



23 October 2018

Mr Paul Davison
President, South Australia Branch
Civil Contractors Federation

Dear Mr Davison

Re: – Financial reporting – Civil Contractors Federation, South Australia Branch - for year ending 30 June 2018 (FR2018/206)

I acknowledge receipt of the financial report of the South Australia Branch of the Civil Contractors Federation, in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 5 September 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note the report for year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Auditor's report - all parts of GPFR

The Auditor's Statement is required to identify the title of each statement comprising the financial report in accordance with paragraph 24c of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under section 255(2A) and as prescribed by Reporting Guideline 22, and, where it is completed in accordance with Reporting Guideline 21, the Officer's Declaration Statement. (See subsection 253(2)(c) of the RO Act.) It was not necessary for the auditor's report to refer to an officer declaration statement because one was not completed. However the auditor's statement omitted reference to the expenditure report.

Nil Activities disclosure

Item 21 of the Reporting Guidelines states that if any activities identified in items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an Officer's Declaration Statement.

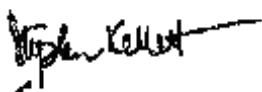
The notes contained nil activity information for all prescribed RG categories except the following:

- RG12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission¹
- RG20 - make a payment to a former related party of the reporting unit

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal flourish extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

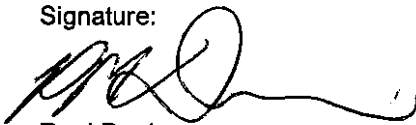
¹ This nil activity disclosure was contained in the Operating report prepared under s254, rather than the general purpose financial report under s253

CERTIFICATE OF DESIGNATED OFFICER
s268 of Fair Work (Registered Organisations) Act 2009

I Paul Davison being the South Australia President of the Civil Contractors Federation certify:

- that the documents lodged herewith are copies of the full report for the year ended 30 June 2018 referred to in s268 of the RO Act; and
- that the full report was provided to members on 6th August 2018; and
- that the full report was presented to a general meeting of members of the reporting unit on 5th September 2018, in accordance with section 266 of the RO Act.

Signature:

A handwritten signature in black ink, appearing to be 'PD', with a long, sweeping horizontal line extending to the right.

Paul Davison
CCF SA Branch President

Dated: 5/9/2018



CIVIL CONTRACTORS
FEDERATION

CCF SA FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Civil Contractors
Together - Stronger

**CIVIL CONTRACTORS FEDERATION
(SA BRANCH)**

ABN 65 484 720 549

**Financial Report
For the Year Ended
30 June 2018**

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**Committee of Management Statement
For the Year Ended 30 June 2018**

On, 6th August 2018 the Civil Contractors Federation (SA Branch) Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2018:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the 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; and
- (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 organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act it has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer:

Paul Davis Branch President

Dated:

6th August 2018

**Operating Report
For the Year Ended 30 June 2018**

The Committee of Management presents its operating report on Civil Contractors South Australia Branch (CCF SA) for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the SA Branch during the financial year were to represent, promote and protect 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 general public.

The Branch represents the industry to all levels of Government and advocates 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 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 revenues have increased as a result of active promotion of Civil Trains training offerings and securing several new State Government training programs.
- A number of networking events and forums were held to discuss, brief and advise on issues of relevance to the civil industry.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Branch's principal activities resulted in a profit of \$123,669 (2017 loss of \$19,489).

Cash balances during the year have increased to \$1,003,974 from \$628,770. As at reporting date, the Branch has net assets of \$7.82 million (2017: \$7.69 million).

The Branch did not acquire an asset or liability during the financial year as a result of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act and/or a determination or revocation by the Commissioner, Registered Organisations Commission.

The CCF Group is currently undertaking a restructure wherein the branches (including CCF National Office), will transfer their net operating assets to newly established companies limited by guarantee, for no consideration. It is envisaged the companies limited by guarantee will continue to be controlled by the branch executive / members, and that the state branches will ultimately be wound up. This is expected to occur prior to the end of the next financial year. The organisation's registration with the Fair Work Commission will remain.

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 FEDERATION'S FINANCIAL AFFAIRS S254(2)(B)

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

**Operating Report
For the Year Ended 30 June 2018 (cont'd)****OFFICERS OR MEMBERS WHO ARE SUPERANNUATION FUND TRUSTEE(S) OR DIRECTOR OF A COMPANY THAT IS A SUPERANNUATION FUND TRUSTEE WHERE BEING A MEMBER OF OFFICER OF A REGISTERED ORGANISATION IS A CRITERION FOR THEM HOLDING SUCH POSITION S254(2)(D)**

No officers and members hold positions as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of the Branch.

NUMBER OF MEMBERS RO reg 159(a)

The number of persons who, at the end of the financial year, were recorded on the register of members was: 200 associate members, 46 associate stakeholders (also known as affiliates), 4 life members, 237 full members and retired members of 40, total of 527 members. (2017: 210 associate members, 52 associate stakeholders, 4 life members and 262 full members and retired members of 37, total of 565 members.

NUMBER OF EMPLOYEES RO reg 159(b)

The number of persons who were, at the end of the financial year, employees of the SA Branch of the Branch of the Federation was: 33 (2017: 34).

SA BRANCH BOARD MEMBERS RO 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
Paul Davison	Branch President	6-9-17 to 30-6-18
Paul Davison	Branch Vice President	1-7-17 to 6-9-17
Charles Hatcher	Branch Vice President	9-4-18 to 30-6-18
Gerard Beltrame	Branch President & National Board Member	1-7-17 to 6-9-17
Michael Jeffery	Branch Honorary Treasurer	1-7-17 to 30-6-18
SA Board Members		
Gerard Beltrame	Branch Board Member & National Board Member	6-9-17 – 30-6-18
Ted Paluszek	Branch Board Member	1-7-17 to 6-9-17
Emma Ebert	Branch Board Member	6-9-17 to 30-6-18
Christopher Reynolds	Branch Board Member	1-7-17 to 6-9-17
Chris Goold	Branch Board Member	6-9-17 to 30-6-18
Mike Forster	Branch Board Member	1-7-17 to 30-6-18
Charles Hatcher	Branch Board Member	1-7-17 to 9-4-18
John Allen	Branch Board Member	1-7-17 to 6-9-17
Michael Harper	Branch Board Member	6-9-17 to 30-6-18
Ben Lewis	Branch Board Member	6-9-17 to 30-6-18
Nick Anderson	Associate Member Rep (Observer)	1-7-17 to 6-9-17
Nick Anderson	Associate Member Rep (Observer)	5-2-18 to 30-6-18
Simon Abraham	Associate Member Rep (Observer)	1-7-17 to 6-9-17
Peter Tan	Associate Member Rep (Observer)	5-2-18 to 30-6-18

**Operating Report
For the Year Ended 30 June 2018 (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 Federation Constitution and Rules, which reads as follows:

"9 - RESIGNATION OF MEMBERS

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

Signature of designated officer:



Name and title of designated officer:

Paul Davison Branch President



Dated:

6th August 2018

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2018 there have been: –

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stannards Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141
MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2018/45)

Dated 11/8/18

Expenditure Report For the Year ended 30 June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

	Note	2018 \$	2017 \$
CATEGORIES OF EXPENDITURE			
Remuneration and other employment-related costs and expenses - employees		3,117,621	3,072,088
Advertising		55,286	105,919
Operating Costs		2,688,566	3,184,383
Donations to Political Parties		-	-
Legal Costs		12,905	14,945
Total		5,873,658	6,377,335

Signature of designated officer:



Name and title of designated officer:

Paul Davison Branch President

**Statement of Profit or Loss and Comprehensive Income
for the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
Trading Revenue	3	5,890,266	5,521,969
EIF Grant	3	-	573,000
Other Income	3	106,971	262,877
Employee benefits	4a	(3,117,621)	(3,072,088)
Depreciation, amortisation and impairment	4b	(374,235)	(858,507)
Advertising		(55,286)	(105,919)
Employer costs		(170,599)	(208,378)
Finance costs		(21,541)	(20,807)
Functions, seminars and conference costs		(336,917)	(301,429)
National levy	4c	(104,500)	(104,500)
Motor vehicle expenses		(49,705)	(58,429)
Repairs and maintenance		(227,113)	(298,684)
Printing and stationery		(106,389)	(99,615)
Training materials and equipment		(429,005)	(458,926)
Other expenses	4d	(880,657)	(790,053)
Profit / (Loss) for the year		123,669	(19,489)
Other Comprehensive Income		-	-
Total Comprehensive Income		123,669	(19,489)

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2018**

	Note	2018	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,003,974	628,770
Trade and other receivables	6	1,309,513	1,330,476
Other current assets	7	188,365	235,333
TOTAL CURRENT ASSETS		2,501,852	2,194,579
NON-CURRENT ASSETS			
Other non current assets	7	-	12,500
Property, plant and equipment	8	7,187,651	7,462,062
TOTAL NON-CURRENT ASSETS		7,187,651	7,474,562
TOTAL ASSETS		9,689,503	9,669,141
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,292,863	1,453,493
Borrowings	10	290,561	290,561
Short term provisions	11	183,932	161,095
TOTAL CURRENT LIABILITIES		1,767,356	1,905,149
NON-CURRENT LIABILITIES			
Long-term provisions	11	106,562	72,076
TOTAL NON-CURRENT LIABILITIES		106,562	72,076
TOTAL LIABILITIES		1,873,918	1,977,225
NET ASSETS		7,815,585	7,691,916
EQUITY			
Retained earnings		7,815,585	7,691,916
Reserves		-	-
TOTAL EQUITY		7,815,585	7,691,916

The accompanying notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 30 June 2018**

		2017 \$
Balance at beginning of financial year	7,691,916	7,711,405
Surplus / (Loss) attributable to members	123,669	(19,489)
Asset revaluation reserve	-	-
Balance at end of financial year	7,815,585	7,691,916

**Statement of Cash Flow
for the Year ended 30 June 2018**

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other customers		6,002,395	6,070,741
Payments to suppliers and employees		(5,396,662)	(5,832,321)
Interest received		1,850	1,638
Interest paid		(21,541)	(20,807)
Receipts from Related Parties	17 (f)	13,955	17,193
Payments to Related Parties	17 (f)	(139,124)	(128,703)
Net cash provided by operating activities	13 (a)	460,873	107,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Net from sale of property, plant and equipment		17,579	126,724
Purchase of property, plant and equipment		(103,248)	(28,248)
Net cash provided by (used in) investing activities		(85,669)	98,476
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment for borrowings		-	-
Net cash provided by (used in) financing activities		-	-
Net increase (decreases) in cash held		375,204	206,217
Cash at beginning of financial year		628,770	422,553
Cash at end of financial year	5	1,003,974	628,770

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

Basis of Preparation of the Financial Statements

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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

Prior Year Comparatives

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

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 Committee of Management 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 2018 (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:

	2018	2017
Office Plant and Equipment	10%-33%	10%-33%
Buildings (straight line)	2.5%-20%	2.5%-10%
Other	10%-30%	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 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 or Loss.

d. Trade and other Receivables

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

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the Statement of Profit or Loss as an expense.

e. Trade and other Payables

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

f. 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 Statement of Profit or Loss.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

g. 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.

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.

h. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

i. 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.

j. 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.

k. 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 and the general public. The Branch represents parties at all levels of Government and advocates for a regulatory and taxation environment that is supportive of the civil construction industry.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

l. 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 accrual basis, and recorded as an expense in the year to which they relate.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

n. Critical Accounting Estimates and Judgements

The Committee of Management 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 Committee of Management 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 2018, except as stated in the report.

Key Judgements - Doubtful Debts Provision

The Committee of Management have assessed each debtor and have estimated a provision for doubtful debts amounting to \$34,294 (2017: \$11,483). The Committee of Management believes that the full amount of the remaining debtors is recoverable.

o. 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 Federation liabilities are believed to ultimately rest with the Civil Contractors Branch. It is therefore possible that Federation 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 Federation 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

r. New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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 that may affect the entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, 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 the Standard, the application of such accounting would be largely prospective.

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

- AASB 2014-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*.

AASB 2014-7: (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9: *Financial Instruments (December 2014)*. More significantly, additional disclosure requirements have been added to AASB 7: *Financial Instruments: Disclosure regarding credit risk exposures of the entity*. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation.

AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

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

The main changes introduced by the new Standard are as follows:

- new lessee accounting requirements for leases at significantly below-market terms and conditions (commonly known as "peppercorn leases") principally to enable the lessee to further its objectives. This requires the lessee to recognise the leased asset / right-of-use asset at fair value per AASB 13, the lease liability per AASB 117/AASB 16 and the residual as income (after related amounts) at the inception of the lease per AASB 1058;
- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipates that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related amount being contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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

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

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

Although the Committee of Management anticipates that the adoption of AASB 1058 may have an impact on the entity's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

- AASB 2016-8: *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*.

AASB 2016-8 (issued December 2016) inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9: *Financial Instruments* and AASB 15: *Revenue from Contracts with Customers* as a consequence of AASB 1058: *Income of Not-for-Profit Entities* (refer to [1-0900]).

AASB 2016-8 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 1058 is applied for the same period.

This standard will not significantly impact the Branch.

s. Information to be provided to Members or Commissioner, Registered Organisations Commission

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

Information to be provided to members or Commissioner:

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

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

NOTE 2: FUND ANALYSIS

For the financial year ended 30 June 2018:

- there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch; AND
- there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose.

Notes to the Financial Statements for the Year Ended 30 June 2018 (cont'd)

	2018	2017
		\$
NOTE 3: REVENUE AND OTHER INCOME		
Operating revenue:		
Qualifications	1,908,423	1,987,547
Short Courses	2,684,552	2,343,314
Member Subscriptions	632,832	613,555
Function and Sponsorship Income	362,479	291,300
Production Income	-	(300)
Publication Income	26,257	19,101
Advertising Income	41,319	78,377
Grants Received	194,362	147,655
Other	40,042	41,420
Capitation Fees	-	-
Compulsory Levy & Voluntary Levy (Other Bodies)	-	-
Affiliation Fees	-	-
Donations > \$1,000	-	-
Donations < \$1,000	-	-
Financial Support - Branches	-	-
Other Revenue Derived from Undertaking Recovery of Wage Activity	-	-
	5,890,266	5,521,969
EIF Grant		
EIF Grants Recognised	-	573,000
	-	573,000
Other Income		
Interest received	1,850	1,638
Committee of Management fees	-	-
Lease income	59,248	109,241
Profit on Disposal of Assets	1,654	110,386
Sundry	44,219	41,612
	106,971	262,877
Total Revenue	5,997,237	6,357,846
NOTE 4: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Employee Benefits		
Wages & Salaries	2,819,641	2,856,014
Separation and Redundancy	-	3,462
Superannuation	240,553	235,135
Annual leave and long service leave	57,427	(22,523)
	3,117,621	3,072,088
b. Depreciation and Amortisation		
Plant and equipment	374,235	858,507
	374,235	858,507

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

	2018 \$	2017 \$
c. Levy		
National office levy	104,500	104,500
	<u>104,500</u>	<u>104,500</u>
The levy is imposed by the CCF National Office to assist in funding the National Office operations. No other levies (compulsory) are paid or payable.		
d. Other expenses		
Accounting fees	500	4,582
ASQA	10,996	-
Auditor's Remuneration – Financial Statements Audit (Other Service: \$nil (2017: \$nil))	10,000	-
	<u>21,496</u>	<u>13,350</u>
Affiliation Fees	-	-
Attendance Allowance / Fee	-	-
Bad debts	14,105	26,143
Bank charges	12,924	8,896
Board / Committee meeting expenses	4,268	7,844
Other Capitation Fees / Compulsory Levies	-	-
Consultancy fees	90,551	57,465
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Donations < \$1,000	-	50
Donations > \$1,000	-	-
Insurance	110,775	106,533
Leasing Costs	78,443	92,934
Legal Costs – Litigation	-	-
Legal Costs – Other Matters	12,905	14,945
Licence fee and membership	10,182	8,723
Office rent and outgoings	85,124	93,729
RO Act Penalties	-	-
Forgiveness of Loans	-	-
Employer Payroll Deduction Costs	-	-
Sponsorship	3,095	4,097
Subscriptions	4,275	4,708
Travel	43,449	39,333
Utilities	71,431	80,432
Production and distribution	62,023	74,600
Other general expenses	255,611	151,689
	<u>880,657</u>	<u>790,053</u>

e. Expenses – Financial Affairs Administered by Other Entities

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

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

	2018 \$	2017 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	2,000	2,000
Operating accounts	799,113	425,002
Saving accounts	202,861	201,768
	1,003,974	628,770

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.

	Note	2018 \$	2017 \$
(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	15	1,003,974	628,770
		1,003,974	628,770

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	6 (d)	1,343,807	1,341,959
Provision for impairment of receivables	6 (a)	(34,294)	(11,483)
		1,309,513	1,330,476

(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 as follows:

Provision for impairment as at 1 July 2016	<u>13,137</u>
Provided	6,000
Write off of bad debts - net	<u>(7,654)</u>
Provision for impairment as at 30 June 2017	<u>11,483</u>
Provided	22,811
Write off of bad debts - net	-
Provision for impairment as at 30 June 2018	<u>34,294</u>

Notes to the Financial Statements for the Year Ended 30 June 2018 (cont'd)

NOTE 6: TRADE AND OTHER RECEIVABLES (cont'd)

(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 \$
2018						
Trade & term receivables	1,343,807	34,294	157,879	47,842	87,522	1,016,270
2017						
Trade & term receivables	1,341,959	11,483	86,664	36,202	119,843	1,087,767

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

(c) Collateral held as security

The Branch does not hold any collateral over any receivables balances

(d) Financial assets classified as loans and receivables

	2018 \$	2017 \$
Trade and other receivables (Gross)	1,343,807	1,341,959
	1,343,807	1,341,959

NOTE 7: OTHER ASSETS

CURRENT

Prepayments	31,662	60,858
Accrued income and other assets	156,703	174,475
	188,365	235,333

NON-CURRENT

Shares in unlisted company – at Board valuation	-	12,500
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The shares were written off during the financial year. A Deed of Termination was signed resulting in such shares being transferred from CCF SA to INFORMA.

The Branch previously held 625 shares in Beaconsfield Press Pty Limited. The shares held were valued based on the consideration of the transfer of shares. in August 2000.

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

	2018 \$	2017 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (cont'd)		
Freehold land		
At cost	2,075,000	2,075,000
	<u>2,075,000</u>	<u>2,075,000</u>
Buildings		
At Cost	6,780,726	6,775,850
Accumulated depreciation	(1,885,059)	(1,605,636)
	<u>4,895,667</u>	<u>5,170,214</u>
Course Materials		
At Cost	21,175	21,175
Accumulated depreciation	(20,711)	(17,188)
	<u>464</u>	<u>3,987</u>
Plant and equipment		
At cost	4,666,670	4,642,263
Accumulated depreciation	(4,545,759)	(4,521,444)
	<u>120,911</u>	<u>120,819</u>
Furniture, fixture and fittings		
At cost	584,572	536,799
Accumulated depreciation	(501,044)	(463,216)
	<u>83,528</u>	<u>73,583</u>
Website development		
At cost	32,065	32,065
Accumulated depreciation	(20,021)	(13,650)
	<u>12,044</u>	<u>18,415</u>
Other		
At cost	47,688	49,498
Accumulated depreciation	(47,651)	(49,454)
	<u>37</u>	<u>44</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>7,187,651</u>	<u>7,462,062</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (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:

	Land \$	Buildings \$	Plant & Equipment \$	Furniture, Fixtures & Fittings \$	Course Materials \$	Other Property Plant & Equip't \$	Website \$	Total \$
Balance at the beginning of year	2,075,000	5,450,574	666,029	87,489	7,942	44	21,581	8,308,659
Additions	-	-	2,204	23,164	-	-	2,880	28,248
Disposals	-	-	(15,871)	(467)	-	-	-	(16,338)
Depreciation expense	-	(280,360)	(531,543)	(36,603)	(3,955)	-	(6,046)	(858,507)
Balance at 30 June 2017	2,075,000	5,170,214	120,819	73,583	3,987	44	18,415	7,462,062
Balance at the beginning of year	2,075,000	5,170,214	120,819	73,583	3,987	44	18,415	7,462,062
Additions	-	4,876	48,756	49,327		289		103,248
Disposals	-	-	(3,417)	-		(7)		(3,424)
Depreciation expense	-	(279,423)	(45,247)	(39,382)	(3,523)	(289)	(6,371)	(374,235)
Balance at 30 June 2018	2,075,000	4,895,667	120,911	83,528	464	37	12,044	7,187,651

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

	Note	2018 \$	2017 \$
NOTE 9: TRADE AND OTHER PAYABLE			
CURRENT			
Trade payables		104,729	192,156
Amounts received in advance		925,581	1,004,921
Sundry payables and accrued expenses		262,553	256,416
		<u>1,292,863</u>	<u>1,453,493</u>
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total Current		1,292,863	1,453,493
Less:			
Amounts received in advance		(925,581)	(1,004,921)
Financial liabilities as trade and other payables	15	<u>367,282</u>	<u>448,572</u>
Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.			

NOTE 10: BORROWINGS

Current			
Bank loans	15	290,561	290,561
		<u>290,561</u>	<u>290,561</u>

(a) Bank and Mortgage Loans

The Branch has a \$1 million (2017: \$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 (2017: \$80,000) Business Card facility. The property situated at Thebarton has been provided as security to the Commonwealth Bank for the provision of the facilities. There are no unsatisfied covenants within the bank borrowings.

	2018 \$	2017 \$
NOTE 11: PROVISIONS		
Current		
Annual Leave	116,440	114,907
Long Service Leave	67,492	46,188
	<u>183,932</u>	<u>161,095</u>
Non-Current		
Long Service Leave	106,562	72,076
	<u>106,562</u>	<u>72,076</u>
Number of employees at year-end	<u>33</u>	<u>34</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**
NOTE 11: PROVISIONS (cont'd)

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

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Officeholders	-	-	-	-	-	-
Other Staff	116,440	114,907	174,054	118,264	290,494	233,171
Total	116,440	114,907	174,054	118,264	290,494	233,171

	Separation and Redundancy Provisions		Other Employee Provisions		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no bonuses for separation and redundancy or other provisions for officeholders or other employees (2017: \$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 12: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Wages and Salaries	-	-	2,819,641	2,856,014	2,819,641	2,856,014
Annual Leave and Long Service Leave	-	-	57,427	(22,523)	57,427	(22,523)
Other Employee Expenses	-	-	-	-	-	-
Redundancy Payments	-	-	-	3,462	-	3,462
Superannuation	-	-	240,553	235,135	240,553	235,135
Total	-	-	3,117,621	3,072,088	3,117,621	3,072,088

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

	2018	2017 \$
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax.		
Profit from ordinary activities	123,669	(19,489)
Non-cash flows in profit		
EIF Income		(573,000)
Depreciation	374,235	858,507
Net (gain)/loss on disposal of property, plant and equipment	(14,155)	(110,386)
Add back: Loss on write-down of investments	12,500	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and term receivables	20,963	(268,274)
(Increase)/decrease in other assets	46,968	(17,445)
Increase/(decrease) in trade payables and accruals	(160,630)	260,350
Increase/(decrease) in provisions	57,323	(22,522)
	460,873	107,741

Notes to the Financial Statements for the Year Ended 30 June 2018 (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 2018.

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:

		2017 \$
Financial Assets		
Cash and cash equivalents	1,003,974	628,770
Trade and other receivables	1,309,513	1,330,476
Total financial assets	2,313,487	1,959,246
Financial Liabilities		
Financial liabilities at amortised costs		
- Trade and other payables	367,281	448,572
- Borrowings	290,561	290,561
Total financial liabilities	657,842	739,133

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 Committee 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 2018 (cont'd)

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

iii. Financial Risk Exposures and Management

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

(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 2018, 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	290,561	290,561	-	-	-	-	290,561	290,561
Trade and other payables (excluding estimated annual leave)	367,281	448,572	-	-	-	-	367,281	448,572
Total contractual outflows	657,842	739,133	-	-	-	-	657,842	739,133

Notes to the Financial Statements for the Year Ended 30 June 2018 (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	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flows realisable								
Cash and cash equivalents	1,003,974	628,770	-	-	-	-	1,003,974	628,770
Trade, term and loans receivable	1,309,513	1,330,476	-	-	-	-	1,309,513	1,330,476
Total inflows	2,313,487	1,959,246	-	-	-	-	2,313,487	1,959,246

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 6(c).

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

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

(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 2018 (cont'd)

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

(d) Net Fair Values (Cont'd)

	2018		2017	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	1,003,974	1,003,974	628,770	628,770
Trade and other receivables	1,309,513	1,309,513	1,330,476	1,330,476
Total financial assets	2,313,487	2,313,487	1,959,246	1,959,246
Financial liabilities				
Trade and other payables	367,281	367,281	448,572	448,572
Bank debt	290,561	290,561	290,561	290,561
Total financial liabilities	657,842	657,842	739,133	739,133

(e) Interest rate risk sensitivity analysis

As 30 June 2018, 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:

	2018 \$	2017 \$
Change in Profit		
- Increase in interest rate by 2% (2018: 2.0%)	14,268	6,764
- Decrease in interest rate by 0.5% (2018: 0.5%)	(3,567)	(1,691)
Change in Equity		
- Increase in interest rate by 2% (2018: 2.0%)	14,268	6,764
- Decrease in interest rate by 0.5% (2018: 0.5%)	(3,567)	(1,691)

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Notes to the Financial Statements for the Year Ended 30 June 2018 (cont'd)

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) CAPITAL COMMITMENTS

At 30 June 2018, the Branch has no capital commitments.

(b) Operating Lease Commitments – as lessee

	2018	2017 \$
Future minimum rentals payable under non-cancellable operating leases payable in respect of motor vehicles and equipment at 30 June are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	69,825	102,851
- After one year but not more than five years	96,558	22,975
- More than five years	-	-
	166,383	125,826

(c) Rental Lease Commitments – as lessee

Future minimum rentals payable under non-cancellable operating leases payable in respect of rental lease at Alice Springs Office at 30 June are:

Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	28,255	42,420
- After one year but not more than five years	-	-
- More than five years	-	-
	28,255	42,420

Operating Lease Commitments – as lessor

Future minimum rentals receivable under non-cancellable rental of premises leases at 30 June are:

Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	47,220	47,220
- After one year but not more than five years	109,318	156,538
- More than five years	-	-
	156,538	203,758

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

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:

Gerard Beltrame, Paul Davison, Michael Jeffery, Ted Paluszek, Christopher Reynolds, Mike Forster, Charles Hatcher, John Allen, Nick Anderson and Simon Abraham, Emma Ebert, Chris Gould, Michael Harper, Ben Lewis and Peter Tan.

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 (2017: \$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.

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	1-7-2017 to 30-6-2018
Director – Global Learning and Future Directions	Victoria Griffith	1-7-2017 to 30-6-2018
Director of Finance	George Tsiakiridis	1-7-2017 to 30-6-2018

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**
NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

	2018 \$			2017 \$		
c. Key Management Personnel Remuneration	Short Term Benefits \$	Post Employment Benefits \$	Total \$	Short Term Benefits \$	Post Employment Benefits \$	Total \$
Total Compensation	416,855	39,567	456,422	494,917	45,207	540,124

	2018 \$			2017 \$		
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel End of the Year	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	17,591	42,755	60,346	6,343	23,904	30,247

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 (2017: \$nil)

e. Other transactions with the Branch

Entities related to SA Branch Committee 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.

Levy Payment	2018	2017
During the year, the SA Branch paid a National capitation levy calculated in accordance with the rules.	\$ 104,500	\$ 104,500

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (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	2018 \$	2017 \$
Victoria Branch	1,550	1,827
Tasmania Branch	991	819
National Office	7,568	(8,813)
North Territory Branch	-	1,201
Paluszek Enterprises	505	494
	<u>10,614</u>	<u>(4,472)</u>

Reconciliation – related entity loans

Victoria Branch

Carrying amount at beginning of the year	1,827	(976)
Sundry income	5,775	8,842
Sundry charges	(9,105)	(10,884)
Receipts	(6,200)	(5,693)
Payment made	9,253	10,538
Carrying amount at end of the year	<u>1,550</u>	<u>1,827</u>

Tasmania Branch

Carrying amount at beginning of the year	819	-
Sundry income	2,528	2,435
Sundry charges	-	-
Receipts	(2,356)	(1,616)
Payment made	-	-
Carrying amount at end of the year	<u>991</u>	<u>819</u>

National Office

Carrying amount at beginning of the year	(8,813)	(10,507)
Sundry income	14,559	11,104
Levy charge	(104,500)	(104,500)
Sundry charges	(5,523)	(1,642)
Receipts	(2,905)	(8,795)
Payment made	114,750	105,527
Carrying amount at end of the year	<u>7,568</u>	<u>(8,813)</u>

Notes to the Financial Statements for the Year Ended 30 June 2018 (cont'd)

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

f. Related Party balances at year end

	2018 \$	2017 \$
Northern Territory Branch		
Carrying amount at beginning of the year	1,201	(879)
Sundry income	-	2,200
Sundry charges	(14,322)	(12,758)
Receipts	(2,000)	-
Payment made	15,121	12,638
Carrying amount at end of the year	-	1,201
Paluszek Enterprises		
Carrying amount at beginning of the year	494	1,089
Sales income	505	494
Purchases made	-	-
Receipts	(494)	(1,089)
Payment made	-	-
Carrying amount at end of the year	505	494

T Paluszek has a financial interest in Paluszek Enterprises.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2018, the Civil Contractors Federation (SA Branch) has not recorded any impairment of receivables relating to amounts owed by related parties and declared persons or bodies (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Financial Statements for the Year Ended 30 June 2018 (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:

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

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

Valuation techniques

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

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

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

Notes to the Financial Statements for the Year Ended 30 June 2018 (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.

	Level 1	30 June 2018 Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Available for sale financial assets	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-
<i>Non-financial assets</i>				
Freehold land & buildings	-	6,970,667	-	6,970,667
Total non-financial assets recognised at fair value	-	6,970,667	-	6,970,667

	Level 1	30 June 2017 Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Available for sale financial assets	-	12,500	-	12,500
Total financial assets recognised at fair value	-	12,500	-	12,500
<i>Non-financial assets</i>				
Freehold land & buildings	-	7,245,214	-	7,245,214
Total non-financial assets recognised at fair value	-	7,245,214	-	7,245,214

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

Description	Fair Value at 30 June 2018 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Available for sale financial asset	-	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:	6,970,667	Market approach: Using recent observable market data on discounted cashflows	Price per square metre, market borrowing rate
	6,970,667		

Notes to the Financial Statements for the Year Ended 30 June 2018 (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 techniques(s) and inputs used:

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

NOTE 19: EVENTS SUBSEQUENT TO BALANCE DATE

The CCF Group is currently undertaking a restructure wherein the branches (including CCF SA), will transfer their net operating assets to newly established companies limited by guarantee for no consideration. It is envisaged the companies limited by guarantee will continue to be controlled by the branch executive / members, and that the branches will ultimately be wound up. This is expected to occur prior to the end of the next financial year.

NOTE 20: 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 21: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year, to enable it to continue as a going concern, nor was such support provided to another reporting unit. Except as disclosed in the Statement of Profit or 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.

At 30 June 2018, a total amount of \$3,125 was payable in respect of legal costs (relating to 'other matters') (2017: \$Nil). No payable exists at reporting date in respect of consideration to payroll deductions of membership subscriptions (2017: \$nil).

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (cont'd)**

NOTE 22: 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 FEDERATION (SA BRANCH)**

To the Members of Civil Contractors Federation – SA Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Civil Contractors Federation (SA Branch), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Civil Contractors Federation (SA Branch) as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the SA Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the SA Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee of Management is responsible for assessing SA Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate SA Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the CCF SA audit. We remain solely responsible for our audit opinion.

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

We communicated with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

No revenue has been derived from undertaking recovery of wages activity during the 2018 financial year, as confirmed in the Committee of Management statement, and no opinion is provided in relation to recovery of wages activity.



Stannards Accountants and Advisors



Michael B Shulman
Partner

Melbourne, VIC

Dated: 6/5/18

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