



17 September 2014

Gerard Beltrame  
Branch President  
Civil Contractors Federation, South Australia Branch  
1 South Road  
Thebarton SA 5031

via e-mail: [ccfsa@civilcontractors.com](mailto:ccfsa@civilcontractors.com)

Dear Mr Beltrame

**Civil Contractors Federation, South Australia Branch  
Financial Report for the year ended 30 June 2014 - FR2014/153**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Civil Contractors Federation, South Australia Branch. The financial report was lodged with the Fair Work Commission (FWC) on 12 September 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

## DESIGNATED OFFICER'S CERTIFICATE

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

I Gerard Beltrame 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 7<sup>th</sup> August 2014; and
- That the full report was accepted after the presentation to the committee of management on 7<sup>th</sup> August 2014 in accordance with section 266 of the Fair Work (registered Organisations) Act 2009; and
- 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 10<sup>th</sup> September 2014.



Signature

Gerard Beltrame  
Branch President

Date 10<sup>th</sup> September 2014

# CCFSA



CIVIL CONTRACTORS  
FEDERATION

CIVIL CONTRACTORS FEDERATION (SA BRANCH)  
ABN 65 484 720 549

# Financial Report

For The Year Ended 30 June 2014

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**Committee of Management Statement  
For the Year Ended 30 June 2014**

On 7<sup>th</sup> August 2014, the Committee of Management (Board) of the Civil Contractors Branch (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 2014.

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

- (a) the financial statements and notes comply with the Reporting Guidelines of the General Manager of FWC and Australian Accounting Standards;
- (b) 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;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (d) 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 general purpose financial report relates and since the end of that year:
  - (i) meetings of the SA Branch Board were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009, and the Fair Work (Registered Organisations) Regulations 2009;
  - (iv) the information sought in any request of a member of the reporting unit or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC;
  - (v) 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 organisation;
  - (vi) there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

For Committee of Management (Board):  
Gerard Beltrame  
CCF SA Branch President

  
Signature

Date: 7<sup>th</sup> August 2014

## **Operating Report For the Year Ended 30 June 2014**

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 to represent and promote the Civil Contracting Industry including the provision of technical and other information, the conduct of events and activities and in the provision of training services to members and the public.

The Branch represents its members to all levels of Government and lobbies for a regulatory and taxation environment that is supportive of the civil construction industry. 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 public investment in transport and other infrastructure.
- 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 supported as required to ensure compliance with relevant industrial relations and work health & safety legislative requirements.
- A number of networking events and forums were held to discuss, brief and advise members on issues of relevance to the civil industry.

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

The Branch's principal activities resulted in a surplus of \$160,032 (2013 surplus of \$1,742).

The Branch surplus for the financial year ended 30 June 2014 can be attributed to a number of factors. These include the following:-

- Growth in training activities despite the state of the economy;
- Cut backs in expenditure during the year; and
- Growth in Membership

The Branch continues to refine its operations to meet the challenges of a slow state economy

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

There were no significant changes in the nature of the Branch's principal activities during the financial year.

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

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

## CIVIL CONTRACTORS BRANCH (SA BRANCH)

### Operating Report For the Year Ended 30 June 2014 (cont'd)

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

No officer, or member of the reporting unit [to the best of my knowledge] holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

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

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 196 associate members, 38 Associate Stakeholders (also known as Affiliates), 3 Life members and 274 Full members. Total being 511.

#### 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 Branch including full and or part-time employees measured on a full-time equivalent basis was 34.06.

#### 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:

Name	Title	Period Of Office
Gerard Beltrame	Branch President	11-09-13 to 30-06-14
Christopher Reynolds	Branch President	01-07-13 to 11-09-13
Paul Davison	Branch Vice President	11-09-13 to 30-06-14
Gerard Beltrame	Branch Vice President	01-07-13 to 11-09-13
Andrew Young	Branch Honorary Treasurer	01-07-13 to 30-06-14
<b>SA Board Members</b>		
Jessica Tucker	Branch Board Member	03-09-13 to 30-06-14
Ted Paluszek	Branch Board Member	01-07-13 to 30-06-14
Chris Plumb	Branch Board Member	07-09-13 to 30-06-14
Christopher Reynolds	Branch Board Member	11-09-13 to 30-06-14
Mike Forster	Branch Board Member	07-04-14 to 30-06-14
Anthony Baulderstone	Branch Board Member	01-07-13 to 07-04-14
Andrew Lukasik	Branch Board Member	01-07-13 to 11-09-13
John Allen	Branch Board Member	01-07-13 to 11-09-13
Stephen Fines-Phillips	Branch Board Member	01-07-13 to 11-09-13
Nick Karapetsas	Branch Board Member	01-07-13 to 11-09-13
Jim Miller	Branch Board Member	01-07-13 to 11-09-13
Andrew White	Branch Board Member	01-07-13 to 11-09-13
Paul Davison	Branch Board Member	01-07-13 to 11-09-13
Tom Newland	Associate Member Rep (Observer)	01-07-13 to 30-06-14
Russell Bianco	Associate Member Rep (Observer)	11-09-13 to 30-06-14
Cathy Mayfield	Associate member Rep (Observer)	01-07-13 to 11-09-13
The persons who held office as Board Members of the National Branch during the Financial year were:		
Anthony Baulderstone	National President	25-10-2013 to 30-06-2014
Anthony Baulderstone	National Board Member	01-07-13 to 25-10-13
Christopher Reynolds	National Board Member	25-10-2013 to 30-06-2014
Christopher Reynolds	Alternate Board Member	01-07-13 to 25-10-13

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

**Operating Report  
For the Year Ended 30 June 2014 (cont'd)**

**Officers & employees who are directors of a company or a member of a board**

Details of officers and employees, who are directors of a company or a member of a board, are as follows:

<b>Name of Officeholder</b>	<b>Name of Company or Board</b>	<b>Position Held</b>	<b>Principal Activity of Company or Board</b>	<b>Position Held because officer or employee of the Branch or nominated by the Branch or Peak Council</b>
Gerard Beltrame	Beltrame Civil	Director	Civil Construction	No
Paul Davison	Davison Earthmovers	Chief Executive Officer	Civil Construction	No
Andrew Young	Top Coat Asphalt Contractors Pty Ltd	General Manager	Asphalt Contractors	No
	Asphalt Pavement Association (AAPA) SA Branch	Secretary	Represent the interests of Asphalt Companies in South Australia	No
Mike Forster	Lend Lease	Bid Manager	NA	NA
Ted Paluszek	Paluszek Enterprises Pty Ltd	Director & Shareholder	Training Delivery and audit services	No
Chris Plumb	McMahon Services Australia Pty Ltd	Construction Manager Industrial Engineering	Civil Construction	No
Christopher Reynolds	Crest Constructions	Director	Civil Construction	No
	Dial Before You Dig	Board Member	To provide referral service for information regarding underground assets	No
	Civil Contractors Federation	Board Member SA Representative	Peak industry body representing the Civil Industry nationally	Nominated by the branch
Jessica Tucker	Renfrey Plant Hire Services	Business Manager	NA	
Phillip Sutherland	Altona Energy	Non-Executive Director	Evaluation and development of the companies Coal resources	No



## CIVIL CONTRACTORS BRANCH (SA BRANCH)

(As Above)	City of Onkaparinga	Councillor	Local Government	No
	CITB	Board Member	Supports SA Construction Industry in Training and Skills Development for its workforce	Nominated by the branch

### Operating Report For the Year Ended 30 June 2014 (cont'd)

#### Manner of resignation

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

#### **"9 - RESIGNATION OF MEMBERS**

- (a) A Member may resign from the Branch by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Branch takes effect:
- (i) at the end of two weeks after the notice is received by the Branch; or
  - (ii) on the day specified in the notice;
- whichever is later.
- (c) Any dues payable but not paid by a former Member of the Branch in relation to a period before the Member's resignation from the Branch took effect, may be sued for and recovered in the name of the Branch, in a court of competent jurisdiction, as a debt due to the Branch.
- (d) A notice delivered to the person mentioned in sub rule (1) shall be taken to have been received by the Branch when it was delivered.
- (e) A notice of resignation that has been received by the Branch is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Branch is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Branch that the resignation has been accepted."

#### **Other Relevant Information**

Nil



Gerard Beltrame  
**SA Branch President**

Dated in South Australia this 7/8/2014

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2014 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 Pty Ltd  
Level 1, 60 Toorak Road, South Yarra VIC 3141



**Michael Shulman**  
Partner (Registered Company Auditor: 163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations)

Dated: 7<sup>th</sup> August 2014

**Statement of Profit and Loss  
for the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
Trading Revenue	2	5,684,897	5,021,143
EIF Grant	2	1,366,000	1,366,000
Other Income	2	178,494	209,917
Employee benefits	3a	(3,147,928)	(3,001,781)
Depreciation, amortisation and impairment	3b	(1,212,017)	(1,269,061)
Advertising		(84,203)	(77,455)
Employer costs		(222,579)	(203,990)
Finance costs		(26,335)	(34,239)
Functions, seminars and conference costs		(379,221)	(219,240)
National levy	3c	(167,661)	(184,000)
Motor vehicle expenses		(98,036)	(96,571)
Repairs and maintenance		(295,253)	(260,124)
Printing and stationery		(101,568)	(81,066)
Training materials and equipment		(495,784)	(363,844)
Other expenses	3d	(838,774)	(803,947)
<b>Profit/ (Loss) for the year</b>		<b>160,032</b>	<b>1,742</b>
<b>Other Comprehensive Income</b>			
Revaluation increase/(decrease) in property		-	-
<b>Total Comprehensive Income</b>		<b>160,032</b>	<b>1,742</b>

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

The accompanying notes form part of the financial statements

**Statement of Financial Position  
as at 30 June 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	352,303	387,165
Trade and other receivables	5	1,294,238	1,189,885
Other current assets	6	166,901	109,549
<b>TOTAL CURRENT ASSETS</b>		<b>1,813,442</b>	<b>1,686,599</b>
<b>NON-CURRENT ASSETS</b>			
Other non current assets	6	12,500	12,500
Property, plant and equipment	7	10,443,393	11,513,245
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,455,893</b>	<b>11,525,745</b>
<b>TOTAL ASSETS</b>		<b>12,269,335</b>	<b>13,212,344</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,295,305	1,071,178
Borrowings	9	490,561	490,561
Unearned Income	12	1,366,000	1,366,000
Short term provisions	10	125,747	99,652
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,277,613</b>	<b>3,027,391</b>
<b>NON-CURRENT LIABILITIES</b>			
Unearned Income	12	1,939,000	3,305,000
Borrowings	9	-	-
Long-term provisions	10	55,345	42,608
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,994,345</b>	<b>3,347,608</b>
<b>TOTAL LIABILITIES</b>		<b>5,271,958</b>	<b>6,374,999</b>
<b>NET ASSETS</b>		<b>6,997,377</b>	<b>6,837,345</b>
<b>EQUITY</b>			
Retained earnings		6,997,377	6,837,345
Reserves		-	-
<b>TOTAL EQUITY</b>		<b>6,997,377</b>	<b>6,837,345</b>

The accompanying notes form part of these financial statements

**Statement of Changes in Equity  
for the Year Ended 30 June 2014**

2013	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 1 July 2012</b>	6,835,603	-	6,835,603
Profit attributable to members of the entity	1,742	-	1,742
Transactions with owners in their capacity as owners	-	-	-
<b>Sub-total</b>	<b>6,837,345</b>	<b>-</b>	<b>6,837,345</b>
<b>Balance at 30 June 2013</b>	<b>6,837,345</b>	<b>-</b>	<b>6,837,345</b>
2014	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 1 July 2013</b>	6,837,345	-	6,837,345
Profit attributable to members of the entity	160,032	-	160,032
Transactions with owners in their capacity as owners	-	-	-
<b>Sub-total</b>	<b>6,997,377</b>	<b>-</b>	<b>6,997,377</b>
<b>Balance at 30 June 2014</b>	<b>6,997,377</b>	<b>-</b>	<b>6,997,377</b>

**CIVIL CONTRACTORS BRANCH (SA BRANCH)****Statement of Cash Flow  
for the Year ended 30 June 2014**

	Note	2014	2013
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and other customers		5,716,499	5,353,432
Payments to suppliers and employees		(5,383,532)	(5,574,554)
Interest received		6,434	15,378
Interest paid		(26,335)	(34,239)
Receipts from Related Parties	17(f)	35,355	32,938
Payments to Related Parties	17(f)	(241,118)	(302,507)
<b>Net cash provided by (used in) operating activities</b>	13(a)	<b>107,303</b>	<b>(509,552)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	96,460
Purchase of property, plant and equipment		(142,165)	(113,119)
<b>Net cash provided by (used in) investing activities</b>		<b>(142,165)</b>	<b>(16,659)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	561
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>561</b>
<b>Net increase (decreases) in cash held</b>		<b>(34,862)</b>	<b>(525,650)</b>
Cash at beginning of financial year		387,165	912,815
<b>Cash at end of financial year</b>	4	<b>352,303</b>	<b>387,165</b>

The accompanying notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 June 2014**

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

The financial report covers Civil Contractors Branch (SA Branch) as an Individual entity. Civil Contractors Branch (SA Branch) is a Branch incorporated in South Australia under the Fair Work (Registered Organisations) Act 2009. It is a 'not for profit' entity.

**Basis of Preparation**

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

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

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

**Accounting Policies**

**a. Income Tax**

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

**b. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, 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 plant and equipment are carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

*Cost and valuation*

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

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those 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 been discounted to present value in determining recoverable amounts.

## Notes to the Financial Statements for the Year Ended 30 June 2014 (cont'd)

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

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

##### Depreciation

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

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

	2014	2013
Office Plant and Equipment	5-33%	5-30%
Furniture and Fittings	4%-33%	4-30%
Buildings (straight line)	2.5%-10%	2.5-10%
Other	10-30%	10-30%

The Branch undertook a depreciation rate review during the year and some revision to prior years rates (albeit marginal) were made on a prospective basis.

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 recoverable amount if the carrying amount is greater than 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 Statement of Profit and Loss.

#### 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 Board assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen, impairment losses are recognised in the Statement of Profit and Loss.

#### e. Employee Benefits

##### Short-term employee benefits

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

The Branch's obligations for short-term employee benefits such as wages, salaries and vesting sick leave are recognised as part of current trade and other payables in the statement of financial position. The Branch's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.



**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**e. Employee Benefits (cont'd)**

Other long-term employee benefits

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

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

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

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

**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 written down value 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 lease interest expense for the period.

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

**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.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**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 Branch 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. Any contribution received in advance for the next period is included in deferred income.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the 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 then credited to income based upon the terms and conditions of the grant.

**i. Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform with 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.

**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. Its role is to represent and promote the Civil Contracting Industry including the provision of technical and other information, the conduct of events and activities and in the provision of training services to members. The Branch represents its members at all levels of Government and lobbies for a regulatory and taxation environment that is supportive of the civil construction industry

**k. Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

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

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

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

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

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

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

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

**m. Capitation Fees**

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

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**n. 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 2014, 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 \$12,409 (2013: \$14,869). The Board believes that the full amount of the remaining debtors are recoverable.

**o. Branch Relationship with the Civil Contractors Branch**

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 Branch.

The ownership of Branch assets and responsibility for Branch liabilities are believed to ultimately rest with the Civil Contractors Branch. It is therefore possible that Branch assets may be appropriated by the Civil Contractors Branch to meet its obligations.

**p. 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 Branch either nationally or in respect of its other Branches

**q. 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.

**r. 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.

## Notes to the Financial Statements for the Year Ended 30 June 2014 (cont'd)

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

#### s. New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

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

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

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

- AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable to annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Branch's financial statements.

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Branch's financial statements.

- AASB 2013-3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Branch's financial statements.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

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

- AASB 2013-4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Branch's financial statements.

- AASB 2013-5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As the Branch does not meet the definition of an investment entity, this Standard will not impact the Branch's financial statements.

**t. Information to be provided to Members or General Manager of FWC**

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

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

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	2014 \$	2013 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Operating revenue:		
Qualifications	2,662,350	2,025,919
Short courses	1,963,228	1,851,191
Member subscriptions	569,364	557,806
Function and Sponsorship income	338,812	316,618
Production income	-	(57,967)
Publication Income	16,033	12,291
Advertising Income	48,222	67,338
Grants received	18,660	49,040
Other	68,228	198,907
Capitation Fees	-	-
Compulsory Levy & Voluntary Levy	-	-
Affiliation Fees	-	-
Financial Support - Branches	-	-
	<u>5,684,897</u>	<u>5,021,143</u>
<b>EIF Grant</b>		
EIF Grants Received	1,366,000	1,366,000
	<u>1,366,000</u>	<u>1,366,000</u>
<b>Other Income</b>		
Interest received	6,434	12,620
Directors fees	9,701	-
Lease income	98,605	69,969
Interest Received EIF	-	2,758
Profit on Disposal of Assets	-	53,606
Other	63,754	70,964
	<u>178,494</u>	<u>209,917</u>
Total Revenue	<u>7,229,391</u>	<u>6,597,060</u>
<b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>		
The operating profit of the Branch before income tax expense has been determined after:		
<b>a. Employee Benefits</b>		
Salaries	2,887,052	2,658,467
Superannuation	222,044	201,847
Annual leave and long service leave	38,832	141,467
	<u>3,147,928</u>	<u>3,001,781</u>
<b>b. Depreciation and Amortisation</b>		
Plant and equipment	1,212,017	1,269,061
	<u>1,212,017</u>	<u>1,269,061</u>
<b>c. Levy</b>		
National office levy	167,661	184,000
	<u>167,661</u>	<u>184,000</u>

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

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	2014 \$	2013 \$
<b>d. Other expenses</b>		
Accounting fees	1,410	450
Auditor's Remuneration	13,680	14,100
	<u>15,090</u>	<u>14,550</u>
Affiliation Fees		
Attendance Allowance / Fee	-	-
Bad debts	-	9,380
Bank charges	16,969	16,483
Board / Committee meeting expenses	8,881	3,123
Consultancy fees	82,507	105,940
Donations / Grants – Non Political	70	-
Insurance	71,806	73,787
Leasing Costs	129,822	145,923
Legal Costs – Litigation	-	-
Legal Costs – Other Matters	15,082	10,262
Licence fee and membership	17,162	7,937
Office rent and outgoings	78,224	60,502
RO Act Penalties	-	-
Employer Payroll Deduction Costs	-	-
Sponsorship	10,176	-
Subscriptions – Political Parties	-	-
Travel	55,715	21,103
Utilities	76,561	74,592
Production and distribution	81,136	63,392
Other general expenses	179,573	196,973
	<u>838,774</u>	<u>803,947</u>

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash on hand	2,100	1,800
Operating accounts	350,203	143,346
Saving accounts	-	242,019
	<u>352,303</u>	<u>387,165</u>

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

	2014 \$	2013 \$
<b>(a) Reconciliation of cash</b>		
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	14 352,303	387,165
	<u>352,303</u>	<u>387,165</u>



**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	Note	2014 \$	2013 \$
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade receivables	5 (b)	1,290,433	1,189,449
Provision for impairment of receivables	5 (a)	(12,409)	(14,869)
Sundry debtors	5 (b)	16,214	15,305
		<u>1,294,238</u>	<u>1,189,885</u>

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

Current trade receivables are non-interest bearing and settle 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 1 July 2012	25,617
Written Off	<u>(10,748)</u>
Provision for impairment as at 30 June 2013	<u>14,869</u>
Written Off	<u>(2,460)</u>
Provision for impairment as at 30 June 2014	<u>12,409</u>

**(b) Credit risk – Trade and Other Receivables**

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specially provided for and mentioned within Note 5. 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 \$
2014						
Trade & term receivables	1,306,647	12,409	68,253	24,814	53,304	1,147,867
2013						
Trade & term receivables	1,204,754	14,869	109,137	23,306	61,764	995,678

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 2014 (cont'd)**

**NOTE 5: TRADE AND OTHER RECEIVABLES (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**

	2014	2013
	\$	\$
Trade and other receivables	1,294,238	1,189,885
Financial assets	<u>1,294,238</u>	<u>1,189,885</u>

**NOTE 6: OTHER ASSETS**

**CURRENT**

Prepayments	74,984	55,925
Accrued income and other assets	91,917	53,624
	<u>166,901</u>	<u>109,549</u>

**NON-CURRENT**

Shares in unlisted company – at Board valuation	<u>12,500</u>	<u>12,500</u>
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**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

Freehold land		
At cost	2,075,000	2,075,000
	<u>2,075,000</u>	<u>2,075,000</u>

Buildings		
At Cost	6,713,314	6,678,286
Accumulated depreciation	(769,796)	(497,330)
	<u>5,943,518</u>	<u>6,180,956</u>

Course Materials		
At Cost	21,175	11,685
Accumulated depreciation	(4,551)	(302)
	<u>16,624</u>	<u>11,383</u>

Plant and equipment		
At cost	5,759,488	5,711,009
Accumulated depreciation	(3,452,742)	(2,561,734)
	<u>2,306,746</u>	<u>3,149,275</u>

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	2014 \$	2013 \$
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT (cont'd)</b>		
Furniture, fixture and fittings		
At cost	463,565	464,391
Accumulated depreciation	(362,104)	(367,804)
	<u>101,461</u>	<u>96,587</u>
Other		
At cost	49,500	49,500
Accumulated depreciation	(49,456)	(49,456)
	<u>44</u>	<u>44</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b><u>10,443,393</u></b>	<b><u>11,513,245</u></b>

**(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 \$	Course Materials \$	Other Property, Plant & Equipment \$	Total \$
<b>Balance at the beginning of year</b>	-	2,075,000	6,427,113	4,062,671	120,447	-	44	12,712,041
Additions	-	-	37,061	32,735	31,638	11,685	-	113,119
Disposals	-	-	(12,128)	-	(10,914)	-	-	(42,854)
Depreciation expense	-	-	(271,090)	(946,131)	(44,584)	(302)	-	(1,269,061)
<b>Balance at 30 June 2013</b>	-	2,075,000	6,180,956	3,149,275	96,587	11,383	44	11,513,245
<b>Balance at the beginning of year</b>	-	2,075,000	6,180,956	3,149,275	96,587	11,383	44	11,513,245
Additions	-	-	35,029	48,479	49,167	9,490	-	142,165
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(272,467)	(891,008)	(44,293)	(4,249)	-	(1,212,017)
<b>Balance at 30 June 2014</b>	-	2,075,000	5,943,518	2,306,746	101,461	16,624	44	10,443,393

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	Note	2014	2013 \$
<b>NOTE 8: TRADE AND OTHER PAYABLE</b>			
<b>CURRENT</b>			
Trade payables		204,957	192,168
Amounts received in advance		890,324	690,242
Sundry payables and accrued expenses		200,024	188,768
		1,295,305	1,071,178
 (a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total Current		1,295,305	1,071,178
Less:			
Amounts received in advance		(890,324)	(690,242)
Financial liabilities as trade and other payables	14	404,981	380,936
 <b>NOTE 9: BORROWINGS</b>			
<b>Current</b>			
Bank loans	14	490,561	490,561
		490,561	490,561
<b>Non-Current</b>			
Bank loans		-	-
		-	-

**(a) Bank and Mortgage Loans**

The Branch has a \$1 million overdraft facility with Commonwealth Bank of Australia which is subject to annual review and is a variable interest rate facility. It also has an \$80,000 Business Card facility. The property situated at Thebarton have been provided as security to the Commonwealth Bank for the provision of this facility. There are no unsatisfied covenants within the bank borrowings.

	2014	2013 \$
<b>NOTE 10: PROVISIONS</b>		
<b>Current</b>		
Annual Leave	108,871	99,652
Long Service Leave	16,876	-
	125,747	99,652
<b>Non-Current</b>		
Long Service Leave	55,345	42,608
	55,345	42,608
<b>Number of employees at year-end</b>	35	27

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 10: PROVISIONS (cont'd)**

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

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Officeholders	-	-	-	-	-	-
Other Staff	108,871	99,652	72,221	42,608	181,092	142,260
<b>Total</b>	<b>108,871</b>	<b>99,652</b>	<b>72,221</b>	<b>42,608</b>	<b>181,092</b>	<b>142,260</b>

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2013: \$nil).

**Provision for Employee Benefits**

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

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

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

**NOTE 11: EMPLOYEE BENEFITS**

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	2,887,052	2,504,011	2,887,052	2,504,011
Annual Leave and Long Service Leave	-	-	38,832	141,467	38,832	141,467
Redundancy Payments	-	-	-	154,456	-	154,456
Superannuation	-	-	222,044	201,847	222,044	201,847
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,147,928</b>	<b>3,001,781</b>	<b>3,147,928</b>	<b>3,001,781</b>

**CIVIL CONTRACTORS BRANCH (SA BRANCH)****Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

	2014	2013
		\$
<b>NOTE 12: UNEARNED INCOME</b>		
<b>Current</b>	1,366,000	1,366,000
<b>Non-Current</b>	1,939,000	3,305,000
	<u>3,305,000</u>	<u>4,671,000</u>

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 is being recognised as income over a six year period in accordance with AASB 118.

	2014	2013
		\$
<b>NOTE 13: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax.</b>		
Profit from ordinary activities	160,032	1,742
Non-cash flows in profit		
EIF Income	(1,366,000)	(1,366,000)
Depreciation	1,212,017	1,269,061
Net (gain)/loss on disposal of property, plant and equipment	-	(53,606)
Changes in operating assets and liabilities		
(Increase)/decrease in trade and term receivables	(104,353)	175,230
(Increase)/decrease in other assets	(57,352)	(81,158)
Increase/(decrease) in trade payables and accruals	224,127	(416,859)
Increase/(decrease) in provisions	38,832	(37,962)
	<u>107,303</u>	<u>(509,552)</u>

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 14: FINANCIAL RISK MANAGEMENT**

**Specific Financial Risk Exposures and Management**

The main risks Civil Contractors Branch 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 Branch does not have any derivative instruments at 30 June 2014.

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	2014	2013 \$
<b>Financial Assets</b>		
Cash and cash equivalents	352,303	387,165
Trade and other receivables	1,294,238	1,189,885
<b>Total financial assets</b>	<b>1,646,541</b>	<b>1,577,050</b>
<b>Financial Liabilities</b>		
Financial liabilities at amortised costs		
- Trade and other payables	404,981	380,936
- Borrowings	490,561	490,561
<b>Total financial liabilities</b>	<b>895,542</b>	<b>871,497</b>

**Financial risk management policies**

The Branch's Committee of Management (Board) has overall responsibility for the establishment of Civil Contractors Branch 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.

**i. Terms, Conditions and Accounting Policies**

The Branch's accounting policies are included in Note 1, while the terms and conditions, including the effective weighted average interest rate of each class of financial asset and financial liability both recognised and unrecognised at the balance date are included under the appropriate note for that instrument.

**ii. Treasury Risk Management**

The Branch Board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**iii. Financial Risk Exposures and Management**

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

**(a) 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 2014, 100% of Civil Contractors Branch SA Branch debt is floating rate.

**(b) Liquidity risk**

Liquidity risk arises from the possibility that Civil Contractors Branch 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 Branch SA Branch ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days.

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

Financial guarantee liabilities are treated as payable on demand since Civil Contractors Branch 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	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Bank overdrafts and loans	490,561	490,561	-	-	-	-	490,561	490,561
Trade and other payables (excluding estimated annual leave)	404,981	380,936	-	-	-	-	404,981	380,936
<b>Total contractual outflows</b>	<b>895,542</b>	<b>871,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>895,542</b>	<b>871,497</b>



**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**(b) Liquidity risk (cont'd)**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	352,303	387,165	-	-	-	-	352,303	387,165
Trade, term and loans receivable	1,294,238	1,189,885	-	-	-	-	1,294,238	1,189,885
<b>Total inflows</b>	<b>1,646,541</b>	<b>1,577,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,646,541</b>	<b>1,577,050</b>

*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.

**(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 Branch SA Branch and arises principally from Civil Contractors Branch 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 Branch SA Branch securing receivable are detailed in Note 5(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 5.

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 5.

**(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.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

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

**(d) Net Fair Values (Cont'd)**

	2014		2013	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial assets</b>				
Cash and cash equivalents	352,303	352,303	387,165	387,165
Trade and other receivables	1,294,238	1,294,238	1,189,885	1,189,885
<b>Total financial assets</b>	<b>1,646,541</b>	<b>1,646,541</b>	<b>1,577,050</b>	<b>1,577,050</b>
<b>Financial liabilities</b>				
Trade and other payables	404,981	404,981	380,936	380,936
Bank debt	490,561	490,561	490,561	490,561
<b>Total financial liabilities</b>	<b>895,542</b>	<b>895,542</b>	<b>871,497</b>	<b>871,497</b>

**(e) Interest rate risk sensitivity analysis**

As 30 June 2014, 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:

	2014 \$	2013 \$
<b>Change in Profit</b>		
- Increase in interest rate by 2% (2013: 2.0%)	(2,765)	(2,068)
- Decrease in interest rate by 0.5% (2013: 0.5%)	691	517
<b>Change in Equity</b>		
- Increase in interest rate by 2% (2013: 2.0%)	(2,765)	(2,068)
- Decrease in interest rate by 0.5% (2013: 0.5%)	691	517

**NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 16: CAPITAL AND LEASING COMMITMENTS**

**(a) Capital Expenditure Commitments**

	2014	2013
	\$	\$
Capital expenditure commitments contracted for:		
Renovations of Thebarton Property	-	-
<b>EIF Project commitments</b>		
Simulators	-	-
Mobile training units	-	-
Building redevelopment	-	-
Payable		
- not later than 12 months	-	-

**(b) Operating Lease Commitments**

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

Payable:-	2014	2013
	\$	\$
Less than one year	71,414	115,076
More than one year but less than five years	36,064	51,850
Total Operating Lease Commitments	107,478	166,926

**NOTE 17: RELATED PARTY TRANSACTIONS**

**a. SA Branch Board members**

The names of the members of the SA Branch Board who held office during the year are as follows:

Christopher Reynolds, Gerard Beltrame, Andrew Young, Anthony Baulderstone, Andrew Lukasik, Ted Paluszek, John Allen, Jessica Tucker, Stephen Fines-Phillips, Nick Karapetsas, Jim Miller, Andrew White, Paul Davison, Chris Plumb, Tom Newland, Mike Forster, Russell Bianco and Cathy Mayfield.

Members of the SA Branch Board received no attendance fees during the year, nor do they accrue any entitlements.

The officeholders received no 'non cash' benefits (2013: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

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

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

**CIVIL CONTRACTORS BRANCH (SA BRANCH)**

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)**

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

Any person(s) having delegated 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.

Designation	Name	Period in Office
Chief Executive Officer	Phillip Sutherland	1-7-13 to 30-6-14
Director Finance, Asset Management & Commercial	Marie Paterson	1-7-13 to 30-6-14
Director Training Operations	Mark Olson	1-7-13 to 30-6-14

c. Key Management Personnel Remuneration	2014 \$			2013 \$		
	Short Term Benefits \$	Post Employment Benefits \$	Total \$	Short Term Benefits \$	Post Employment Benefits \$	Total \$
Total Compensation	442,612	40,941	483,553	556,305	46,275	602,580

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel End of the Year	2014 \$			2013 \$		
	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	13,902	2,871	16,773	13,324	1,291	14,615

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

No termination benefits or share based payments were paid to officeholders during the year (2013: \$nil)

**e. Other transactions with the Branch**

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

	2014	2013
Levy Payment		
During the year, the SA Branch paid to the National Office a per capita payment calculated in accordance with the rules.	167,661	184,000

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)**

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

Other sundry income / charges between the SA Branch and other reporting units are set out below, and were on normal commercial terms and conditions

Unsecured and interest free amounts receivable/(payable) at reporting date	2014 \$	2013 \$
Victoria Branch	(420)	(1,225)
Tasmania Branch	100	-
Queensland Branch	-	-
NSW Branch	-	-
National Office	(5,313)	(12,268)
West Australia Branch	7,991	-
North Territory Branch	-	-
Paluszek Enterprises	(6,518)	(1,925)
	<u>(6,466)</u>	<u>(15,926)</u>

Reconciliation – related entity loans

**Victoria Branch**

Carrying amount at beginning of the year	(1,225)	(22)
Sundry income	-	-
Sundry charges	(7,712)	(36,787)
Receipts	-	-
Payment made	8,517	35,584
Carrying amount at end of the year	<u>(420)</u>	<u>(1,225)</u>

**Tasmania Branch**

Carrying amount at beginning of the year	-	-
Sundry income	100	-
Sundry charges	-	-
Receipts	-	-
Payment made	-	-
Carrying amount at end of the year	<u>100</u>	<u>-</u>

**Queensland Branch**

Carrying amount at beginning of the year	-	1,707
Sundry income	-	2,780
Sundry charges	(5,500)	(1,342)
Receipts	-	(4,487)
Payment made	5,500	1,342
Carrying amount at end of the year	<u>-</u>	<u>-</u>

**NSW Branch**

Carrying amount at beginning of the year	-	-
Sundry income	470	-
Levy charge	-	-
Sundry charges	-	-
Receipts	(470)	-
Payment made	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)**

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

	2014 \$	2013 \$
<b>National Office</b>		
Carrying amount at beginning of the year	(12,268)	(34,370)
Sundry income	36,011	28,445
Levy charge	(167,661)	(184,000)
Sundry charges	(1,028)	(4,210)
Receipts	(31,599)	(31,956)
Payment made	171,232	213,823
Carrying amount at end of the year	<u>(5,313)</u>	<u>(12,268)</u>
<b>West Australia Branch</b>		
Carrying amount at beginning of the year	-	-
Sundry income	9,356	2,907
Sundry charges	(241)	-
Receipts	(2,091)	(2,907)
Payment made	967	-
Carrying amount at end of the year	<u>7,991</u>	<u>-</u>
<b>Northern Territory Branch</b>		
Carrying amount at beginning of the year	-	-
Sundry income	-	-
Sundry charges	-	-
Receipts	-	-
Payment made	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>
<b>Paluszek Enterprises</b>		
Carrying amount at beginning of the year	(1,925)	(5,190)
Sales income	1,140	1,037
Purchases made	(64,940)	(49,890)
Receipts	(1,195)	(982)
Payment made	60,402	53,100
Carrying amount at end of the year	<u>(6,518)</u>	<u>(1,925)</u>

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.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 18: FAIR VALUE MEASUREMENT**

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

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

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

**a. Fair Value Hierarchy**

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

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

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

**Valuation techniques**

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

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

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

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 18: FAIR VALUE MEASUREMENT (cont'd)**

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

	30 June 2014			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available for sale financial assets	-	12,500	-	12,500
<b>Total financial assets recognised at fair value</b>	-	12,500	-	12,500
<i>Non-financial assets</i>				
Freehold land & buildings	-	8,018,518	-	8,018,518
<b>Total non-financial assets recognised at fair value</b>	-	8,018,518	-	8,018,518

	30 June 2013			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available for sale financial assets	-	12,500	-	12,500
<b>Total financial assets recognised at fair value</b>	-	12,500	-	12,500
<i>Non-financial assets</i>				
Freehold land & buildings	-	8,255,956	-	8,255,956
<b>Total non-financial assets recognised at fair value</b>	-	8,255,956	-	8,255,956

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

Description	Fair Value at 30 June 2014 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Available for sale financial asset	12,500	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Price per share, market borrowing rate
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss:	8,018,518	Market approach: Using recent observable market data on discounted cashflows	Price per square metre, market borrowing rate
	8,031,018		



**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 18: FAIR VALUE MEASUREMENT (cont'd)**

**c. Disclosed Fair Value Measurements**

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

- accounts receivable and other debtors; and
- accounts payable and other payables.

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

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

**NOTE 19: EVENTS AFTER THE BALANCE SHEET DATE**

No matters or circumstances have occurred since the end of the financial year which significantly affect, or may significantly affect, the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

**NOTE 20: CONTINGENT LIABILITIES**

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

**NOTE 21: ECONOMIC DEPENDENCY**

The Branch is economically dependent on ongoing funding in the form of membership fees, existing worker training from contractors and new entrant training income.

**NOTE 22: OTHER DISCLOSURES**

The Branch did not receive financial support from any other reporting unit during the year. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

There were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date.

Included in trade payables is \$4,819 (2013: \$nil) payable for legal costs. Of the 2014 amount, \$4,819 was for consultation - other matters.

**Notes to the Financial Statements  
for the Year Ended 30 June 2014 (cont'd)**

**NOTE 23: ASSOCIATION DETAILS**

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

Civil Contractors Branch SA Branch  
1 South Road  
THEBARTON SA 5031

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

To the Members of Civil Contractors Branch – SA Branch

**Scope**

**The financial report and Committee of management responsibility**

The financial report comprises the Committee of Management Statement, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Civil Contractors Branch (SA Branch) for the year ended 30 June 2014 set out on pages 5 to 38.

The SA Branch Board of the Branch is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the SA Branch. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting estimates made by members of the Committee of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CIVIL CONTRACTORS BRANCH (SA BRANCH)  
(cont'd)**

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**

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

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

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

As part of our audit of the organisation for the year ended 30 June 2014, we also believe that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Stannards Accountants and Advisors Pty Ltd



**MB Shulman**  
Registered Company Auditor (163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations)

Dated this 7<sup>th</sup> day of August 2014