FAIR WORK AUSTRALIA

30 September 2011

Mr Christopher Reynolds
President
Civil Contractors Federation, South Australia Branch

email: ccfsa@civilcontractors.com

Dear Mr Reynolds

Re: Financial Report for the Civil Contractors Federation, South Australia Branch for year ended 30 June 2011 – FR2011/2625

I acknowledge receipt of the financial report for the Civil Contractors Federation, South Australia Branch (the Branch) for the year ended 30 June 2011. The report was lodged with Fair Work Australia (FWA) on 8 September 2011.

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.

Notes to the financial statements

Note 1(a) General Information

Note 1(a) of the notes to the financial statements indicates that the Branch 'is an association incorporated under the Fair Work (Registered Organisations) Act 2009'. Please note the Civil Contractors Federation, South Australian Branch is part of a larger corporate legal entity, the Civil Contractors Federation, which is registered under the *Fair Work (Registered Organisations) Act 2009*.

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the *Fair Work (Registered Organisations) Regulations 2009* is available to members on request. Note 1(n) to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

(1) A member of a reporting unit, or the General Manager, 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).

Please ensure that future notes contain this extract of the Act word for word.

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Going Concern

I note the reference to going concern in note 1(g) of the notes to the financial statements and the comments of the Committee of Management that there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable.

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

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

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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 10 August 2011 and

• that the full report was presented at a meeting of the committee of management of the reporting unit on 8 August 2011 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 7th September 2011

....

Signature

Name Christopher Reynolds

Branch President

Date: 7 September 2011

Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Financial Statements

For the Year Ended 30 June 2011

Civil Contractors Federation SA Branch

ABN: 65 484 720 549

For the Year Ended 30 June 2011

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Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Committee Of Management Statement

For the Year Ended 30 June 2011

On 8 August 2011, 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 2011:

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: 8 August 2011

Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Operating Report

For the Year Ended 30 June 2011

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, Industrial relation advice and regular meetings, occupational health and safety advice and regular meetings, the conduct of functions and events and training to comply with the relevant objects of the Federation. The major results from the Branch conducting its principal activities were as follows:

- The Branch was able to promote the civil industry and identify the various issues faced by civil contractors and make representations on behalf of the members to relevant government authorities and departments.
- The Branch identified and promoted the civil industry needs and made representations for increased funding for the civil industry as well as providing recommendations on proposed legislative changes.
- The Branch's training capacity will substantially increase as a result of the investment in training capital infrastructure and equipment through the EIF grant. This in turn is expected to lead to better learning outcomes and improved servicing of the training needs of regional South Australia and in particular to the members of CCF.
- Members were made aware of the legislative requirements of industrial relations and occupational health and safety.
- Members were supported as required to ensure compliance with relevant industrial relations and occupational health and safety legislative requirements.
  Training activities were conducted in a number of vocational educational courses to ensure members were accredited and certified as required to conduct their business activities. s 254(2) (a)

Operating Result

The operating result of the branch for the year ended 30 June 2011 was a surplus of $4,975,664. s 254(2) (a) The main reason for the surplus was the receipt of $5.2 million of the Education Investment Fund (EIF) grant. This has resulted in the Branch generating an abnormal profit for the financial year. The Branch generated a surplus of $132,753 before the EIF grant is taken into consideration. The overall performance through normal operations was comparable to the previous year. There was a slight increase in revenue. An increase in the number of members in comparison to previous years was recorded.

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.

Significant Changes in the Branches Financial Affairs

The SA Branch operations situated at Woodville and Dry Creek have been consolidated at the new site in Thebarton. The Branch has reduced the loan taken of $3 million during the previous financial year for the purchase of the Thebarton property to $490,000 at 30 June 2011 primarily through the sale of properties at Dry Creek and Woodville. Land and Buildings owned by the Branch are still secured against this loan.
The Branch was awarded $8.2 million during the financial year under the Education Investment Fund program to expand its training capacity through the purchase of simulators, mobile training units and the redevelopment of the training facilities at Thebarton.

The effects of this grant are as follows:

- The assets of the Branch are expected to increase by $8.2 million by November 2011.
- The Branch has brought to account $5.2 million of the EIF grant during this financial year resulting in an abnormal profit in comparison to previous financial years.
- The Branch is expected to bring to account the remaining $3 million of the EIF grant during the financial year ending 30 June 2012 resulting in a continued abnormal profit during the next financial year in comparison to prior years.
  The depreciation on the assets purchased under the EIF grant, expected to be in the region of $1.5 million per annum, is likely to contribute to abnormal losses during ensuing financial years commencing financial year ending June 2013. ss254(2)(b).

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 129 Associate members, 24 Associate Stakeholders (also known as Affiliates), 3 Life members and 256 Full members. Total being 412.

(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 36.

Civil Contractors Federation SA Branch

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Operating Report

For the Year Ended 30 June 2011

(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	01-07-10 to 30-06-11
Gerard Beltrame	Branch Vice President (08-09-10 to 30-06-11)	01-07-10 to 30-06-11
Garry Stewart	Branch Vice President	01-07-10 to 08-09-10
Andrew Young	Branch Honorary Treasurer	01-07-10 to 30-06-11
SA Board Members		
Anthony Baulderstone	Branch Board Member	01-07-10 to 30-06-11
Andrew Lukasik	Branch Board Member	01-07-10 to 30-06-11
Aaron Blackmore	Branch Board Member	01-07-10 to 30-06-11
Allan Wilkey	Branch Board Member	01-07-10 to 30-06-11
Ted Paluszek	Branch Board Member	01-07-10 to 30-06-11
Brian Sickerdick	Branch Board Member	01-07-10 to 08-09-10
John Allen	Branch Board Member	01-07-10 to 30-06-11
Peter Little	Branch Board Member	01-07-10 to 30-06-11
Stephen Fines-Phillips	Branch Board Member	01-07-10 to 30-06-11
Nick Karapetsas	Branch Board Member	01-07-10 to 30-06-11
Jim Miller	Branch Board Member	08-09-10 to 30-06-11
Nigel Stevens	Branch Board Member	08-09-10 to 06-12-10
Andrew White	Branch Board Member	02-05-11 to 30-06-11
Peter Nolan	Chief Executive Officer	01-07-10 to 30-06-11
Joel Mathews	Associate Member Rep (Observer)	01-07-10 to 08-09-10
Nick Anderson	Associate Member Rep (Observer)	01-07-10 to 30-06-11
David Slama	Associate Member Rep (Observer)	01-07-10 to 30-06-11

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

Anthony Baulderstone	National Board Member	01-07-10 to 30-06-11
Christopher Reynolds	Alternate Board Member	01-07-10 to 30-06-11

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.

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Operating Report

For the Year Ended 30 June 2011

Manner of resignation

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

"9 - RESIGNATION OF MEMBERS

(a) A member may resign from the Federation by written notice addressed and delivered to the Chief Executive Officer (National).

(b) A notice of resignation from membership of the Federation takes effect:
  (i) at the end of two weeks after the notice is received by the Federation; or

  (ii) on the day specified in the notice;

  whichever is later.

(c) Any dues payable but not paid by a former Member of the Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.

(d) A notice delivered to the person mentioned in sub rule (1) shall be taken to have been received by the Federation when it was delivered.

(e) A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.

(f) A resignation from membership of the Federation is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Federation that the resignation has been accepted."

Other Relevant Information

Nil

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

Signature:

Date: 8 August 2011

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 $	2010 $
Revenue	2	**5,260,464**	5,190,031
EIF Grant	2	**5,200,000**	-
Other Income	2	**494,362**	489,031
Employee and subcontractor benefits	3	**(2,755,377)**	(2,667,972)
Depreciation, amortisation and impairments		**(381,071)**	(302,495)
Advertising		**(176,259)**	(156,992)
Co-location		**(95,064)**	(113,125)
EIF overhead expenses		**(370,144)**	-
Employer costs		**(173,672)**	(187,441)
Finance costs		**(111,667)**	(79,391)
Function		**(237,277)**	(177,660)
Levies and contributions		**(138,014)**	(198,677)
Motor vehicle expenses		**(141,423)**	(147,473)
Repairs and maintenance		**(278,882)**	(196,032)
Printing and stationery		**(185,460)**	(156,528)
Training materials and equipment		**(408,229)**	(343,306)
Other expenses		**(526,623)**	(874,772)
Profit for the year		**4,975,664**	77,198
Other Comprehensive Income			
Revaluation increase/(decrease)		**-**	(185,000)
Total Comprehensive Income		**4,975,664**	(107,802)

Civil Contractors Federation SA Branch

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Statement of Financial Position

30 June 2011

	Note	2011 $	2010 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**5,793,418**	1,124,025
Trade and other receivables	6	**1,050,980**	1,057,252
Other assets	7	**13,056**	58,834
TOTAL CURRENT ASSETS		**6,857,454**	2,240,111
NON-CURRENT ASSETS			
Property, plant and equipment	8	**6,713,695**	8,598,166
TOTAL NON-CURRENT ASSETS		**6,713,695**	8,598,166
TOTAL ASSETS		**13,571,149**	10,838,277
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**1,390,096**	1,141,191
Short-term provisions	11	**13,880**	-
TOTAL CURRENT LIABILITIES		**1,403,976**	1,141,191
NON-CURRENT LIABILITIES			
Borrowings	10	**490,000**	3,000,000
Long-term provisions	11	**31,062**	26,639
TOTAL NON-CURRENT LIABILITIES		**521,062**	3,026,639
TOTAL LIABILITIES		**1,925,038**	4,167,830
NET ASSETS		**11,646,111**	6,670,447
EQUITY			
Retained earnings		**11,646,111**	4,681,698
Reserves		-	1,988,749
TOTAL EQUITY		**11,646,111**	6,670,447

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Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Retained Earnings	Capital Distribution from ECA	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 1 July 2010	4,681,698	-	1,988,749	6,670,447
Profit attributable to members of the entity	4,975,664	-	-	4,975,664
Transactions with owners in their capacity as owners				
Transfer from asset revaluation reserve realised increment on freehold property sold during the year	1,988,749	-	(1,988,749)	-
Sub-total	6,964,413	-	(1,988,749)	4,975,664
Balance at 30 June 2011	11,646,111	-	-	11,646,111

2010

	Retained Earnings	Capital Distribution from ECA	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 1 July 2009	4,604,500	922,041	1,251,708	6,778,249
Profit attributable to members of the entity	77,198	-	-	77,198
Revaluation increment (decrement)	-	-	(185,000)	(185,000)
Transactions with owners in their capacity as owners				
Transfers from capital distribution to general reserve	-	(922,041)	922,041	-
Sub-total	77,198	(922,041)	737,041	(107,802)
Balance at 30 June 2010	4,681,698	-	1,988,749	6,670,447

1. Asset revaluation reserve

   The asset revaluation reserve has been released into retained earnings during the year following the disposal of assets to which the reserve relates.

2. Retained earnings include $922,041 representing funds transferred from ECA in prior years.

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Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 $	2010 $
Cash from operating activities:			
Receipts from members & other customers		**5,718,435**	6,572,656
EIF Grant received		**5,200,000**	-
Payments to suppliers and employees		**(5,004,486)**	(5,719,973)
Interest received		**49,552**	61,893
Interest paid		**(111,667)**	(79,391)
Receipts from CCF QLD & CCF National		**45,810**	-
Payments to CCF National		**(231,302)**	(121,419)
Net cash provided by (used in) operating activities	12(a)	**5,666,342**	713,766
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		**3,095,000**	-
Purchase of property, plant & equipment		**(801,601)**	(5,039,593)
Purchase under EIF funding		**(780,348)**	-
Purchase of financial assets		**-**	1,278,719
Net cash provided by (used in) investing activities		**1,513,051**	(3,760,874)
Cash flows from financing activities:			
Proceeds from borrowings		**-**	3,000,000
Repayment of borrowings		**(2,510,000)**	-
Net cash provided by (used in) financing activities		**(2,510,000)**	3,000,000
Other activities:			
Net increase (decreases) in cash held		**4,669,393**	(47,108)
Cash at beginning of financial year		**1,124,025**	1,171,133
Cash at end of financial year	4	**5,793,418**	1,124,025

1 Summary of Significant Accounting Policies

(a) General Information

The financial statements cover 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 statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

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

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

The financial statements were authorised for issue on 8 August 2011 by the Committee of Management.

(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.

(d) Revenue and Other Income

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Civil Contractors Federation SA Branch's activities as discussed below.

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.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

1 Summary of Significant Accounting Policies continued

(d) Revenue and Other Income continued

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.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period 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.

Rental income

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

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.

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, but at least triennial, 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 surplus 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.

1 Summary of Significant Accounting Policies continued

(e) Property, Plant and Equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on straight line and reducing balance 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2 - 2.5%
Plant and Equipment	5 - 30%
Furniture, Fixtures and Fittings	10 - 30%
Motor Vehicles	20 - 30%
Other Property, Plant and Equipment	10 - 30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

1 Summary of Significant Accounting Policies continued

(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.

(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 Australian 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.

1 Summary of Significant Accounting Policies continued

(k) Employee Benefits continued

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to the end of the reporting year. 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.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

(l) Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Branch during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1 Summary of Significant Accounting Policies continued

(n) 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).

(o) Comparative Figures

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

Where the Branch has retrospectively applied an accounting policy, made a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(p) 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.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Branch would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

1 Summary of Significant Accounting Policies continued

(q) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 in an arm's length transaction. 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:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) 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

(d) 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 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.

1 Summary of Significant Accounting Policies continued

(q) Financial Instruments continued

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

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.

(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.

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 year.

(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 the 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 be realised within 12 months after the end of the reporting period, which will be classified as current assets.

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

1 Summary of Significant Accounting Policies continued

(q) Financial Instruments continued

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Branch has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Branch assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables 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.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

1 Summary of Significant Accounting Policies continued

(r) 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.

The Committee of Management (Board) evaluates estimates and judgments incorporated into the financial statements 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 the end of each reporting year by evaluating conditions and events specific to the Branch that may be indicative of impairment triggers.

Key judgments - provision for impairment of receivables

Included in trade receivables at reporting date is an amount receivable from sales made by the Branch during the current financial year amounting to $ 29,595 that may be impaired and may not be recovered by the Branch. A provision has been raised for this amount.

(s) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided against early adoption of these Standards . The following table summarises those future requirements, and their impact on the Branch:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	- Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined.

1 Summary of Significant Accounting Policies continued

(s) New Accounting Standards for Application in Future Periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits	No impact expected.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.

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1 Summary of Significant Accounting Policies continued

(s) New Accounting Standards for Application in Future Periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

1 Summary of Significant Accounting Policies continued

(s) New Accounting Standards for Application in Future Periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates. [These are expected to be released by the AASB in June / July].	30 June 2014	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice. AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated. All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11. Additional disclosu res will be required under AASB 12 but there will be no changes to reported position and performance.
AASB 13 Fair Value Measurement	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.

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For the Year Ended 30 June 2011

2 Revenue and Other Income

	2011	2010
	$	$
Operating revenue		
- Qualifications	**1,995,565**	1,549,178
- Short courses	**1,912,662**	2,263,115
- Member subscription	**523,624**	504,841
- Function and Sponsorship income	**341,617**	398,776
- Production income	**280,178**	274,406
- Other	**206,818**	199,715
	5,260,464	5,190,031
- EIF Grant		
- EIF Grants Received	**5,200,000**	-
-	**5,200,000**	-
- Other Income		
- Grants received	**215,927**	265,083
- Interest received	**36,497**	61,893
- Lease income	**169,550**	112,287
- Interest Received EIF	**13,055**	-
- Other	**59,333**	49,768
	494,362	489,031
Total Revenue	**10,954,826**	5,679,062

3 Significant Expenses

	2011	2010
	$	$
The following significant expense items are relevant in explaining the financial performance:		
Depreciation, amortisation and impairments	**381,071**	302,495
CCF National Levy	**138,014**	115,733
N.T.R.U. SA contribution	-	82,944
Meeting expenses	**24,499**	32,809
Finance costs	**111,667**	79,391
(Profit)/loss on sale of assets	**9,651**	(1,244)
Legal Costs	**3,921**	1,825
Contract Labour	**578,365**	629,914
Salaries & Wages	**1,826,370**	1,722,074
Annual Leave	**157,158**	130,163
Long service leave	**18,303**	13,692
Superannuation contributions	**175,181**	172,129
EIF overhead expenses	**370,144**	-

3 Significant Expenses continued

The CCF national office imposes a levy on the branch for various support services and administrative expenses. The office holders of CCF SA did not derive any employee benefit during the financial year. The above employee benefits are employee benefits provided to employees.

4 Cash and Cash Equivalents

	2011 $	2010 $
Cash on hand	**1,500**	2,500
Operating accounts	**1,206,910**	999,976
Saving accounts	**127,979**	121,549
EIF Project accounts	**4,457,029**	-
	5,793,418	1,124,025

In accordance with the funding agreement between the Department of Education, Employment and Workplace Relations and the Civil Contractors Federation SA Branch, the cash held in the EIF Project accounts can only be used for the specified activities under the Civil Train Highway to Skilling the Industry Project.

(a) Reconciliation of cash

	Note	2011 $	2010 $
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	**5,793,418**	1,124,025
		5,793,418	1,124,025

5 Auditors' Remuneration

	2011 $	2010 $
Remuneration of the auditor for:		
- auditing the financial report - 2009	-	8,440
- auditing the financial report - 2010	-	12,000
- auditing the financial report - 2011	**12,600**	-
- other services - 2010	-	10,610
- other services - 2011	**10,855**	-

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For the Year Ended 30 June 2011

6 Trade and other receivables

	Note	2011 $	2010 $
CURRENT			
Trade receivables	6(b)	**1,068,534**	1,080,068
Provision for impairment of receivables	6(a)	**(29,595)**	(36,520)
Sundry debtors		**12,041**	13,704
		1,050,980	1,057,252

(a) Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. 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:

Provision for impairment as at 30 June 2009	60,505.00
Charge for year	1,610.00
Written off	(25,595.00)
Provision for impairment as at 30 June 2010	36,520.00
Written off	(6,925.00)
Provision for impairment as at 30 June 2011	29,595.00

6 Trade and other receivables continued

(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
	$	$	$	$	$	$
2011						
Trade and term receivables	**1,080,575**	**29,595**	**124,278**	**26,855**	**48,346**	**851,501**
Total	**1,080,575**	**29,595**	**124,278**	**26,855**	**48,346**	**851,501**
2010						
Trade and term receivables	1,093,772	36,520	180,974	54,500	32,745	789,033
Total	1,093,772	36,520	180,974	54,500	32,745	789,033

The Branch does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

(c) Collateral held as security

The Branch does not hold any collateral over any receivables balances.

(d) Financial assets classified as loans and receivables

	2011	2010
	$	$
Trade and other receivables	**1,050,980**	1,057,252
Financial assets	**1,050,980**	1,057,252

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7 Other Assets

	2011 $	2010 $
CURRENT		
Prepayments	**7,401**	41,609
Accrued income and other	**5,655**	17,225
	13,056	58,834

8 Property, Plant and Equipment

	2011 $	2010 $
Freehold land		
Land	**2,075,000**	3,925,000
	2,075,000	3,925,000
Buildings		
Buildings	**3,151,672**	4,007,534
Accumulated depreciation	**(114,585)**	(118,032)
	3,037,087	3,889,502
EIF Capital works in progress		
At cost	**780,348**	-
	780,348	-
Plant and equipment		
At cost	**1,743,768**	1,558,736
Accumulated depreciation	**(1,183,288)**	(1,079,526)
	560,480	479,210
Furniture, fixture and fittings		
At cost	**435,793**	482,832
Accumulated depreciation	**(291,297)**	(391,612)
Total furniture, fixture and fittings	**144,496**	91,220
Motor vehicles		
At cost	**572,257**	572,257
Accumulated depreciation	**(468,517)**	(371,627)
	103,740	200,630
Other		
At cost	**62,000**	62,000
Accumulated depreciation	**(49,456)**	(49,396)
	12,544	12,604
Total property, plant and equipment	**6,713,695**	8,598,166

8 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Capital Works In Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Other Property, Plant and Equipment	Total
	$	$	$	$	$	$	$	$
Balance at the beginning of year	-	3,925,000	3,889,502	479,210	91,220	200,630	12,604	8,598,166
Additions	780,348	-	451,349	224,395	125,857	-	-	1,581,949
Disposals	-	(1,850,000)	(1,209,087)	-	(26,262)	-	-	(3,085,349)
Depreciation expense	-	-	(94,677)	(143,125)	(46,319)	(96,890)	(60)	(381,071)
Balance at 30 June 2011	780,348	2,075,000	3,037,087	560,480	144,496	103,740	12,544	6,713,695
Balance at 30 June 2010								
Balance at the beginning of year	-	1,850,000	1,410,847	426,991	103,250	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)	(104,152)	(46,330)	(115,280)	(63)	(302,495)
Revaluation decrease recognised in equity	-	-	(250,000)	-	-	-	-	(250,000)
Revaluation increase recognised in equity	-	-	65,000	-	-	-	-	65,000
Balance at 30 June 2010	-	3,925,000	3,889,502	479,210	91,220	200,630	12,604	8,598,166

9 Trade and other payables

	2011	2010
	$	$
CURRENT		
Trade payables	**170,738**	206,331
Amounts received in advance	**599,950**	654,282
Employee benefits	**119,974**	83,807
Sundry Payables and Accrued expenses	**499,434**	196,771
	1,390,096	1,141,191

9 Trade and other payables continued

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

	Note	2011 $	2010 $
Trade and other payables			
- Total Current		**1,390,096**	1,141,191
Less:			
Employee benefits		**(119,974)**	(83,807)
Amounts received in advance		**(599,950)**	(654,282)
Financial liabilities as trade and other payables	13	**670,172**	403,102

10 Borrowings

	Note	2011 $	2010 $
NON-CURRENT			
Secured liabilities			
Bank loans	13	**490,000**	3,000,000
		490,000	3,000,000

(a) Bank and Mortgage Loans

A three year loan was obtained from the Commonwealth Bank of Australia to purchase the property situated at Thebarton. The interest rate applicable is a variable rate and is at presently 8.46%. The properties situated at Thebarton have been provided as security to the Commonwealth Bank for the provision of this facility. There are no covenants within the bank borrowings.

11 Provisions

	2011 $	2010 $
CURRENT		
Employee benefits	**13,880**	-
	13,880	-
NON-CURRENT		
Employee benefits	**31,062**	26,639
	31,062	26,639

11 Provisions continued

	Employee entitlements	Total
	$	$
Opening balance at 1 July 2010	26,639	26,639
Additional provisions	18,303	18,303
Balance at 30 June 2011	44,942	44,942

Analysis of Total Provisions

	2011	2010
	$	$
Current	13,880	-
Non-current	31,062	26,639
	44,942	26,639

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.

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12 Cash Flow Information

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

	2011 $	2010 $
Profit from ordinary activities	**4,975,664**	77,198
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	**381,071**	302,495
Net (gain)/loss on disposal of property, plant and equipment	**(9,652)**	1,245
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	**6,269**	(101,970)
(Increase)/decrease in other assets	**45,777**	(18,453)
Increase/(decrease) in trade payables and accruals	**212,743**	426,821
Increase/(decrease) in provisions	**54,470**	26,430
	5,666,342	713,766

13 Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks Civil Contractors Federation SA Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

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:

	Note	2011 $	2010 $
Financial Assets			
Cash and cash equivalents		**5,793,418**	1,124,025
Trade and other receivables		**1,050,980**	1,057,252
Total financial assets		**6,844,398**	2,181,277
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables		**670,172**	403,102
- Borrowings		**490,000**	3,000,000
Total financial liabilities		**1,160,172**	3,403,102

13 Financial Risk Management continued

Financial risk management policies

The Branch's Committee of Management (Board) has overall responsibility for the establishment of Civil Contractors Federation SA Branch's financial risk management framework. The board meetings regularly and reviews risk and evaluates risk management strategies in the context of the most recent economic conditions and forecasts

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

At 30 June 2011, approximately 100% of Civil Contractors Federation SA Branch debt is floating rate.

(b) Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Civil Contractors Federation SA Branch ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days.

The available funds to the Group are discussed in note 12.

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

13 Financial Risk Management continued

Financial guarantee liabilities are treated as payable on demand since Civil Contractors Federation SA Branch has no control over the timing of any potential settlement of the liabilities.

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. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

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For the Year Ended 30 June 2011

13 Financial Risk Management continued

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank overdrafts and loans	-	-	**490,000**	3,000,000	-	-	**490,000**	3,000,000
Trade and other payables (excluding estimated annual leave)	**670,172**	403,102	-	-	-	-	**670,172**	403,102
Total contractual outflows	**670,172**	403,102	**490,000**	3,000,000	-	-	**1,160,172**	3,403,102

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$
Financial assets - cash flows realisable								
Cash and cash equivalents	**5,793,418**	1,124,025	-	-	-	-	**5,793,418**	1,124,025
Trade, term and loans receivable	**1,050,980**	1,057,252	-	-	-	-	**1,050,980**	1,057,252
Total contractual inflows	**6,844,398**	2,181,277	-	-	-	-	**6,844,398**	2,181,277

The timing of expected outflows is not expected to be materially different from contracted cashflows.

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 for further details.

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Civil Contractors Federation SA Branch and arises principally from Civil Contractors Federation SA Branch's receivables.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, 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.

Collateral held by Civil Contractors Federation SA Branch securing receivables are detailed in Note 6(c).

The Branch has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

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.

13 Financial Risk Management continued

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.

	2011		2010	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	$	$	$	$
Financial assets				
Cash and cash equivalents	**5,793,418**	**5,793,418**	1,124,025	1,124,025
Trade and other receivables	**1,050,980**	**1,050,980**	1,057,252	1,057,252
Total financial assets	**6,844,398**	**6,844,398**	2,181,277	2,181,277
Financial liabilities				
Trade and other payables	**670,172**	**670,172**	403,102	403,102
Bank debt	**490,000**	**490,000**	3,000,000	3,000,000
Total financial liabilities	**1,160,172**	**1,160,172**	3,403,102	3,403,102

Interest rate risk sensitivity analysis

At 30 June 2011, 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:

	2011	2010
	$	$
Change in profit		
- Increase in interest rate by 2% (2010: 0.5%)	**106,068**	(9,380)
- Decrease in interest rate by 0.5% (2010: 0.5%)	**(26,517)**	9,380
Change in equity		
- Increase in interest rate by 2% (2010: 0.5%)	**106,068**	(9,380)
- Decrease in interest rate by 0.5% (2010: 0.5%)	**(26,517)**	9,380

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 assets 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
EIF Project commitments		
Simulators	**867,140**	-
Mobile training units	**120,000**	-
Building redevelopment	**2,418,164**	-
	3,405,304	102,500
Payable:		
- not later than 12 months	**3,405,304**	102,500
	3,405,304	102,500

In accordance with the contractual obligations under the EIF project, the above amounts were committed capital expenditure as at 30 June 2011.

Civil Contractors Federation SA Branch

ABN: 65 484 720 549

Notes to the Financial Statements

For the Year Ended 30 June 2011

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:

	2011 $	2010 $
Purchases from related parties:		
Civil Contractors Federation - WA	**65**	-
Civil Contractors Federation - Vic	**15,413**	36,551
Civil Contractors Federation - QLD	**2,610**	-
Civil Contractors Federation - Kew	**211,889**	202,489
Crownco Pty Ltd	**-**	73,264
Paluszek Enterprises	**77,200**	103,340
Sales to related parties:		
Civil Contractors Federation - N.T.R.U.	**1,456**	16,031
Civil Contractors Federation - NSW	**730**	-
Civil Contractors Federation - TAS	**9,550**	1,859
Civil Contractors Federation - Kew	**42,506**	48,055
Civil Contractors Federation - WA	**1,456**	-
Year end balances with related parties:		
Civil Contractors Federation - NSW	**730**	-
Civil Contractors Federation-TAS	**4,645**	1,205
Civil Contractors Federation-Vic	**-**	(2,732)
Civil Contractors Federation-Kew	**4,645**	2,181

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

T Paluszek has a financial interest in Paluszek Enterprises. During the year the Branch used Paluszek Enterprises on an arms length basis to provide training services to the Branch.

17 Events After the Balance Sheet Date

There are no significant events after balance date.

18 Interests of Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any committee member is considered key management personnel.

	Short-term benefits	Post employment benefit	Other long-term benefits	Total
	$	$	$	$
2011				
Total compensation	475,137	39,507	-	514,644
2010				
Total compensation	429,332	35,247	-	464,579

19 Association Details

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

Civil Contractors Federation SA Branch

1 South Road

THEBARTON SA 5031

CMS
Cleland McFarlane Selth
Chartered Accountants ■ Business Advisors

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Cleland McFarlane Selth
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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

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 2011, 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.and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 of the financial report that presents fairly 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.

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 2011 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 2011 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

R J Selth
Registered Company Auditor

Dated this 9th day of August 2011