FAIR WORK AUSTRALIA

7 November 2012

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

email: ccfsa@civilcontractors.com

Dear Mr Reynolds

Fair Work (Registered Organisations) Act 2009 (RO Act)
Financial Report for the Civil Contractors Federation, South Australia Branch for year ended 30 June 2012 – FR2012/310

I acknowledge receipt of the financial report for the Civil Contractors Federation, South Australia Branch (the Branch) for the year ended 30 June 2012. The report was lodged with Fair Work Australia (FWA) on 17 September 2012.

The financial report has now been filed.

However, please note the following comments to assist you when preparing financial reports in the future. The reporting unit's templates should be amended promptly to ensure these changes are implemented ready for use in the future.

1. Committee of Management Statement

The declaration in line item (b) of the Committee of Management Statement should refer to the Reporting Guidelines of the "General Manager of FWA" and not to the Industrial Registrar, as is currently referenced.

2. Disclosure of employee benefits to office holders and other employees

The General Manager's Reporting Guidelines require reporting units to separately disclose:

- employee benefits to office holders, and
- employee benefits to employees other than office holders

in the Statement of Comprehensive Income or in the Notes to the Financial Statements and in the Liabilities section of the Statement of Financial Position (see items 11(g), 11(h), 14(c) and 14(d) of the Reporting Guidelines).

From the information provided in the lodged documents, Note 11 entitled "Provisions" should have contained a note similar to Note 19, that is " *No remuneration benefits were paid to officeholders during the year, nor are any entitlement provisions set aside for them at reporting date.*" This makes it clear to the reporting unit's members that no office holders are entitled to employee entitlements such as long service leave.

Alternatively, Note 11 should have been separated to contain the following entries:

Provisions

Current	
Employee benefits for office holders	$0
Employee benefits for employees other than office holders	$16,336
Non-current	
Employee benefits for office holders	$0
Employee benefits for employees other than office holders	$36,692

3. Extraneous Documents

The Certificate of the Chief Executive Officer on page 6 of the financial report and the Branch Report Format - 2012 are not required to be lodged. Please note that once these documents are filed they appear on the Fair Work Australia organisations website at: http://www.e-airc.gov.au/267v/ To avoid unnecessary confidential documents from appearing on the internet, documents that are not required to be lodged under the Act should not be submitted to FWA.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7787.

Yours sincerely

Andrea O'Halloran

Andrea O'Halloran
Regulatory Compliance Branch
Fair Work Australia

CIVIL CONTRACTORS FEDERATION
(SA BRANCH)

ABN 65 484 720 549

Financial Report
For the Year Ended
30 June 2012

Contents

Committee of Management Statement
For the Year Ended 30 June 2012

On 6 August 2012, 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 2012.

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 General Manager FWA 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: 6 August 2012

Operating Report
For the Year Ended 30 June 2012

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 s254 (2)9a)

The principal activities of the Branch during the financial year were the provision of technical and training services to members in the civil contracting industry.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in South Australia, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to awards rates of and work practices to members of the Federation throughout South Australia. The Federation represents its members at all levels of Government and lobbies for concessions relating to civil construction and business trade. 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 has substantially increased 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 training needs in particular to regional South Australia and the members of CCF.
- Members were made aware on 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 & safety legislative requirements.
- Training activities were conducted in a number of vocational education courses to ensure members were accredited and certified as required to conduct their business activities.
- A number of networking events and forums were held to discuss, brief and advice members on issues of relevance to the civil industry.

Results of principal activities s254 (2) (a)

The Branch's principal activities resulted in a loss of $407,508 (2011 surplus of $572,664).

The Branch loss for the financial year ended 30 June 2012 can be attributed to a number of factors. These include the following:

- Significant downturn in the civil construction industry. This has in turn resulted in a reduction in training activities as well as reduction in funding for training activities.
- Government reduction in funding for vocational education training activities due to tough budgetary conditions.
- The Playford Alive training Centre continued to record significant losses due to insufficient production contracts and low profit margins on production work.

During the 2010/11 financial year, the Branch was awarded an Education investment fund (EIF) grant for investment in training infrastructure and equipment. An EIF grant receipt of $5,200,000 was recognised in full as income in the 2011 financial report. The Committee of Management subsequently resolved that it would be more appropriate to defer the EIF grant over a six year period in accordance with AASB 118.
As this change in accounting policy impacts the comparative period (i.e. 30 June 2011), the statement of comprehensive income, statement of financial position and statement of changes in equity were all restated for the 2011 financial year in accordance with AASB 101 as follows:

Operating Report
For the Year Ended 30 June 2012 (cont'd)

- The EIF grant income recognised in the Statement of comprehensive income was reduced by $4,403,000 for financial year ended 30 June 2011. This adjustment resulted in the comprehensive income for the year ended 30 June 2011 being adjusted downwards from $4,975,664 to $572,664.
- The $4,403,000 adjustment was recognised as deferred income in the Statement of Financial Position as at 30 June 2011.
-

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

There were no significant changes in the nature of the Branch's principal activities during the financial year, except as follows:-
The Branch ceased production activities at the Playford site due to ongoing losses. A limited form of livework training activities will continue to be provided at a site adjacent to the Branch head office situated at Thebarton.
The Branch completed the redevelopment of the training facilities at Thebarton and commissioned mobile training units and simulators as required under the Education Investment Fund program.

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

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

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

No officer or member holds a dedicated position as a superannuation trustee under s254 (2) (d) of the Fair Work (Registered Organisations) Act 2009.

Number of Members *reg 159(a)*

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 156 associate members, 29 Associate Stakeholders (also known as Affiliates), 3 Life members and 275 Full members. Total being 463.

Number of Employees *reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the SA Branch of the Federation including full and or part-time employees measured on a full-time equivalent basis was 38.3.

Operating Report
For the Year Ended 30 June 2012 (cont'd)

SA Branch Board Members *reg 159(c)*

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

Title	Name	Period Of Office
Christopher Reynolds	Branch President	01-07-11 to 30-06-12
Gerard Beltrame	Branch Vice President	01-07-11 to 30-06-12
Andrew Young	Branch Honorary Treasurer	01-07-11 to 30-06-12
SA Board Members		
Anthony Baulderstone	Branch Board Member	01-07-11 to 30-06-12
Andrew Lukasik	Branch Board Member	01-07-11 to 30-06-12
Aaron Blackmore	Branch Board Member	01-07-11 to 07-09-11
Allan Wilkey	Branch Board Member	01-07-11 to 07-09-11
Ted Paluszek	Branch Board Member	01-07-11 to 30-06-12
John Allen	Branch Board Member	01-07-11 to 30-06-12
Peter Little	Branch Board Member	01-07-11 to 04-07-11
Stephen Fines-Phillips	Branch Board Member	01-07-11 to 30-06-12
Nick Karapetsas	Branch Board Member	01-07-11 to 30-06-12
Jim Miller	Branch Board Member	01-07-11 to 30-06-12
Andrew White	Branch Board Member	01-07-11 to 30-06-12
Paul Davison	Branch Board Member	07-09-11 to 30-06-12
Sean McCarthy	Branch Board Member	07-09-11 to 30-06-12
Chris Plumb	Branch Board Member	07-09-11 to 30-06-12
Peter Nolan	Chief Executive Officer	01-07-11 to 07-06-12
Tom Newland	Associate Member Rep (Observer)	07-09-11 to 30-06-12
Nick Anderson	Associate Member Rep (Observer)	01-07-11 to 30-06-12
David Slama	Associate Member Rep (Observer)	01-07-11 to 07-09-11
The persons who held office as Board Members of the National Branch during the Financial year were:		
Anthony Baulderstone	National Board Member	01-07-11 to 30-06-12
Christopher Reynolds	Alternate Board Member	01-07-11 to 30-06-12

Operating Report
For the Year Ended 30 June 2012 (cont'd)

Manner of resignation

Members may resign from the Federation in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009 and with rule 9 of the Civil Contractors Federation Constitution and Rules, which reads as follows:

"9 - RESIGNATION OF MEMBERS

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

(b) A notice of resignation from membership of the Federation takes effect:

(i) at the end of two weeks after the notice is received by the Federation: or

(ii) on the day specified in the notice;

whichever is later.

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

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

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

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

Other Relevant Information

Nil

Christopher Reynolds
SA Branch President

Dated in South Australia this 6th day of August 2012

Certificate of The Chief Executive Officer (SA)

I, Phillip Sutherland, the Chief Executive Officer of Civil Contractors Federation (SA Branch) hereby certify that to the best of my knowledge and belief that:

a. There were 275 members of the organisation (2011 - 230) as at the end of the financial year ended 30 June 2012.

b. The full general purpose financial report, referred to in Section 268 of the Schedule 1B Fair Work (Registered Organisations) Act 2009 was presented to SA Branch Board through the Executive on 6th August 2012.

c. The financial statements set out on pages 7 to 39 show a true and fair view of the financial affairs of the organisation as at the end of the financial year in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Standards Board.

d. A record has been kept of all money paid by, or collected from members of the organisation, and all money so paid or collected has been credited to the bank account to which the money is to be credited, in accordance with the rules of the Federation; and

e. The full general purpose financial report is a copy of that presented to the SA Branch Board on 6th August 2012 and which will be presented to a General Meeting of Members on 5th September 2012.

Phillip Sutherland
Chief Executive Officer (SA)

Dated in South Australia, this 6th day of August 2012

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ACCOUNTANTS and ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF THE
CIVIL CONTRACTORS FEDERATION – SA BRANCH

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2012 there have been:–

(i) no contraventions of the auditor independence requirements in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Michael Shulman
Partner (Registered Company Auditor: 163888)
Holder of Current Public Practice Certificate

Dated 7/8/12

Stannards Accountants and Advisors Pty Ltd
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Statement of Comprehensive Income for the Year Ended 30 June 2012

	Note	2012	2011 $
Revenues	2	5,182,151	5,260,464
EIF Grant	1(i) &2	1,366,000	797,000
Other Income	2	358,021	494,362
Employee and subcontract benefits	3	(3,263,054)	(2,755,377)
Depreciation, amortization and impairments		(677,720)	(381,071)
Advertising		(143,494)	(176,259)
Co-location		-	(95,064)
EIF overhead expenses		(611,873)	(370,144)
Employer costs		(308,243)	(173,672)
Finance costs		(40,695)	(111,667)
Functions		(178,693)	(237,277)
Levies and contributions		(142,414)	(138,014)
Motor vehicle expenses		(143,082)	(141,423)
Repairs and maintenance		(303,049)	(278,882)
Printing and stationery		(146,311)	(185,460)
Training materials and equipment		(539,107)	(408,229)
Other expenses		(815,945)	(526,623)
Profit/ (Loss) for the year		**(407,508)**	**572,664**
Other Comprehensive Income			
Revaluation increase/(decrease)		-	-
Total Comprehensive Income/ (Loss)		**(407,508)**	**572,664**

The accompanying notes form part of the financial statements

Statement of Financial Position as at 30 June 2012

	Note	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	912,815	5,793,418
Trade and other receivables	6	1,365,115	1,050,980
Other current assets	7	28,391	13,056
TOTAL CURRENT ASSETS		2,306,321	6,857,454
NON-CURRENT ASSETS			
Property, plant and equipment	8	12,724,541	6,713,695
TOTAL NON-CURRENT ASSETS		12,724,541	6,713,695
TOTAL ASSETS		15,030,862	13,571,149
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,615,231	1,390,096
Borrowings	10	490,000	-
Unearned Income	1 (i) & 12	1,366,000	1,366,000
Short term provisions	11	16,336	13,880
TOTAL CURRENT LIABILITIES		3,487,567	2,769,976
NON-CURRENT LIABILITIES			
Unearned Income	1 (i) & 12	4,671,000	3,037,000
Borrowings	10	-	490,000
Long-term provisions	11	36,692	31,062
TOTAL NON-CURRENT LIABILITIES		4,707,692	3,558,062
TOTAL LIABILITIES		8,195,259	6,328,038
NET ASSETS		6,835,603	7,243,111
EQUITY			
Retained earnings		6,835,603	7,243,111
Reserves		-	-
TOTAL EQUITY		6,835,603	7,243,111

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the Year Ended 30 June 2012

2011	Retained Earnings $	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	572,664	-	572,664
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	2,561,413	(1,988,749)	572,664
Balance at 30 June 2011	7,243,111	-	7,243,111

2012	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2011	7,243,111	-	7,243,111
(Loss) attributable to members of the entity	(407,508)	-	(407,508)
Transactions with owners in their capacity as owners			
Transfers from capital distribution to general reserve	-	-	-
Sub-total	6,835,603	-	6,835,603
Balance at 30 June 2012	**6,835,603**	-	**6,835,603**

1. Asset revaluation reserve
The asset revaluation reserve was released into retained earnings during the year ended June 2011 following the disposal of assets to which the reserve related.

Statement of Cash Flow for the Year ended 30 June 2012

	Note	2012	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other customers		5,060,417	5,718,435
Payments to suppliers and employees		(6,246,875)	(5,004,486)
Interest received		126,276	49,552
Interest paid		(40,695)	(111,667)
Receipts from CCF QLD & CCF National		27,987	45,810
Payments to CCF National		(165,502)	(231,302)
Net cash provided by (used in) operating activities	13(a)	**(1,238,392)**	**466,342**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		121,665	3,095,000
EIF Grant Received – Unearned Income		3,000,000	5,200,000
Purchase of property, plant and equipment		(6,763,876)	(1,581,949)
Net cash provided by (used in) investing activities		**(3,642,211)**	**6,713,051**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings			-
Repayment of borrowings		-	(2,510,000)
Net cash provided by (used in) financing activities		-	(2,510,000)
Other activities:			
Net increase (decreases) in cash held		(4,880,603)	4,669,393
Cash at beginning of financial year		5,793,418	1,124,025
Cash at end of financial year	4	[illegible]	**5,793,418**

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 30 June 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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 and the requirements of the Fair Work (Registered Organisations) Act 2009.

The financial statements covers Civil Contractors Federation (SA Branch) as an Individual entity. Civil Contractors Federation (SA Branch) is part of a larger corporate legal entity, the Civil Contractors Federation which is registered under the Fair Work (Registered Organisations) Act 2009.

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

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

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

Accounting Policies

a. **Income Tax**
The Branch Is registered under the Fair Work (Registered Organisations) Act 2009 and, is exempt from income tax including capital gains tax, by virtue of the provisions of s.50-15 of the Income Tax Assessment Act 1997.

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

c. **Property, Plant and Equipment**
Each class of property, plant and equipment are carried at cost or fair value, 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.

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

Notes to the Financial Statements
for the Year Ended 30 June 2012 (cont'd)

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

c. Property, Plant and Equipment (cont'd)

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

Depreciation
The depreciable amounts of all fixed assets including buildings and capitalised lease assets, are depreciated using the straight line method at rates based on their estimated useful lives commencing from the time the asset is held ready for use. 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 asset are:

Motor Vehicles	20-30%
Office Plant and Equipment	5-30%
Furniture and Fittings	10-30%
Buildings	2-5.0%
Other	10-30%

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

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

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

d. Financial Instruments

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

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

e. Employee Benefits
Provision is made for the 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 the present value of the estimated future cash flows to be made for those benefits. In determining the liability consideration is given to the probability that the employee may not satisfy vesting requirements. Those cashflows 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 employee superannuation funds and are charged as expenses when incurred.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

f. Leases

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

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

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

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

g. Goods and Services Tax (GST)

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

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

h. Revenue & 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.

Revenue for membership subscriptions is recognised proportionately over the period to which it relates. Revenue from the rendering of a service is recognised in proportion to the stage of completion of the contract.

Interest revenue

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

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 based upon the terms and conditions of the grant.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

h. Revenue & Other income (Cont'd)

Rental Income
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.

i. Change in Accounting Policy

During the 2011 financial year, the Branch received funding from the Department of Education, Employment and Workplace Relations (DEEWR) of $5.2 million for the acquisition/development of training facilities. A further $3.0 million was received in the 2012 year (i.e. $8.2 million in total). Such funding is reciprocal in nature, in that:-

- for a period of 6 years following project completion, the assets funded must be used in accordance with the DEEWR agreement; and
- the Branch cannot encumber or dispose of any of the assets without DEEWR approval during that period.

On this basis, it has been determined that such funding should be recognised as income over a 6 year period on a straight line basis in accordance with AASB 118: Revenue. The above represents a change to the accounting policy adopted in the 2011 year.

As this change in accounting policy impacts the comparative period (i.e. 30 June 2011), the statement of comprehensive income, statement of financial position and statement of changes in equity were all restated in accordance with AASB 101 as follows:

1) The EIF grant income recognised in the Statement of comprehensive income was reduced by $4,403,000 for financial year ended 30 June 2011. This adjustment resulted in the EIF grant income recognised for the financial year ended 30 June 2011, reducing from $5,200,000 to $797,000. As a result, the comprehensive income for the year ended 30 June 2011 has reduced from $4,975,664 to $572,664.

2) The $4,403,000 adjustment has been treated as unearned income in the Statement of Financial Position for the year ended 30 June 2011. $1,366,000 is classified as current unearned income liability and the remainder of $3,037,000 is classified as non-current unearned income liability.

3) The accumulated funds in the Statement of financial position for the year ended 30 June 2011 was correspondingly reduced by $4,403,000 resulting in the retained earnings reducing from $11,646,111 to $7,243,111.

The retrospective restatement due to the change in accounting policy only affects the 2011 financial year. Consequently, no restatement column for the 2010 financial year and prior years have been provided.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

i. Change in Accounting Policy (Cont'd)

Restatement of Financial Statements as a Result of Change in Accounting Policy				
	Notes	Published 2011	Change in Acc. Policy	Restated Actual 2011
Operating Statement		$	$	$
Revenue	2	5,260,464	-	5,260,464
EIF Grant	2	5,200,000	(4,403,000)	797,000
Other Income	2	494,362	-	494,362
Employee benefits		(2,755,378)	-	(2,755,378)
Depreciation, Amortisation and Impairments		(381,071)	-	(381,071)
Advertising		(176,259)	-	(176,259)
Co-location		(95,064)	-	(95,064)
EIF Overhead Expenses		(370,144)	-	(370,144)
Employer Costs		(173,672)	-	(173,672)
Finance Costs		(111,667)	-	(111,667)
Functions		(237,277)	-	(237,277)
Levies and Contributions		(138,014)	-	(138,014)
Motor Vehicle Expenses		(141,423)	-	(141,423)
Repairs and Maintenance		(278,882)	-	(278,882)
Printing & Stationery		(185,460)	-	(185,460)
Training Materials and Equipment		(408,229)	-	(408,229)
Other Operating Expenses		(526,623)	-	(526,623)

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

i. Change in Accounting Policy (Cont'd)

Profit for the year		4,975,663	(4,403,000)	572,663
Other Comprehensive Income				
Revaluation increase/ (decrease)		-	-	-
Total Comprehensive Income		**4,975,663**	**(4,403,000)**	**572,663**
Balance Sheet	**Note**	**Published 2011**	**Change in Acc. Policy**	**Restated Actual 2011**
		$	**$**	**$**
CURRENT ASSETS				
Cash and Cash Equivalents	4	5,793,418		5,793,418
Trade and Other Receivables	6	1,050,980		1,050,980
Investments		-		-
Other Assets	7	13,056		13,056
TOTAL CURRENT ASSETS		6,857,454		6,857,454
NON-CURRENT ASSETS				
Property, plant and equipment	8	5,933,347		5,933,347
Education Investment Fund	8	780,348		780,348
TOTAL NON-CURRENT ASSETS		6,713,695		6,713,695
TOTAL ASSETS		13,571,149		13,571,149
CURRENT LIABILITIES				
Trade and Other Payables	9	1,390,096		1,390,096
Short Term Provisions	11	13,880		13,880
Unearned Income		-	1,366,000	1,366,000
TOTAL CURRENT LIABILITIES		1,403,976	1,366,000	2,769,976
NON CURRENT LIABILITIES				
Bank Loan	10	490,000		490,000
Long Term Provisions	11	31,062		31,062
Deferred Income		-	3,037,000	3,037,000

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

i. Change in Accounting Policy (Cont'd)

TOTAL NON CURRENT LIABILITIES		521,062	3,037,000	3,558,062
TOTAL LIABILITIES		1,925,038	4,403,000	6,328,038
NET ASSETS		**11,646,111**	**(4,403,000)**	**7,243,111**
EQUITY				
Retained Earnings		11,646,111	(4,403,000)	7,243,111
Reserves				
TOTAL EQUITY		**11,646,111**	**(4,403,000)**	**7,243,111**
Change in Equity		**Retained Earnings**	**Asset Revaluation Reserve**	**Total**
Balance as at 1 July 2010		**4,681,698**	**1,988,749**	**6,670,447**
Profit/ (Loss) attributable to members		4,975,664		**4,975,664**
Revaluation Increment (decrement)				-
Transfer from Asset Revaluation Reserve		1,988,749	(1,988,749)	-
Published Balance as at 30 June 2011		**11,646,111**	-	**11,646,111**
Adjustment due to change in accounting policy		(4,403,000)		**(4,403,000)**
Restated Balance as at 30 June 2011		**7,243,111**	-	**7,243,111**

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

j. Operating Segment

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

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

k. Critical Accounting Estimates and Judgements

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

Key Estimates – Impairment

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

No impairment has been recognised in respect of any assets for the year ended 30 June 2012, except as stated in the report.

Key Judgements - Doubtful Debts Provision

The Board have assessed each debtor and have estimated a provision for doubtful debts amounting to $25,617 (2011: $29,595). The Board believes that the full amount of the remaining debtors are recoverable.

l. 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 is disclosed.

m. 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.

n. 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

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

o. 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.

p. 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.

q. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Branch. The Branch has decided not to early adopt any of the new and amended pronouncements. The Branch's assessment of the new and amended pronouncements that are relevant to the Branch but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key 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;
- 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; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

q. New Accounting Standards for Application in Future Periods (Cont'd)

The Branch has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 1053: Applications of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements.

  - Tier 1: Australian Accounting Standards; and
  - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

  Tier 2 of the framework comprises the recognition, measurement and presentation requirements for Tier 1, but contains significantly fewer disclosure requirements.

  Management is yet to determine whether to adopt the reduced disclosure requirements.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

  This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

  Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

  The amendments are not expected to significantly impact the Branch.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interest in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Branch has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

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

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Branch.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Branch.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Branch.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

  The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

  This Standard affects presentation only and is therefore not expected to significantly impact the Branch.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

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

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

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Branch does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  - (i) for an offer that may be withdrawn – when the employee accepts;
  - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
  - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Branch has not yet been able to reasonably estimate the impact of these changes to AASB 119.

r. Information to be provided to Members or General Manager of FWA

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

1. A member of 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).

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

		2011 $
NOTE 2: REVENUE AND OTHER INCOME		
Operating revenue:		
Qualifications	1,635,824	1,995,565
Short courses	2,040,544	1,912,662
Member subscriptions	554,105	523,624
Function and Sponsorship income	278,599	341,617
Production income	379,148	280,178
Other	293,931	206,818
	5,182,151	5,260,464
EIF Grant		
EIF Grants Received	1,366,000	797,000
	1,366,000	797,000
Other Income		
Grants received	56,732	215,927
Interest received	40,630	36,497
Lease income	58,143	169,550
Interest Received EIF	85,646	13,055
Profit on Disposal of Assets	46,354	9,651
Other	70,516	49,682
	358,021	494,362
Total Revenue	6,906,172	6,551,826
NOTE 3: SIGNIFICANT EXPENSES		
The following significant expense items are relevant in explaining the financial performance:		
Depreciation, amortization and impairments	677,720	381,071
CCF National Levy	142,414	138,014
Meeting expenses	24,602	24,499
Finance costs	40,695	111,667
Legal Costs	21,465	3,921
Contract Labour	604,999	578,365
Salaries & Wages	2,246,528	1,826,370
Annual Leave	196,862	157,158
Long service leave	8,086	18,303
Superannuation contributions	206,579	175,181
EIF overhead expenses	[illegible]	370,144

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.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

	2012 $	2011 $
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	1,500	1,500
Operating accounts	247,612	1,206,910
Saving accounts	349,899	127,979
EIF Project accounts	313,804	4,457,029
	912,815	5,793,418

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.

	Note	2012 $	2011 $
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	14	912,815	5,793,418
		912,815	5,793,418
NOTE 5: AUDITORS REMUNERATION			
Remuneration of the auditor for:			
- auditing the financial report – 2012		10,750	-
- auditing the financial report – 2011		-	12,600
- other services – 2012		4,100	-
- other services - 2011		-	10,855
		14,850	23,455

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

	Note	2012 $	2011 $
NOTE 6: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables	6 (b)	1,389,380	1,068,534
Provision for impairment of receivables	6 (a)	(25,617)	(29,595)
Sundry debtors		1,352	12,041
		1,365,115	1,050,980

(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 receivables is impaired. These amounts have been included in other expense item.

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

Provision for impairment as at 30 June 2010	36,520
Written off	(6,925)
Provision for impairment as at 30 June 2011	29,595
Written Off	(3,978)
Provision for impairment as at 30 June 2012	25,617

(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 receivables 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 other 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 branch. The balances of receivables that remain within 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 $
2012 Trade & term receivables	1,390,732	25,617	61,278	16,217	24,553	1,263,067
2011 Trade & term receivables	1,080,575	29,595	124,278	26,855	48,346	851,501

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

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

(c) Collateral held as security

The Branch does not hold any collateral over any receivables balances

(d) Financial assets classified as loans and receivables	**2012**	**2011**
	$	**$**
Trade and other receivables	1,365,115	1,050,980
Financial assets	1,365,115	1,050,980

NOTE 7: OTHER ASSETS

CURRENT		
Prepayments	21,981	7,401
Accrued income and other	6,410	5,655
	28,391	13,056

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Freehold land		
At cost	2,075,000	2,075,000
	2,075,000	2,075,000
Buildings		
At Cost	6,657,579	3,151,672
Accumulated depreciation	(230,466)	(114,585)
	6,427,113	3,037,087
EIF Capital works in progress		
At Cost	-	780,348
	-	780,348
Plant and equipment		
At cost	5,678,273	1,743,768
Accumulated depreciation	(1,615,602)	(1,183,288)
	4,062,671	560,480
Furniture, fixture and fittings		
At cost	448,644	435,793
Accumulated depreciation	(328,197)	(291,297)
	120,447	144,496
Motor vehicles		
At cost	228,556	572,257
Accumulated depreciation	(201,790)	(468,517)
	26,766	103,740
Other		
At cost	62,000	62,000
Accumulated deprecation	(49,456)	(49,456)
	12,544	12,544
TOTAL PROPERTY, PLANT AND EQUIPMENT	12,724,541	6,713,695

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Movements in Carrying Amounts

Movements in 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 & Equipment $	Furniture, Fixtures & Fittings $	Motor Vehicles $	Other Property, Plant & 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 the beginning of year	780,348	2,075,000	3,037,087	560,480	144,496	103,740	12,544	6,713,695
Additions	-	-	3,578,579	3,946,237	19,408	-	-	7,544,224
Disposals	(780,348)	-	(60,611)	-	(2,227)	(12,472)	-	(855,658)
Depreciation	-	-	(127,942)	(444,046)	(41,230)	(64,502)	-	(677,720)
Balance at 30 June 2012	-	2,075,000	6,427,113	4,062,671	120,447	26,766	12,544	12,724,541

9. TRADE AND OTHER PAYABLES

	Note	2012 $	2011 $
CURRENT			
Trade payables		598,189	170,738
Amounts received in advance		689,568	599,950
Employee benefits		127,194	119,974
Sundry payables and accrued expenses		200,280	499,434
		1,615,231	1,390,096

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

	Note	2012	2011
Trade and other payables - Total Current		1,615,231	1,390,096
Less:			
Employee benefits		(127,194)	(119,974)
Amounts received in advance		(689,568)	(599,950)
Financial liabilities as trade and other payables	14	798,469	670,172

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

	Note	2012 $	2011 $
10. BORROWINGS			
Current			
Secured liabilities			
Bank loans	14	490,000	-
		490,000	-
Non-Current			
Secured liabilities			
Bank loans	14	-	490,000
		-	490,000

(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.

	2012 $	2011 $
11. PROVISIONS		
Current		
Employee benefits	16,336	13,880
	16,336	13,880
Non-Current		
Employee benefits	36,692	31,062
	36,692	31,062

	Employee Entitlements $	Total $
. PROVISIONS		
Opening balance at 1 July 2011	44,942	44,942
Additional provisions	8,086	8,086
Balance at 30 June 2012	53,028	53,028

Analysis of Total Provisions	2012 $	2011 $
Current	16,336	13,880
Non-Current	36,692	31,062
	53,028	44,942

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.

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

	2012 $	2011 $
12. UNEARNED INCOME		
Current	1,366,000	1,366,000
Non-Current	4,671,000	3,037,000
	6,037,000	4,403,000

The Branch was awarded a contract for the grant of $8.2 million during the financial year ended 30th June 2011 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 EIF grant has been deferred and will be recognised as income over a six year period in accordance with AASB 118 as the expenditure (in particular depreciation) would better match the grant income.

13. CASH FLOW INFORMATION

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

	2012 $	2011 $
Profit from ordinary activities	(407,508)	572,664
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
EIF Income	(1,366,000)	(797,000)
Depreciation	677,720	381,071
Net (gain)/loss on disposal of property, plant and equipment	(46,354)	(9,652)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(314,135)	6,269
(Increase)/decrease in other assets	(15,335)	45,777
Increase/(decrease) in trade payables and accruals	217,915	212,743
Increase/(decrease) in provisions	15,305	54,470
	(1,238,392)	466,342

14. 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:

Notes to the Financial Statements
for the Year Ended 30 June 2012 (cont'd)

14. FINANCIAL RISK MANAGEMENT (cont'd)

	Note	2012 $	2011 $
Financial Assets			
Cash and cash equivalents		912,815	5,793,418
Trade and other receivables		1,365,115	1,050,980
Total financial assets		2,277,930	6,844,398
Financial Liabilities			
Financial liabilities at amortised costs			
- Trade and other payables		798,469	670,172
- Borrowings		490,000	490,000
Total financial liabilities		1,288,469	1,160,172

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 meets regularly and review 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 2012, 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 Branch are discussed in Note 14.

Notes to the Financial Statements
for the Year Ended 30 June 2012 (cont'd)

14. FINANCIAL RISK MANAGEMENT (cont'd)

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

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.

Financial liability maturity analysis – Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank overdrafts and loans	490,000	-		490,000	-	-	490,000	490,000
Trade and other payables (excluding estimated annual leave)	798,469	670,172	-	-	-	-	798,469	670,172
Total contractual outflows	1,288,469	670,172		490,000	-	-	1,288,469	1,160,172

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$	$	$
Financial assets – cash flows realisable								
Cash and cash equivalents	912,815	5,793,418	-	-	-	-	912,815	5,793,418
Trade, term and loans receivable	1,365,115	1,050,980	-	-	-	-	1,365,115	1,050,980
Total contractual outflows	2,277,930	6,844,398	-	-	-	-	2,277,930	6,844,398

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

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.

14. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit risk (cont'd)

Collateral held by Civil Contractors Federation SA Branch securing receivable 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 considerate to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

(d) 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.

	2012		2011	
	Net Carrying Value $	Net Fair Value $	Net Carrying Value $	Net Fair Value $
Financial assets				
Cash and cash equivalents	912,815	912,815	5,793,418	5,793,418
Trade and other receivables	1,365,115	1,365,115	1,050,980	1,050,980
Total financial assets	2,277,930	2,277,930	6,844,398	6,844,398
Financial liabilities				
Trade and other payables	798,469	798,469	670,172	670,172
Bank debt	490,000	490,000	490,000	490,000
Total financial liabilities	1,288,469	1,288,469	1,160,172	1,160,172

Interest rate risk sensitivity analysis

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

14. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Net Fair Values (Cont'd)

As 30 June 2012, 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:

	2012 $	2011 $
Change in Profit		
- Increase in interest rate by 2% (2011: 2.0%)	8,456	106,068
- Decrease in interest rate by 0.5% (2011: 0.5%)	(2,114)	(26,517)
Change in Equity		
- Increase in interest rate by 2% (2011: 2.0%)	8,456	106,068
- Decrease in interest rate by 0.5% (2011: 0.5%)	(2,114)	(26,517)

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

15. 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.

16. CAPITAL AND LEASING COMMITMENTS

(a) **Capital Expenditure Commitments**

Capital expenditure commitments contracted for:	2012 $	2011 $
Renovations of Thebarton Property	-	-
EIF Project commitments		
Simulators	-	867,140
Mobile training units	-	120,000
Building redevelopment	-	2,418,164
		3,405,304
Payable		
- not later than 12 months	-	3,405,304
	-	3,405,304

(b) Operating Lease Commitments

Non- cancellable operating leases payable in respect of motor vehicles and equipment

	2012 $	2011 $
Less than one year	155,607	18,942
More than one year but less than five years	205,214	8,610
Total Operating Lease Commitments	360,821	27,552

17. 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:	2012 $	2011 $
Purchases from related parties:		
Civil Contractors Federation – NSW	-	-
Civil Contractors Federation – WA	-	65
Civil Contractors Federation – VIC	4.077	15,413
Civil Contractors Federation – QLD	201	2,610
Civil Contractors Federation – NT	5,403	-
Civil Contractors Federation – KEW	199,926	211,889
Paluszek Enterprises	67,873	77,200
Sales to related parties:		
Civil Contractors Federation – NTRU	-	1,456
Civil Contractors Federation – NSW	-	730
Civil Contractors Federation – TAS	7,945	9,550
Civil Contractors Federation – QLD	1,707	-
Civil Contractors Federation – KEW	19,872	42,506

Notes to the Financial Statements for the Year Ended 30 June 2012 (cont'd)

17. RELATED PARTY TRANSACTIONS (cont'd)

Civil Contractors Federation – WA	424	1,456
Year end balances with related parties:		
Civil Contractors Federation – NSW	-	730
Civil Contractors Federation – VIC	(22)	
Civil Contractors Federation – TAS	1,035	4,645
Civil Contractors Federation – QLD	1,707	-
Civil Contractors Federation – KEW	(34,370)	4,645
Civil Contractors Federation – WA	424	-
Civil Contractors Federation – NT	(915)	-
Paluszek Enterprises	(5,190)	-

T Paluszek has a financial interest in Paluszek Enterprises. During the year the Branch used Paluszek Enterprises on an arm's length basis to provide training services to the Branch.

18. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after balance date.

19. INTEREST 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 $
2012				
Total compensation	531,033	43,376	-	574,409
2011				
Total compensation	475,137	39,507	-	514,644

No remuneration benefits were paid to officeholders during the year, nor are any entitlement provisions set aside for them at reporting date.

20. 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

stannards
ACCOUNTANTS and ADVISORS

INDEPENDENT AUDITOR'S 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 2012, 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, and 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Stannards Accountants and Advisors Pty Ltd
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Partners
Marino Angelini, CA
Michael Shulman, CA
Nello Traficante, CPA
Jason Wall, CA
Nicole Postan, CA

stannards
ACCOUNTANTS and ADVISORS

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

Independence

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

Auditor's opinion

1. In our opinion the financial report of Civil Contractors Federation (SA Branch) at 30 June 2012 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 CCSA in respect of the year to 30 June 2012 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.

STANNARDS ACCOUNTANTS & ADVISORS

M B SHULMAN (Holder of Public Practice Certificate)
Partner
Auditor Registration no. 163888

Dated in Melbourne this 7th of Aug 2012

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www.civilcontractors.com

CIVIL TRAIN
The Training Division of the CCF

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 21 August 2012 and

• that the full report was presented at a meeting of the committee of management of the reporting unit on 6 August 2012 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 5th September 2012

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Signature

Name Christopher Reynolds

Branch President

Date: 5 September 2012