



Australian Government
Registered Organisations Commission

15 July 2019

Michael Unger
President
Civil Contractors Federation

By e-mail: ccfnat@civilcontractors.com

CC: michael.shulman@stannards.com.au

Dear Michael Unger,

Civil Contractors Federation-Australian Capital Territory Branch

Civil Contractors Federation-New South Wales Branch

Civil Contractors Federation- Northern Territory Branch

Civil Contractors Federation-Queensland Branch

Civil Contractors Federation-South Australia Branch

Civil Contractors Federation-Tasmanian Branch

Civil Contractors Federation-Victorian Branch

Civil Contractors Federation-Western Australian Branch

Financial Reports for the year ended 31 December 2018 - [FR2018/381], [FR2018/382], [FR2018/383], [FR2018/384], [FR2018/385], [FR2018/386], [FR2018/387], [FR2018/388]

I acknowledge receipt of the financial reports of the above listed former branches of the Civil Contractors Federation (**the reporting units**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 June 2019. I also acknowledge receipts of the certificates by prescribed designated officer which were lodged with the ROC on 14 June 2019.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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.

You are not required to take any further action in respect of the reports lodged however please find below my comments in relation to these lodged reports.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Documents must be lodged with ROC within 14 days after the meeting of the committee of management

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting of the committee of management referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 7 May 2019. If this is correct the documents should have been lodged with the ROC by 21 May 2019.

As indicated above, the full reports were lodged on 13 June 2019.

Redaction of Information

Key management personnel compensation – redaction of information

As mentioned in the previous year filing letter for the Civil Contractors Federation – Tasmanian branch (**the TAS branch**), certain information disclosed in Note 14b, on page 26 has again been redacted from the copy of the TAS branch's financial report by the ROC before publishing it on its website.

The Australian Accounting Standard *AASB 124 Related Party Disclosures* (paragraph 17) requires the disclosure of certain information relating to key management personnel compensation however, AASB 124 does not require a reporting entity to identify those individuals who meet the definition of key management personnel.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988 (Privacy Act)*. The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

Reporting Requirements

I note that the reporting units ceased on 31 December 2018 and this will be the final report for each reporting unit.

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely



Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission

Civil Contractors Federation

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNED OFFICER

Certificate for the year ended 31st December 2018

I, Michael Unger, being the National President of the Civil Contractors Federation certify:

- that the documents lodged herewith are copies of the full reports for
 - Civil Contractors Federation, ACT Branch
 - Civil Contractors Federation, NSW Branch
 - Civil Contractors Federation, NT Branch
 - Civil Contractors Federation, QLD Branch
 - Civil Contractors Federation, SA Branch
 - Civil Contractors Federation, TAS Branch
 - Civil Contractors Federation, VIC Branch
 - Civil Contractors Federation, WA Branch
- that the full reports were provided to Members of the reporting unit on 10.00am on 7th May 2019, and
- that the full reports were presented to a meeting of the Committee of Management of the reporting unit at 10.30am of 7th May 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Michael Unger
Civil Contractors Federation
President

7th May 2019



**CIVIL CONTRACTORS
FEDERATION**

**CIVIL CONTRACTORS FEDERATION
(SA BRANCH)**

ABN 65 484 720 549

**Financial Report
for the Period Ended
31 December 2018**

**CIVIL CONTRACTORS FEDERATION
(SA BRANCH)**

ABN 65 484 720 549

**Financial Report
for the Period Ended
31 December 2018**

Contents

Committee of Management Statement 1

Operating Report 2-4

Auditor's Independence Declaration..... 5

Expenditure Report Under Subsection 255 (2A).....6

Statement of Profit or Loss and Comprehensive Income..... 7

Statement of Financial Position 8

Statement of Changes in Equity..... 9

Statement of Cash Flow 10

Notes to the Financial Statements 11-39

Auditor's Report..... 40-42

**Committee of Management Statement
for the Period Ended 31 December 2018**

On 7th May 2019 the Civil Contractors Federation National Board passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the period ended 31 December 2018:

The National Board declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit could pay its debts as and when they become due and payable prior to disbandment; and
- (e) during the period to which the GPFR relates:
 - (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 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.

This declaration is made in accordance with a resolution of the National Board of CCF.

Signature of designated officer:



Name and title of designated officer: Michael Unger, National President

Dated: 7th May 2019

**Operating Report
for the Period Ended 31 December 2018**

The National Board of Civil Contractors Federation (CCF) presents the operating report on Civil Contractors South Australia Branch (CCF SA) for the period ended 31 December 2018.

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the SA Branch during the financial period 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 decreased as a result of a change in the State Government's pre-employment and training policy. The branch invested in expansion of its training into Western Australia and marketing and active promotion of Civil Trains training offerings.
- 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 trading loss of \$218,028 for the period ended 31 December 2018, before providing for a 'significant item of expense' of \$7,597,557 (refer below) relating to the disbandment of the Branch (30 June 2018: Profit of \$123,669).

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 period, except that on 31 December 2018, the Branch was disbanded and its net assets transferred to CCF for no consideration in accordance with the approval of members and the Fair Work Commission.

SIGNIFICANT CHANGES IN FEDERATION'S FINANCIAL AFFAIRS S254(2)(B)

Refer to Note 1 'Disbandment of Branch' relating to circumstances during the period which significantly affect the financial affairs of the Branch.

**Operating Report
for the Period Ended 31 December 2018**

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 period (prior to disbandment), were recorded on the register of members was: 194 associate members, 45 associate stakeholders (also known as affiliates), 4 life members, 238 full members and retired members of 40, total of 521 members. (30 June 2018: 200 associate members, 46 associate stakeholders, 4 life members and 237 full members and retired members of 40, total of 527 members.

NUMBER OF EMPLOYEES RO reg 159(b)

The number of persons who were, at the end of the period (prior to disbandment), employees of the SA Branch of the Branch of the Federation was: 35 (30 June 2018: 33).

SA BRANCH BOARD MEMBERS RO reg 159(c)

The persons who held office as members of the Board of the SA Branch during the period until its disbandment were:

Name	Title	Period Of Office
Paul Davison	Branch President	1-7-18 to 31-12-18
Charles Hatcher	Branch Vice President	1-7-18 to 6-8-18
Charles Hatcher	Branch Vice President	8-10-18 to 31-12-18
Michael Jeffery	Branch Honorary Treasurer	1-7-18 to 31-12-18
SA Board Members		
Gerard Beltrame	Branch Board Member & National Board Member	1-7-18 – 31-12-18
Emma Ebert	Branch Board Member	1-7-18 to 31-12-18
Chris Goold	Branch Board Member	1-7-18 to 31-12-18
Mike Forster	Branch Board Member	1-7-18 to 31-12-18
Michael Harper	Branch Board Member	1-7-18 to 31-12-18
Ben Lewis	Branch Board Member	1-7-18 to 31-12-18
John McMichael	Branch Board Member	8-10-18 to 31-12-18
Nick Anderson	Associate Member Rep (Observer)	1-7-18 to 31-12-18
Peter Tan	Associate Member Rep (Observer)	1-7-18 to 31-12-18

Following disbandment, the responsibility for presentation and approval of the financial report of the SA Branch rested with the National Board of CCF.

**Operating Report
for the Period Ended 31 December 2018**

Manner of resignation

Members could 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 sub-rule (1) shall be taken to have been received by the Branch when it was delivered.
- (e) A notice of resignation that has been received by the Branch is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Branch is valid even if it is not 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: Michael Unger, National President

Dated: 7th May 2019

**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 period ended 31 December 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 7th May 2019

**Expenditure Report
for the Period Ended 31 December 2018**

The National Board of CCF presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 31 December 2018.

Note	1 July 2018 - 31 December 2018	1 July 2017 - 30 June 2018
	\$	\$
CATEGORIES OF EXPENDITURE		
Remuneration and other employment-related costs and expenses - employees	1,523,880	3,117,621
Advertising	46,980	55,286
Operating Costs	1,333,235	2,687,756
Donations to Political Parties	-	-
Legal Costs	8,645	12,905
Total	2,912,740	5,873,568

Signature of designated officer:



Name and title of designated officer: Michael Unger, National President

Dated: 7th May 2019

**Statement of Profit or Loss and Comprehensive Income
for the Period Ended 31 December 2018**

	Note	1 July 2018 - 31 December 2018 \$	1 July 2017 - 30 June 2018 \$
Trading Revenue	3	2,644,095	5,890,266
Other Income	3	50,617	106,971
Employee benefits	4a	(1,523,880)	(3,117,621)
Depreciation, amortisation and impairment	4b	(189,103)	(374,235)
Advertising		(46,980)	(55,286)
Employer costs		(79,337)	(170,599)
Finance costs		(11,802)	(21,541)
Functions, seminars and conference costs		(75,267)	(336,917)
National levy	4c	(67,587)	(104,500)
Motor vehicle expenses		(24,874)	(49,705)
Repairs and maintenance		(200,310)	(227,113)
Printing and stationery		(37,530)	(106,389)
Training materials and equipment		(274,022)	(429,005)
Other expenses	4d	(382,048)	(880,657)
(Loss) / Profit for the period		(218,028)	123,669
Significant Item of Expense		(7,597,557)	-
(Loss) / Profit from ordinary activities after Significant Item of Expense		(7,815,585)	123,669
Income tax expense		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		(7,815,585)	123,669

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 31 December 2018**

	Note	31 December 2018 \$	30 June 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	-	1,003,974
Trade and other receivables	6	-	1,309,513
Other current assets	7	-	188,365
TOTAL CURRENT ASSETS		-	2,501,852
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	7,187,651
TOTAL NON-CURRENT ASSETS		-	7,187,651
TOTAL ASSETS		-	9,689,503
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	-	1,292,863
Borrowings	10	-	290,561
Short term provisions	11	-	183,932
TOTAL CURRENT LIABILITIES		-	1,767,356
NON-CURRENT LIABILITIES			
Long-term provisions	11	-	106,562
TOTAL NON-CURRENT LIABILITIES		-	106,562
TOTAL LIABILITIES		-	1,873,918
NET ASSETS		-	7,815,585
EQUITY			
Retained earnings		-	7,815,585
TOTAL EQUITY		-	7,815,585

The accompanying notes form part of these financial statements

**Statement of Changes in Equity
for the Period Ended 31 December 2018**

	31 December 2018	30 June 2018
	\$	\$
Balance at beginning of financial year	7,815,585	7,691,916
(Loss) / Surplus attributable to members	(7,815,585)	123,669
Balance at end of financial year	-	7,815,585

**Statement of Cash Flow
for the Period ended 31 December 2018**

	Note	31 December 2018 \$	30 June 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other customers		3,564,497	6,002,395
Payments to suppliers and employees		(2,927,697)	(5,396,662)
Interest received		1,217	1,850
Interest paid		(11,802)	(21,541)
Receipts from Related Parties	17 (f)	2,181	13,955
Payments to Related Parties	17 (f)	(81,656)	(139,124)
Net cash provided by operating activities	13 (b)	546,740	460,873
CASH FLOWS FROM INVESTING ACTIVITIES			
Net from sale of property, plant and equipment		-	17,579
Purchase of property, plant and equipment		(41,013)	(103,248)
Net cash provided by (used in) investing activities		(41,013)	(85,669)
Net increase (decreases) in cash held		505,727	375,204
Cash at beginning of financial year		1,003,974	628,770
Transfer of cash to CCF on disbandment of Branch		(1,509,701)	-
Cash at end of financial year	13 (a)	-	1,003,974

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the Period ended 31 December 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. 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. Given the disbandment of the Branch effective at 31 December, 2018 – refer the note below, the financial statements have not been prepared on a going concern basis, all assets and liabilities having been transferred to Civil Contractors Federation on that date. Rather, the financial report and in particular the assets and liabilities of the branch, prior transfer, were measured on a "liquidation" basis which reflected their recoverable values and expected settlement amounts as at the date of transfer.

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) was a Federation incorporated in South Australia under the Fair Work (Registered Organisations) Act 2009 until the date of disbandment referred to above.

Disbandment of Branch

In accordance with a resolution made by the National Board of CCF on 16 November, 2018, with effect from 31 December, 2018, CCF adopted a new constitution and rules which were certified by the Fair Work Commission. It was also resolved that effective as at 31 December, 2018, all assets, liabilities and undertakings of the branch be transferred for \$nil consideration to CCF at which point in time, the branch would be disbanded. Set out below is a summary of the assets, liabilities and undertakings transferred by the branch to CCF as at 31 December, 2018:

	\$
Cash	1,509,701
Trade Receivable	456,330
Land & Buildings	6,829,756
Plant & Equipment	209,804
Other Assets	127,618
Borrowings	(290,561)
Trade and Other Payables	(911,730)
Employee Entitlements	(333,361)
Net Assets	7,597,557

On the basis that \$nil consideration was received for this transfer, an amount of \$7.598 million has been reported as a "Significant Item of Expense" in the Statement of Profit/Loss and Other Comprehensive Income.

As set out in the bases of accounting note, the Branch will no longer operate and hence is not a going concern as at the date of this financial report.

Prior Year Comparatives

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

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

Accounting Policies

a. Income Tax

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and, is believed to have been 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 included cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months, net of bank overdrafts.

c. Property, Plant and Equipment

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

Cost and valuation

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

The carrying amount of plant and equipment were reviewed at each reporting date by the Board to ensure they were not in excess of the recoverable amount of those assets. The recoverable amount was 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.

All other fixed assets were measured at the lower of cost and fair value.

Depreciation

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

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

	31 December 2018	30 June 2018
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 were reviewed and adjusted, if appropriate, at each balance date.

The assets' carrying value were written down immediately to recoverable amount if the carrying amount was greater than estimated recoverable amount.

Gains and losses on disposal were determined by comparing the proceeds with the carrying amount. These gains and losses have been included in the Statement of Profit and Loss.

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

d. Trade and other Receivables

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

The collectability of debts has been reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable was 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 was recognised in the income statement as an expense.

e. Trade and other Payables

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

f. Financial Instruments

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

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

g. Employee Benefits

Short-term employee benefits

Provision has been 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 have been 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 sick leave have been recognised as part of current trade and other payables in the statement of financial position.

Long-term employee benefits

Provision was 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 were 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 were recognised in profit or loss in the periods in which the changes occur.

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

g. Employee Benefits (cont'd)

The Branch's obligations for long-term employee benefits were presented as non-current provisions in its statement of financial position, except where the Branch did 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 were presented as current provisions.

No provision has been 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.

Superannuation

Contributions were 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, were transferred to the Branch were classified as finance leases.

Finance leases were 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 were depreciated on a straight line basis over their estimated useful lives where it is likely that the Branch would obtain ownership of the asset over the term of the lease. Lease payments were 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, were charged as expenses in the periods in which they were incurred.

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

i. Goods and Services Tax (GST)

Revenues, expenses and assets have been 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 has been recognised as part of the cost of acquisition of the asset or as part of an item of expense, and included in receivables and payables in the Statement of Financial Position.

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 recognised 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:

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

j. Revenue & Other income (cont'd)

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.

l. Fair Value of Assets and Liabilities

The Branch measured 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 (i.e. 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 were 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 (i.e. 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 (i.e. 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).

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

I. Fair Value of Assets and Liabilities (cont'd)

For non-financial assets, the fair value measurement also took 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 have been 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 was not available, other valuation techniques were adopted and, where significant, 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.

n. Critical Accounting Estimates and Judgements

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

Key Estimates – Impairment

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

No impairment has been recognised in respect of any assets for the period ended 31 December 2018, except as stated in this report.

Key Judgements - Doubtful Debts Provision

The Committee of Management have assessed each debtor and have estimated a provision for doubtful debts amounting to \$19,597 at 31 December 2018 (prior to disbandment) (30 June 2018: \$34,294). 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. New Accounting Standards for Application in Future Periods

The AASB issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which would have been relevant to the entity. The Committee of Management and CCF Board decided not to early adopt any of the new and amended pronouncements as at the date of disbandment.

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

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

q. Provisions

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

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

r. 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 sub-section (1), (2) and (3) of Section 272 which reads as follows: -

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

s. Going Concern

Given the disbandment of the branch effective at 31 December 2018, the financial statements have not been prepared on a going concern basis, all assets and liabilities having been transferred to Civil Contractors Federation on that date. Rather, the financial report and in particular the assets and liabilities of the branch, prior transfer, were measured on a "liquidation" basis which reflected their recoverable values and expected settlement amounts as at the date of transfer.

The Branch has not been reliant on any agreed financial support to continue as a going concern, nor has it agreed to provide such support to ensure other branches operated as a going concern.

2. FUND ANALYSIS

For the financial period ended 31 December 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; and
- there is no balance within the general fund.

**Notes to the Financial Statements
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
NOTE 3: REVENUE AND OTHER INCOME		
Operating revenue:		
Qualifications	689,947	1,908,423
Short Courses	1,469,063	2,684,552
Member Subscriptions	349,151	632,832
Function and Sponsorship Income	88,152	362,479
Production Income	-	-
Publication Income	8,594	26,257
Advertising Income	16,562	41,319
Grants Received	7,636	194,362
Other	14,990	40,042
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	-	-
	<u>2,664,095</u>	<u>5,890,266</u>
Other Income		
Interest received	1,217	1,850
Lease income	29,782	59,248
Profit on Disposal of Assets	909	1,654
Sundry	18,709	44,219
	<u>50,617</u>	<u>106,971</u>
Total Revenue	<u>2,694,712</u>	<u>5,997,237</u>
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	1,357,250	2,819,641
Separation and Redundancy	-	-
Superannuation	124,346	240,553
Annual leave and long service leave	42,284	57,427
	<u>1,523,880</u>	<u>3,117,621</u>
b. Depreciation and Amortisation		
Plant and equipment	189,103	374,235
	<u>189,103</u>	<u>374,235</u>

**Notes to the Financial Statements
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
c. Levy		
National office levy	67,587	104,500
	<u>67,587</u>	<u>104,500</u>
<p>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.</p>		
d. Other expenses		
Accounting fees	1,000	500
ASQA	-	10,996
Auditor's Remuneration – Financial Statements Audit (Other Service: \$nil (30 June 2018: \$nil))	6,000	10,000
	<u>7,000</u>	<u>21,496</u>
Affiliation Fees	-	-
Attendance Allowance / Fee	-	-
Bad debts	6,000	14,105
Bank charges	6,315	12,924
Board / Committee meeting expenses	1,860	4,268
Consultancy fees	49,136	90,551
Donations < \$1,000	-	-
Donations > \$1,000	-	-
Employer Payroll Deduction Costs	-	-
Forgiveness of Loans	-	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Holding meetings costs	-	-
Insurance	55,772	110,775
Leasing Costs	37,892	78,443
Legal Costs – Litigation	-	-
Legal Costs – Other Matters	8,645	12,905
Licence fee and membership	5,376	10,182
Office rent and outgoings	39,344	85,124
Other Capitation Fees / Compulsory Levies	-	-
Production and distribution	22,395	62,023
RO Act Penalties	-	-
Sponsorship	3,500	3,095
Subscriptions	2,210	4,275
Travel	43,045	43,449
Utilities	28,417	71,431
Other general expenses	65,141	255,611
	<u>382,048</u>	<u>880,657</u>

e. Expenses – Financial Affairs Administered by Other Entities

For the financial period ended 31 December 2018, there was \$nil incurred for any financial affairs administered by other entities (30 June 2018: \$nil).

**Notes to the Financial Statements
for the Period Ended 31 December 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 \$
31 December 2018						
Trade & term receivables	-	-	-	-	-	-
30 June 2018						
Trade & term receivables	1,343,807	34,294	157,879	47,842	87,522	1,016,270

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

	31 December 2018 \$	30 June 2018 \$
Trade and other receivables (Gross)	-	1,343,807
	-	1,343,807

NOTE 7: OTHER ASSETS

CURRENT

Prepayments	-	31,662
Accrued income and other assets	-	156,703
	-	188,365

**Notes to the Financial Statements
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018	30 June 2018
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (cont'd)		
Freehold land		
At cost	-	2,075,000
	-	2,075,000
Buildings		
At Cost	-	6,780,726
Accumulated depreciation	-	(1,885,059)
	-	4,895,667
Course Materials		
At Cost	-	21,175
Accumulated depreciation	-	(20,711)
	-	464
Plant and equipment		
At cost	-	4,666,670
Accumulated depreciation	-	(4,545,759)
	-	120,911
Furniture, fixture and fittings		
At cost	-	584,572
Accumulated depreciation	-	(501,044)
	-	83,528
Website development		
At cost	-	32,065
Accumulated depreciation	-	(20,021)
	-	12,044
Other		
At cost	-	47,688
Accumulated depreciation	-	(47,651)
	-	37
TOTAL PROPERTY, PLANT AND EQUIPMENT	-	7,187,651

**Notes to the Financial Statements
for the Period Ended 31 December 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	4,895,667	120,911	83,528	464	37	12,044	7,187,651
Additions	-	52	22,933	18,028	-	-	-	41,013
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(140,962)	(23,977)	(20,694)	(237)	-	(3,233)	(189,103)
Transfer to CCF	(2,075,000)	(4,754,757)	(119,867)	(80,862)	(227)	(37)	(8,811)	7,039,561
Balance at 31 December 2018	-	-	-	-	-	-	-	-
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 Period Ended 31 December 2018 (cont'd)**

Note	31 December 2018 \$	30 June 2018 \$
NOTE 9: TRADE AND OTHER PAYABLE		
CURRENT		
Trade payables	-	104,729
Amounts received in advance	-	925,581
Sundry payables and accrued expenses	-	262,553
	-	<u>1,292,863</u>
 (a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total Current	-	1,292,863
Less:		
Amounts received in advance	-	(925,581)
Financial liabilities as trade and other payables	-	<u>367,282</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	-	290,561
	-	<u>290,561</u>
 (a) Bank and Mortgage Loans		
The Branch had a \$1 million (30 June 2018: \$1 million) overdraft facility with Commonwealth Bank of Australia which is subject to annual review and is a variable interest rate facility prior to disbandment of branch. It also had an \$80,000 (30 June 2018: \$80,000) Business Card facility prior to disbandment. The property situated at Thebarton had been provided as security to the Commonwealth Bank for the provision of the facilities. There are no unsatisfied covenants within the bank borrowings.		
	31 December 2018 \$	30 June 2018 \$
NOTE 11: PROVISIONS		
Current		
Annual Leave	-	116,440
Long Service Leave	-	67,492
	-	<u>183,932</u>
 Non-Current		
Long Service Leave	-	106,562
	-	<u>106,562</u>
Number of employees at year-end (prior to disbandment)	<u>35</u>	<u>33</u>

**Notes to the Financial Statements
for the Period Ended 31 December 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	
	31/12/18	30/06/18	31/12/18	30/06/18	31/12/18	30/06/18
	\$	\$	\$	\$	\$	\$
Officeholders	-	-	-	-	-	-
Other Staff	-	116,440	-	174,054	-	290,494
Total	-	116,440	-	174,054	-	290,494

	Separation and Redundancy Provisions		Other Employee Provisions		Total	
	31/12/18	30/06/18	31/12/18	30/06/18	31/12/18	30/06/18
	\$	\$	\$	\$	\$	\$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no bonuses for separation and redundancy or other provisions for officeholders or other employees at 31 December 2018 (30 June 2018: \$nil).

Provision for Employee Benefits

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

The current portion for this provision included 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 did 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 were classified as current liabilities since the Branch did 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 included 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	
	31/12/2018	30/06/2018	31/12/2018	30/06/2018	31/12/2018	30/06/2018
	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	1,357,250	2,819,641	1,357,250	2,819,641
Annual Leave and Long Service Leave	-	-	42,284	57,427	42,284	57,427
Other Employee Expenses	-	-	-	-	-	-
Redundancy Payments	-	-	-	-	-	-
Superannuation	-	-	124,346	240,553	124,346	240,553
Total	-	-	1,523,880	3,117,621	1,523,880	3,117,621

**Notes to the Financial Statements
for the Period Ended 31 December 2018 (cont'd)**

	31 December 2018 \$	30 June 2018 \$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash on hand	-	2,000
Operating accounts	-	799,113
Saving accounts	-	202,861
	-	1,003,974
b. Reconciliation of Cash Flow from Operations with Profit after Income Tax.		
Operating (loss) / profit after income tax	(7,815,585)	123,669
Non-cash flows in profit/(loss) from ordinary activities		
Depreciation and amortisation	189,103	374,235
Net (gain)/loss on disposal of property, plant and equipment	-	(14,155)
Add back: Loss on write-down of investments	-	12,500
Loss on transfer of Net Assets to CCF	7,597,557	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and term receivables	853,183	20,963
(Increase)/decrease in other assets	60,747	46,968
Increase/(decrease) in trade payables and accruals	(381,133)	(160,630)
Increase/(decrease) in provisions	42,868	57,323
Net cash provided by operating activities	546,740	460,873
c. Cash Transfer		

At disbandment date, the fair value of net assets transferred to CCF for \$nil consideration amounted to \$7.598 million (refer Note 1). Cash of \$1,509,701 was transferred to CCF as part of this transaction (refer also Note 1).

**Notes to the Financial Statements
for the Period Ended 31 December 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:

	31 December 2018 \$	30 June 2018 \$
Financial Assets		
Cash and cash equivalents	-	1,003,974
Trade and other receivables	-	1,309,513
Total financial assets	-	2,313,487
Financial Liabilities		
Financial liabilities at amortised costs		
- Trade and other payables	-	367,281
- Borrowings	-	290,561
Total financial liabilities	-	657,842

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.

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.

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

(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 31 December 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	
	31/12/2018	30/6/2018	31/12/2018	30/6/2018	31/12/2018	30/6/2018	31/12/2018	30/6/2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	-	290,561	-	-	-	-	-	290,561
Trade and other payables (excluding estimated annual leave)	-	367,281	-	-	-	-	-	367,281
Total contractual outflows	-	657,842	-	-	-	-	-	657,842

Notes to the Financial Statements for the Period ended 31 December 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	
	31/12/2018	30/6/2018	31/12/2018	30/6/2018	31/12/2018	30/6/2018	31/12/2018	30/6/2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flows realisable								
Cash and cash equivalents	-	1,003,974	-	-	-	-	-	1,003,974
Trade, term and loans receivable	-	1,309,513	-	-	-	-	-	1,309,513
Total inflows	-	2,313,487	-	-	-	-	-	2,313,487

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.

Notes to the Financial Statements for the Period ended 31 December 2018 (cont'd)

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

(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.

	31 December 2018		30 June 2018	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	-	-	1,003,974	1,003,974
Trade and other receivables	-	-	1,309,513	1,309,513
Total financial assets	-	-	2,313,487	2,313,487
Financial liabilities				
Trade and other payables	-	-	367,281	367,281
Bank debt	-	-	290,561	290,561
Total financial liabilities	-	-	657,842	657,842

(e) Interest rate risk sensitivity analysis

As 31 December 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:

	31 December 2018 \$	30 June 2018 \$
Change in Profit		
- Increase in interest rate by 2% (30 June 2018: 2.0%)	-	14,268
- Decrease in interest rate by 0.5% (30 June 2018: 0.5%)	-	(3,567)
Change in Equity		
- Increase in interest rate by 2% (30 June 2018: 2.0%)	-	14,268
- Decrease in interest rate by 0.5% (30 June 2018: 0.5%)	-	(3,567)

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) CAPITAL COMMITMENTS

At 31 December 2018, the Branch has no capital commitments.

(b) Operating Lease Commitments – as lessee

	31 December 2018	30 June 2018
	\$	\$
*Future minimum rentals payable under non-cancellable operating leases payable in respect of motor vehicles and equipment at 31 December are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	69,825
- After one year but not more than five years	-	96,558
- More than five years	-	-
	-	166,383

(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 31 December are:

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

Operating Lease Commitments – as lessor

*Future minimum rentals receivable under non-cancellable rental of premises leases at 31 December are:

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

a. Operating and Equipment Leases

*Given the disbandment of the Branch, new lease agreements will be signed and will be payable/receivable by the Civil Contractors Federation South Australia Ltd.

**Notes to the Financial Statements
for the Period ended 31 December 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:

Paul Davison, Charles Hatcher, Michael Jeffery, Gerard Beltrame, Emma Ebert, Chris Goold, Mike Forster, Michael Harper, Ben Lewis, John McMichael, Nick Anderson 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 (30 June 2018: \$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	1-7-2018 to 31-12-2018
Director – Global Learning and Future Directions	Victoria Griffith	1-7-2018 to 31-12-2018
Director of Finance	George Tsiakiridis	1-7-2018 to 31-12-2018

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2018			30 June 2018		
	\$			\$		
c. Key Management Personnel Remuneration	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	262,382	24,864	287,246	416,855	39,567	456,422

	31 December 2018			30 June 2018		
	\$			\$		
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

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 (30 June 2018: \$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	31 December 2018	30 June 2018
	\$	\$
During the year, the SA Branch paid a National capitation levy calculated in accordance with the rules.	67,587	104,500

**Notes to the Financial Statements
for the Period ended 31 December 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	31 December 2018	30 June 2018
	\$	\$
Victoria Branch	-	1,550
Tasmania Branch	-	991
National Office	-	7,568
North Territory Branch	-	-
Western Australia Branch	-	-
Paluszek Enterprises	-	505
	-	10,614

Reconciliation – related entity loans

Victoria Branch

Carrying amount at beginning of the year	1,550	1,827
Sundry income	-	5,775
Sundry charges	(1,331)	(9,105)
Receipts	(1,550)	(6,200)
Payment made	1,331	9,253
Transfer to CCF	-	-
Carrying amount at end of the year	-	1,550

Tasmania Branch

Carrying amount at beginning of the year	991	819
Sundry income	1,090	2,528
Sundry charges	-	-
Receipts	-	(2,356)
Payment made	-	-
Transfer to CCF	(2,081)	-
Carrying amount at end of the year	-	991

National Office

Carrying amount at beginning of the year	7,568	(8,813)
Sundry income	238	14,559
Levy charge	(67,587)	(104,500)
Sundry charges	-	(5,523)
Receipts	(631)	(2,905)
Payment made	67,587	114,750
Transfer to CCF	(7,175)	-
Carrying amount at end of the year	-	7,568

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

f. Related Party balances at year end

	31 December 2018	30 June 2018
	\$	\$
Northern Territory Branch		
Carrying amount at beginning of the year	-	1,201
Sundry income	-	-
Sundry charges	(8,251)	(14,322)
Receipts	-	(2,000)
Payment made	6,645	15,121
Transfer to CCF	1,606	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>
Western Australia Branch		
Carrying amount at beginning of the year	-	-
Sundry income	14,269	-
Sundry charges	(6,093)	-
Receipts	-	-
Payment made	6,093	-
Transfer to CCF	(14,269)	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>
*Paluszek Enterprises		
Carrying amount at beginning of the year		494
Sales income		505
Purchases made		-
Receipts		(494)
Payment made		-
Carrying amount at end of the year		<u>505</u>

*In the 2018 financial year, T Paluszek had a financial interest in Paluszek Enterprises. As of September 2017, T Paluzek resigned as board member of CCF SA and as a result note that reporting of related party transactions is no longer required.

There is no provision for doubtful debts in respect of the related party balances listed above (30 June 2018: \$nil).

The sales to and purchases from related parties were made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at 31 December 2018 were 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 period ended 31 December 2018, the Civil Contractors Federation (SA Branch) has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (30 June 2018: \$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.

No payments to a former related party of the Branch occurred for the period to 31 December 2018.

**Notes to the Financial Statements
for the Period ended 31 December 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 Period ended 31 December 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.

	31 December 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
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	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-

	30 June 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
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

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

Description	Fair Value at 31 December 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:	-	Market approach: Using recent observable market data on discounted cashflows	Price per square metre, market borrowing rate
	-		

**Notes to the Financial Statements
for the Period ended 31 December 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
Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

NOTE 19: 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 20: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year, nor provide any to other reporting units. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

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

At 31 December 2018 (prior to disbandment), there was \$3,308 payable in respect of legal costs – relating to ‘other matters’ and \$nil payable relating to legal litigation (30 June 2018: \$3,125 - relating to ‘other matters’, \$nil payable relating to litigation). No payable exists at reporting date in respect of consideration for payroll deductions of membership subscriptions (30 June 2018: \$nil).

**Notes to the Financial Statements
for the Period ended 31 December 2018 (cont'd)**

NOTE 21: OTHER ACTIVITIES

The Branch did not acquire an asset or liability during the financial period due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, and/or a determination or revocation by the General Manager, Fair Work Commission.

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

The principal segment is member services within South Australia, Australia.

The entity is domiciled in Australia.

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 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, paying due regard to the matter set out in the 'Going Concern Basis' paragraph below, the accompanying financial report presents fairly, in all material aspects, the financial position of Civil Contractors Federation (SA Branch) as at 31 December 2018, and its financial performance and its cash flows for the period 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 liquidation basis of accounting – refer further below, in the preparation of the financial statements of the SA Branch is appropriate.

Going Concern Basis

We draw attention to Note 1 in the financial report, which indicates that with effect from 31 December 2018, Civil Contractors Federation (SA Branch) was disbanded. This occurrence has precluded the SA Branch from operating as a 'going concern' at the end of the reporting period. The financial report has been henceforth been prepared on a 'liquidation' basis at reporting date, wherein the statement of financial position reflects the recoverable amounts of assets and estimated liability settlement amounts at that date. Our opinion is not modified in respect of this matter.

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 and the National Board of CCF are 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.

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

Information Other than the Financial Report and Auditor's Report Thereon (cont'd)

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.

Responsibilities of Committee of Management and CCF National Board for the Financial Report

The Committee of Management of SA Branch and the National Board of CCF were 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 they 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 and the National Board of CCF have been responsible for assessing SA Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and ultimately using the liquidation basis of accounting given SA Branch operations ceased on 31 December 2018.

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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 and the National Board's use of the liquidation basis of accounting, based on the audit evidence obtained. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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.

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

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.

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.

Stannards Accountants and Advisors



Michael B Shulman
Partner

Melbourne, VIC
Dated: 7th May 2019

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



21 January 2019

Mr Phillip Sutherland
Chief Executive Officer
Civil Contractors Federation-South Australia Branch
By Email: psutherland@ccfsa.com.au

Dear Mr Sutherland,

**Re: Lodgement of Financial Report - [FR2018/385]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Civil Contractors Federation-South Australia Branch (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

GPO Box 2983, Melbourne VIC 3001
Telephone: 1300 341 665 | Email: regorgs@roc.gov.au
Website: www.roc.gov.au

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

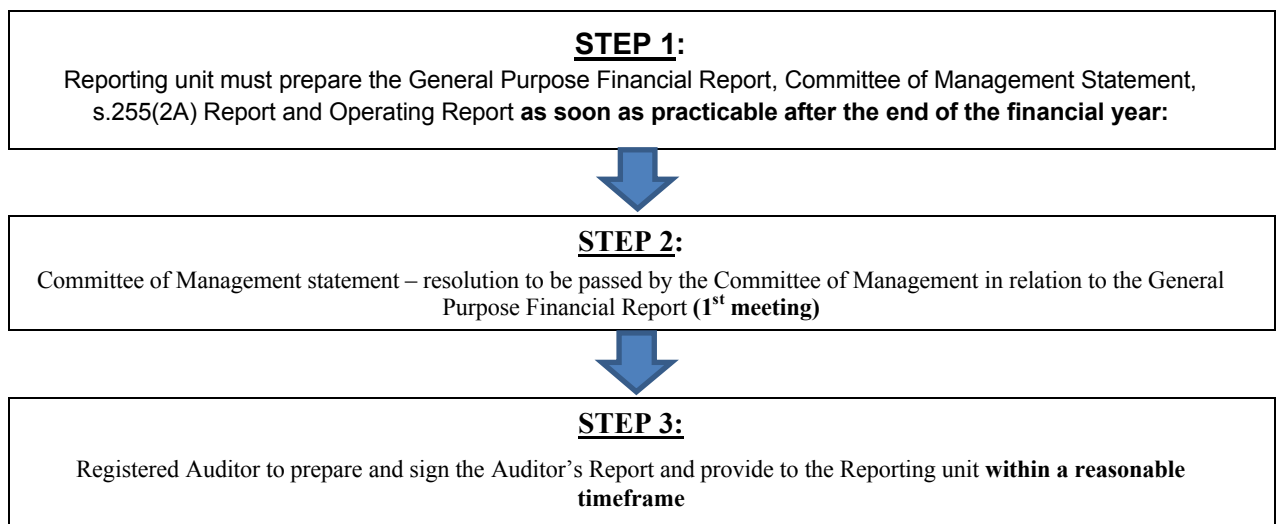


Fact sheet

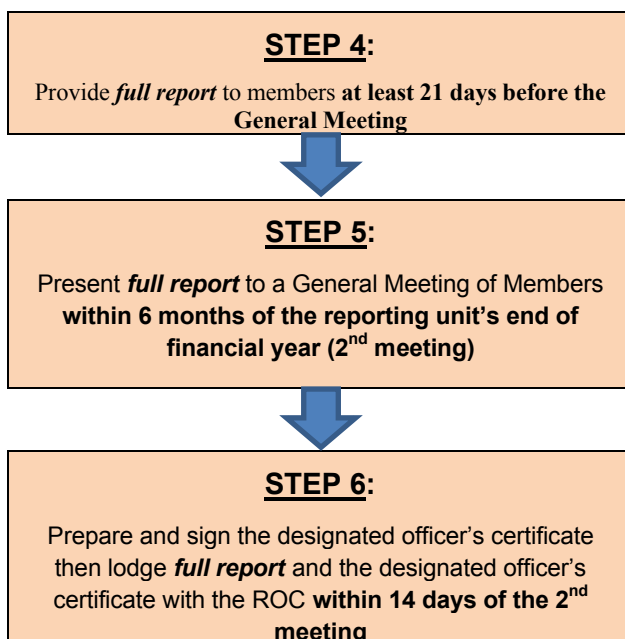
Summary of financial reporting timelines – s.253 financial reports

General Information:

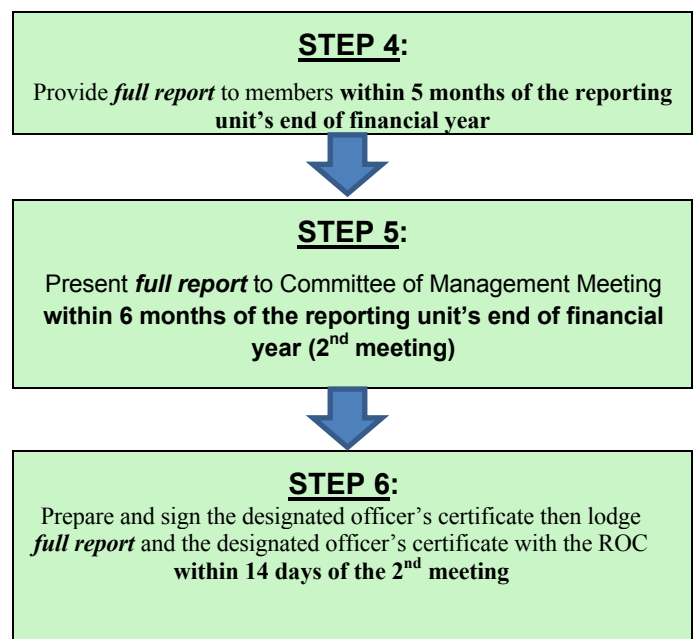
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT **GENERAL MEETING OF MEMBERS**
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)



Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

© Commonwealth of Australia 2018

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The Fair Work (Registered Organisations) Act 2009 (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within 90 days of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
<p>✗ Only reporting units must lodge the Statement.</p>	<p>✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p>✗ Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>
<p>✗ Statements can be lodged with the financial report.</p>	<p>✓ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.</p>

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

© Commonwealth of Australia 2018

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.