial Risk Management continued

### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total Contractual Cash Flow	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Bank overdrafts and loans	-	-	3,000,000	-	-	-	3,000,000	-
Trade and other payables (excluding estimated annual leave)	403,102	310,384	-	-	-	-	403,102	310,384
Total contractual outflows	403,102	310,384	3,000,000	-	-	-	3,403,102	310,384
Total expected outflows	403,102	310,384	3,000,000	-	-	-	3,403,102	310,384
<b>Financial assets - cash flows realisable</b>								
Cash and cash equivalents	1,124,025	1,171,133	-	-	-	-	1,124,025	1,171,133
Trade, term and loans receivables	1,057,252	955,282	-	-	-	-	1,057,252	955,282
Held-to-maturity investments	-	1,278,719	-	-	-	-	-	1,278,719
Total anticipated inflows	2,181,277	3,405,134	-	-	-	-	2,181,277	3,405,134
Net (outflow)/inflow on financial instruments	1,778,175	3,094,750	(3,000,000)	-	-	-	(1,221,825)	3,094,750



# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Financial Risk Management continued

### *Financial assets pledged as collateral*

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 10: Borrowings for further details.

### (c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Branch.

### *Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with any single counterparty or group of counterparties under the financial instruments entered into by the Branch.

## Net Fair Values

### *Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Financial Risk Management continued

### Net Fair Values continued

Parent	Footnote	2010		2009	
		Net Carrying Value \$	Net Fair value \$	Net Carrying Value \$	Net Fair value \$
<b>Financial Assets</b>					
Cash and cash equivalents	(i)	1,124,025	1,124,025	1,171,133	1,171,133
Trade and other receivables	(i)	1,057,252	1,057,252	955,282	955,282
Investments	(ii)	-	-	1,278,719	1,278,719
Total financial assets		<b>2,181,277</b>	<b>2,181,277</b>	<b>3,405,134</b>	<b>3,405,134</b>
<b>Financial Liabilities</b>					
Trade and other payables	(i)	403,102	403,102	310,384	310,384
Bank debt		3,000,000	3,000,000	-	-
Total financial liabilities		<b>3,403,102</b>	<b>3,403,102</b>	<b>310,384</b>	<b>310,384</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other payables and trade and other receivables are short term instruments in nature, whose carrying value is equivalent to fair value. Trade and other payables excludes amounts received in advance as they are not considered a financial instrument.
- (ii) Investments are short term instruments in nature, whose carrying value is equivalent to fair value.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The value of floating rate debt will not differ to carrying values.

#### (d) Sensitivity analysis - Interest rate risk

##### Interest Rate Risk Sensitivity Analysis

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

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 13 Financial Risk Management continued

#### (d) Sensitivity analysis - Interest rate risk continued

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2010	2009
	\$	\$
Change in profit		
- Increase in interest rate by 0.5 % (2009:2%)	(9,380)	48,997
- Decrease in interest rate by 0.5 % (2009:2%)	9,380	(48,997)
Change in equity		
- Increase in interest rate by 0.5 % (2009:2%)	(9,380)	48,997
- Decrease in interest rate by 0.5 % (2009:2%)	9,380	(48,997)

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

### 14 Contingent Liabilities and Contingent Assets

The Branch is believed to be liable for unpaid debts for the Civil Contractors Federation to the extent of the branch asset and at the date of this report, no known liability exists for any contingent liability.

### 15 Capital and Leasing Commitments

#### (a) Capital Expenditure Commitments

Capital expenditure commitments  
contracted for:

Renovations of Thebarton Property

102,500	-
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<u>102,500</u>	<u>-</u>
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Payable:

- not later than 12 months

102,500	-
---------	---

<u>102,500</u>	<u>-</u>
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The above amounts were committed at balance date for a renovation project to be carried out on the Thebarton property. The total project is expected to amount to \$600,000.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 16 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transaction with related parties:

	2010	2009
	\$	\$
<b>Purchases from related parties:</b>		
Civil Contractors Federation	202,489	1,977
Civil Contractors Federation-NSW	-	2,034
Civil Contractors Federation-Vic	36,551	22,854
Civil Contractors Federation-TAS	-	6,906
Civil Contractors Federation-QLD	-	198
Civil Contractors Federation-Kew	-	124,620
Crownco Pty Ltd	73,264	53,606
<b>Sales to related parties:</b>		
Civil Contractors Federation - N.T.R.U.	16,031	-
Civil Contractors Federation	17,500	28,994
Civil Contractors Federation-TAS	1,859	-
Civil Contractors Federation-Vic	-	17,184
Civil Contractors Federation-QLD	-	30,000
Civil Contractors Federation-Kew	30,555	-
<b>Year end balances with related parties:</b>		
Civil Contractors Federation	-	(11,885)
Civil Contractors Federation-TAS	1,205	(1,100)
Civil Contractors Federation-Vic	(2,732)	(4,494)
Civil Contractors Federation-Kew	2,181	-

C Reynolds has a financial interest in Crownco Pty Ltd, during the year the Branch used Crownco Pty Ltd on an arms length basis to supply equipment and services to the Branch.

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 17 Events After the Balance Sheet Date

The sale of both the Woodville and Dry Creek properties had been contracted by 30 June 2010. These will settle on 23 July 2010 and 23 December 2010 respectively.

Subsequent to the year end the Branch was awarded South Australian government funding of \$8,200,000 from the Education Investment Fund for:

Green Star refurbishment of a building owned by the Branch to cater for increased training needs, with modern training rooms and facilities that embrace emerging technology in education and training,  
A mobile training unit to take training to rural and remote areas of South Australia, and  
A major innovation and significant shift in training methodologies through the purchase of earthmoving simulators, thereby increasing significantly trainee numbers.

### 18 Interests of Key Management Personnel

	Short-term benefits \$	Post employment benefit \$	Other long- term benefits \$	Total \$
<b>2010</b>				
Total compensation	391,633	35,247	-	426,880
<b>2009</b>				
Total compensation	355,628	32,006	-	387,634

### 19 Association Details

The registered office of the Branch is:  
Civil Contractors Federation SA Branch  
1 South Road  
THEBARTON SA 5031

The principal places of business are:  
Civil Contractors Federation SA Branch  
1 South Road  
THEBARTON SA 5031

Civil Contractors Federation SA Branch  
60 Woodville Road  
WOODVILLE SA 5011

Civil Train  
53 - 57 Magazine Road  
DRY CREEK SA 5094



# Cleland McFarlane Selth

Chartered Accountants ■ Business Advisors

## Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Independent Audit Report to the members of Civil Contractors Federation SA Branch

### *Report on the Financial Report*

We have audited the accompanying financial report of Civil Contractors Federation SA Branch (CCFSA), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement and the Operating Report.

### *CCFSA Board's Responsibility for the Financial Report*

The CCFSA Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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

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

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### **PARTNERS**

AH Cleland

IA McFarlane

RJ Selth

GR Rowse

### **CONSULTANT**

PDH Hill

### **SENIOR**

**ASSOCIATE**

T Anthon

# Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Independent Audit Report to the members of Civil Contractors Federation SA Branch

## *Independence*

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

## *Auditor's Opinion*

1. In our opinion the financial report of Civil Contractors Federation SA Branch at 30 June 2010 is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
2. In relation to recovery of wages activity, there has been no recovery of wages activity during the year.
3. There were kept by CCFSA in respect of the year to 30 June 2010, satisfactory accounting records detailing the sources and nature of the income (including income from members) and the nature and purpose of the expenditure of CCFSA.

Cleland McFarlane Selth  
Chartered Accountants



Andrew H Cleland  
Registered Company Auditor  
Cleland McFarlane Selth

Dated this *3<sup>rd</sup>* day of *August* 2010