



15 February 2019

Mr Hugh Maslin
President
Civil Contractors Federation-Tasmanian Branch

By e-mail: ccftas@civilcontractors.com
CC: michael.shulman@stannards.com.au

Dear Mr Maslin,

Civil Contractors Federation-Tasmanian Branch

Financial Report for the year ended 30 June 2018 - [FR2018/211]

I acknowledge receipt of the financial report of the Civil Contractors Federation-Tasmanian Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 9 January 2019. I also acknowledge receipt of the amended financial report, certificate by prescribed designated officer and the committee of management statement which were lodged with the ROC on 4 February 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.

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

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

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 general meeting

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 general meeting of members referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 7 November 2018. If this is correct the documents should have been lodged with the ROC by 21 November 2018.

As indicated above, the full report was lodged on 9 January 2019.

It appears the branch should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

General purpose financial report (GPFR)

Reports must be signed and dated before being provided to members

Under subsection 265(1)(a) of the RO Act a reporting unit must provide free of charge to its members a full report. A full report consists of:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

Subsection 253(2) states that the general purpose financial report must consist of:

- (a) financial statement containing
 - (i) a profit and loss statement, or other operating statement; and
 - (ii) a balance sheet; and
 - (iii) a statement of cash flows; and
 - (iv) any other statements required by the Australian Accounting Standards; and
- (b) notes to the financial statements containing:
 - (i) notes required by the Australian Accounting Standards; and
 - (ii) information required by the reporting guidelines (see section 255); and
- (c) any other reports or statements required by the reporting guidelines (see section 255) (including a committee of management statement, subsection 255(2A) report and officer's declaration statement).

The designated officer's certificate states that the full report was provided to members on 12 October 2018

However, the committee of management statement was not signed until 7 November 2018 which is after the date the full report was purportedly provided to members. This statement must be signed and dated before they are provided to members as they form part of a full report. It would therefore appear that members have not been provided with a copy of the full report.

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Acquiring an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission; and
- Making a payment to a former related party of the reporting unit.

Please ensure in future year that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Inconsistency in disclosure of financial information

Note 14e, *Transactions with National Office, Branches and Related Entities* includes payment of capitation fees from the reporting unit to the National Office of \$16,500. Note 4d, however, includes nil activity disclosure for Capitation fees expense.

In future year, please ensure that items within the financial report are disclosed consistently.

Recovery of wages disclosure

Please note that under the 5th edition of the RGs made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

I note that a statement in regard to recovery of wages activity is included in the committee of management statement. Please note that for future years, the committee of management is no longer required to make a resolution in relation to this item.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the names of Naomi Walsh and Justin Woolford appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Naomi Walsh or Justin Woolford had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future year, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Auditor's report

Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

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

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure in future year that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

Redaction of Information

Key management personnel compensation – redaction of information

In the financial report, certain information disclosed in Note 14b, on page 28 has been redacted from the copy of the 2018 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

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

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 – Tasmanian Branch

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 30 June 2018

I Stewart Geeves being the *Treasurer and Board Member* of Civil Contractors Federation Tasmanian Branch certify:

- that the documents lodged herewith are copies of the full report for Civil Contractors Federation Tasmanian Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *12 October 2018* and
- that the full report was presented to a *general meeting of members* of the reporting unit on *7 November 2018* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Stewart Geeves

Title of prescribed designated officer: Treasurer, Board Member

Dated: *7 November 2018*

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**CIVIL CONTRACTORS FEDERATION
(TAS BRANCH)**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018**

Contents

Operating Report	1 - 3
TAS Branch Committee of Management Statement	4
Auditor's Independence Declaration.....	5
Expenditure Report Under Subsection 255 (2A).....	6
Statement of Profit or Loss	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Members' Fund	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-36
Auditor's Report	37-39

Operating Report for the Year Ended 30 June 2018

The Committee of Management presents its operating report on Civil Contractors Federation Tasmanian Branch (CCF TAS) for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the Branch during the financial year were to promote, protect and advance the interest of its members engaged in any manner of civil contracting and/or ancillary industries.

The Branch operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in Tasmania, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to awards rates of and work practices to members of the Branch throughout Tasmania. The Branch represents its members and the public at all levels of Government and lobbies for concessions relating to civil construction and business trade.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Branch's principal activities resulted in a deficit of \$15,042 (2017 deficit of \$16,329).

Advocacy and member services have again been a focus, as well as workplace training. Ongoing industrial advice has also been provided this year to the members (as in prior years).

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

SIGNIFICANT CHANGES IN NATURE OF PRINCIPAL ACTIVITIES S254(2)(A)

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

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

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

OFFICERS OR MEMBERS WHO ARE SUPERANNUATION FUND TRUSTEE(S) OR DIRECTOR OF A COMPANY THAT IS A SUPERANNUATION FUND TRUSTEE WHERE BEING A MEMBER OR OFFICER OF A REGISTERED ORGANISATION IS A CRITERION FOR THEM HOLDING SUCH POSITION S254(2)(D)

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

NUMBER OF MEMBERS RO reg 159(a)

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 49 Members and 25 Associate Members. At the end of the previous financial year (2017) there were 48 Members and 26 Associate Members.

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

NUMBER OF EMPLOYEES RO reg 159(b)

The number of persons who were, at the end of the financial year, employees of the TAS Branch of the Federation was 1 (2017: 1).

TAS BRANCH BOARD MEMBERS reg 159(c)

The persons who held office as members of the Board of the TAS Branch at the end of the financial year were:

Name	Position	Period
Hugh Maslin	Branch President*	01/07/2017 to 30/06/2018
Stewart Geeves	Honorary Branch Treasurer*	01/07/2017 to 30/06/2018
Simon Heazlewood	<i>Branch Vice-President*</i>	01/07/2017 to 30/06/2018
Rob Batchelor	<i>Branch Board Member</i>	01/07/2017 to 30/06/2018
Camille O'Meara	<i>Branch Board Member</i>	01/07/2017 to 30/06/2018
Neil Armstrong	<i>Branch Board Member</i>	01/07/2017 to 30/06/2018
Jessie Brunskill	<i>Branch Board Member</i>	01/07/2017 to 30/06/2018
Adrian Granger	<i>Branch Board Member</i>	01/07/2017 to 30/06/2018
Ashley Cooper	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018
Phil Sydney	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018
Peter Campbell	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018
Alistair McCulloch	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018
Lincoln Bromwich	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018
Stephen Pregnell	<i>Branch Board Member</i>	29/09/2017 to 30/06/2018

*appointments to position approved at the AGM held on 29 September 2018.

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

MANNER OF RESIGNATION

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

"9 - RESIGNATION OF MEMBERS

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



Signature of designated officer:

Name and title of designated officer: Stewart Geeves Honorary Branch Treasurer.

Dated: 21 August 2018

**TAS Branch Committee of Management Statement
for the Year Ended 30 June 2018**

On 21 August 2018 the Civil Contractors Federation (TAS Branch) Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2018:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

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

Signature of designated officer:



Name and title of designated officer: Stewart Geeves Honorary Branch Treasurer.

Dated:

7 November 2018

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

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

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



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



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

Dated: 21 August 2018

**Expenditure Report
For the Year ended 30 June 2018**

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

	Note	2018 \$	2017 \$
CATEGORIES OF EXPENDITURE			
Remuneration and other employment-related costs and expenses - employees		65,046	111,731
Advertising		774	2,127
Operating Costs		167,193	174,577
Donations to Political Parties		-	-
Legal Costs		-	-
Total		233,013	288,435

Signature of designated officer: 

Name and title of designated officer: Stewart Geeves Honorary Branch Treasurer.

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

	Note	2018 \$	2017 \$
Revenue	3	217,971	272,106
TAS State Contribution		(16,500)	(16,500)
Employee Expenses	4e	(65,046)	(111,731)
CCF Cards / Other Training Costs		(5,820)	(13,458)
Functions and Activities		(61,462)	(73,638)
Travel and Accommodation		-	(4,950)
Publications		(2,159)	(1,409)
Accounting and Audit Fees	4b	(8,487)	(13,011)
Bad Debts	4a	-	-
Depreciation	4c	(4,105)	(5,293)
Consultancy Fees		(34,243)	(8,072)
Other Expenses	4d	(35,191)	(40,373)
(Loss) / Profit from ordinary activities before income tax expense		(15,042)	(16,329)
Income tax expense	1a	-	-
Net (loss) / profit from ordinary activities after income tax expense attributable to the Federation		(15,042)	(16,329)

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2018**

	2018	2017
	\$	\$
(Loss) / Profit for the period	(15,042)	(16,329)
Total Comprehensive (loss) / Income for the period	(15,042)	(16,329)
Total Comprehensive (loss) / Income attributable to members of the organisation	(15,042)	(16,329)

The accompanying notes form part of the financial statements

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

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	12,720	39,417
Trade and other receivables	6	31,615	120,725
Other current assets	7	4,753	23,473
TOTAL CURRENT ASSETS		49,088	183,615
NON-CURRENT ASSETS			
Plant and equipment	8	13,657	16,018
TOTAL NON-CURRENT ASSETS		13,657	16,018
TOTAL ASSETS		62,745	199,633
CURRENT LIABILITIES			
Trade and other payables	9	42,595	161,157
Short term provisions	11	1,967	444
Borrowings	10	6,853	6,853
TOTAL CURRENT LIABILITIES		51,415	168,454
NON-CURRENT LIABILITIES			
Borrowings	10	11,117	15,924
TOTAL NON-CURRENT LIABILITIES		11,117	15,924
TOTAL LIABILITIES		62,532	184,378
NET ASSETS		213	15,255
MEMBERS' FUNDS			
Accumulated Surplus		213	15,255
TOTAL MEMBERS' FUNDS		213	15,255

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2018**

	\$
Balance as at 1 July 2016	31,584
(Loss) / Profit attributable to members	<u>(16,329)</u>
Balance at 30 June 2017	<u>15,255</u>
(Loss) / Profit attributable to members	<u>(15,042)</u>
Balance at 30 June 2018	<u>213</u>

The accompanying notes form part of the financial statements

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

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		305,868	295,876
Receipts from related parties		1,104	214
Payments to suppliers and employees		(297,002)	(282,866)
Payments to related parties		(30,225)	(38,838)
Interest received		109	217
Net cash provided by operating activities	15b	(20,146)	(25,397)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,744)	-
Net cash (used) in investing activities		(1,744)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for Hire Purchase Contract		(4,807)	(4,353)
Net cash generated from financing activities		(4,807)	(4,353)
Net (decrease)/increase in cash held		(26,697)	(29,750)
Cash at the beginning of the financial year		39,417	69,167
Cash at the end of the financial year	15a	12,720	39,417

The accompanying notes form part of the financial statements

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 (TAS Branch) is a 'not for profit' entity.

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

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

Accounting Policies

a. Income Tax

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

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand 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. Plant and Equipment

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

Cost and valuation

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

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

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

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

c. Plant and Equipment (cont'd)

Depreciation

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

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

	2018	2017
Office, furniture and equipment	20 - 50 %	20 - 50 %
Motor Vehicles	25%	25%

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

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

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

d. Financial Instruments

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

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

e. Employee Benefits

Short-term employee benefits

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

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

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

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

e. Employee Benefits (cont'd)

Long-term employee benefits

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

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

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

Superannuation

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

f. Leases

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

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

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

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense, and is 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.

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

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

h. Revenue

Revenue from 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 service.

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

Grant revenue is recognized on a systematic basis in proportion to the amount of expense incurred for which the grants are intended to compensate.

i. Comparative figures

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

j. Operating Segment

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

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

k. Cash and Cash Equivalents

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

l. Fair Value of Assets and Liabilities

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

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (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 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.

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

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

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

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).

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

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

m. Capitation Fees

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

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 year ended 30 June 2018, except as stated in this report.

Key Judgements - Doubtful Debts Provision

The Board have assessed each debtor and have estimated no provision for doubtful debts is required (2017: \$nil). The Board believes that the full amount of the debtors is recoverable.

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

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

o. New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The significant accounting requirements of AASB 1058 are as follows:

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

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

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

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

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

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

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

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

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

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

This pronouncement is not expected to impact the Branch.

p. 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).

2. Fund Analysis

For the financial year ended 30 June 2018, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch; and

- there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose.

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

	2018 \$	2017 \$
NOTE 3: REVENUE		
Operating activities:		
Member Subscriptions	92,600	96,361
Functions	79,613	94,177
Training subsidies	8,626	28,253
CCF Cards	4,787	4,472
Publications	5,106	4,046
Grants	11,432	25,000
Sponsorship	6,631	10,731
Interest received	109	217
Directors' Fees	9,067	8,649
Donations	-	-
Capitation Fees	-	-
Compulsory & Voluntary Levy	-	-
Financial Support - Branches	-	-
Sundry income	-	200
Other Revenue Derived from Undertaking Recovery of Wager Activity	-	-
Total Revenue	217,971	272,106
NOTE 4: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off	-	-
Provision for doubtful debts	-	-
b. Accounting and Audit Fees		
Accounting fees	6,232	10,784
Auditor's remuneration – Financial Statement Audit	2,255	2,227
	8,487	13,011
No fees payable to auditors 2017 for other services.		
c. Depreciation and Amortisation		
Plant and equipment	214	112
Furniture and fittings	97	122
Motor Vehicle	3,794	5,059
	4,105	5,293

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

	2018 \$	2017 \$
NOTE 4: PROFIT FROM ORDINARY ACTIVITIES (cont'd)		
d. Other Expenses		
Advertising	774	2,127
Postage	797	2,053
Meeting Expenses and Conferences	2,897	1,128
Subscriptions	1,940	552
Sponsorship	-	-
Print and Stationery	137	483
Telephone	819	1,303
Insurance	883	1,420
Rental	20,776	19,446
Miscellaneous Expenses	4,121	9,360
Interest expense	2,047	2,501
Compulsory and Voluntary Levies – Other Parties	-	-
Fees and Allowances – Conference Attendance	-	-
Donations / Grants	-	-
Legal Costs (litigation and other matters)	-	-
Penalties – RO Act and Regulations	-	-
Consideration to Employers for making Payroll	-	-
Deductions	-	-
Capitation Fees	-	-
Affiliation Fees	-	-
	35,191	40,373
e. Employee related expenses		
Salaries	47,237	94,888
Superannuation	4,344	9,344
Employee benefits (leave and other entitlements)	507	(1,613)
Separation and Redundancy	6,594	-
Payroll tax	3,183	7,913
Training and recruitment	3,181	1,199
Other employee expenses	-	-
	65,046	111,731

f. Expenses – Financial Affairs Administered by Other Entities

For the financial year ended 30 June 2018, external costs paid to 'Abacus Accounting & Tax' and 'Fulton Bookkeeping Services' were incurred relating to accounting and tax and bookkeeping services to CCF TAS.

Monthly invoicing occurs based on hours of service each month. For the financial year ended 30 June 2018, a total of \$4,340 and \$929 respectively have incurred to these entities.

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

	2018 \$	2017 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Current		
Cash at bank	12,720	39,417
	<u>12,720</u>	<u>39,417</u>

The weighted average interest rate for cash as at 30 June 2018 is 0.05% (2017: 2.00%)

	2018 \$	2017 \$
NOTE 6: TRADE AND OTHER RECEIVABLES		
a. Current		
Trade debtors	31,615	120,725
	<u>31,615</u>	<u>120,725</u>
Less: Provision for Doubtful Debts	-	-
	<u>31,615</u>	<u>120,725</u>

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days. No debtor at year end exceeds trading terms except as provided for above

NOTE 7: OTHER ASSETS

Current		
Prepayments	4,753	23,473
	<u>4,753</u>	<u>23,473</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2018 (Cont'd)**
NOTE 8: PLANT AND EQUIPMENT

	2018 \$	2017 \$
Plant and equipment – at cost	9,874	8,130
Less: Accumulated depreciation	(7,989)	(7,775)
	<u>1,885</u>	<u>355</u>
Furniture and fittings – at cost	2,239	2,239
Less: Accumulated depreciation	(1,850)	(1,753)
	<u>389</u>	<u>486</u>
Motor Vehicle – at cost	26,475	26,475
Less: Accumulated depreciation	(15,092)	(11,298)
	<u>11,383</u>	<u>15,177</u>
Total plant and equipment – net book value	<u>13,657</u>	<u>16,018</u>
Plant & Equipment – at cost		
Carrying amount at beginning of the year	355	467
Additions	1,744	-
Disposals	-	-
Depreciation Expense	(214)	(112)
Carrying amount at end of year	<u>1,885</u>	<u>355</u>
Furniture and Fittings – at cost		
Carrying amount at beginning of the year	486	608
Additions	-	-
Disposals	-	-
Depreciation Expense	(97)	(122)
Carrying amount at end of year	<u>389</u>	<u>486</u>
Motor Vehicle – at cost		
Carrying amount at beginning of the year	15,177	20,236
Additions	-	-
Disposals	-	-
Depreciation Expense	(3,794)	(5,059)
Carrying amount at end of year	<u>11,383</u>	<u>15,177</u>
NOTE 9: TRADE AND OTHER PAYABLES		
a. Current		
Deferred income	38,216	135,535
Trade creditors	4,379	25,622
	<u>42,595</u>	<u>161,157</u>

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

NOTE 9: TRADE AND OTHER PAYABLES (cont'd)

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2018/19 year and project funding received for 2018/19 and beyond.

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.

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. Details of the trade debtors owing from related parties are outlined at Note 14.

NOTE 10: BORROWINGS

	2018 \$	2017 \$
Current		
Hire Lease Purchase Liabilities	6,853	6,853
Non-current		
Hire Lease Purchase Liabilities	11,117	15,924
	<u>17,970</u>	<u>22,777</u>

NOTE 11: PROVISIONS

a. Current

	2018 \$	2017 \$
Provision for annual leave	880	444
Provision for superannuation	1,087	-
	<u>1,967</u>	<u>444</u>
	<u>1</u>	<u>1</u>

b. Number of employees at year-end

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

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Officeholders	-	-	-	-	-	-
Other Staff	880	444	-	-	880	444
Total	880	444	-	-	880	444

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

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

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2017: \$nil)

Provision for Employee Benefits

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

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

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

NOTE 12: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	47,237	94,888	47,237	94,888
Annual Leave and Long Service Leave	-	-	507	(1,613)	507	(1,613)
Redundancy Payments	-	-	6,594		6,594	
Payroll Tax	-	-	3,183	7,913	3,183	7,913
Superannuation	-	-	4,344	9,344	4,344	9,344
Other Employee Expenses	-	-	3,181	1,199	3,181	1,199
Total	-	-	65,046	111,731	65,046	111,731

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company.

The Branch's does not have any derivative instruments at 30 June 2018.

i. Terms, Conditions and Accounting Policies

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

ii. Treasury Risk Management

The Branch Board meets 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 Year Ended 30 June 2018 (cont'd)**

NOTE 13: FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity risk

The Branch manages this risk by monitoring its credit terms on trade debtors

Interest rate risk

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2018, the effect on profit and equity as a result of the changes in interest rate, with all other variables remaining constant would be as follows:

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

NOTE 13: FINANCIAL RISK MANAGEMENT (cont'd)

	2018 \$	2017 \$
Change in profit/(loss)		
Increase in interest rate by 1%	(53)	166
Decrease in interest rate by 1%	53	(166)
Change in equity		
Increase in interest rate by 1%	(53)	166
Decrease in interest rate by 1%	53	(166)

No sensitivity analysis has been performed on foreign currency risk as the Branch is not exposed to foreign currency fluctuations.

Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities 1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2018							
Assets:							
Cash	0.05	12,720	-	-	-	-	12,720
Trade and Sundry Debtors		-	-	-	-	36,368	36,368
		12,720	-	-	-	36,368	49,088
Liabilities:							
Sundry Creditors & Other Liabilities		-	(6,853)	(11,117)	-	(42,595)	(60,565)
		-	(6,853)	(11,117)	-	(42,595)	(60,565)
Net financial assets		12,720	(6,853)	(11,117)		(6,227)	(11,477)
30 June 2017							
Assets:							
Cash	2.00	39,417	-	-	-	-	39,417
Trade and Sundry Debtors		-	-	-	-	144,198	144,198
		39,417	-	-	-	144,198	183,615
Liabilities:							
Sundry Creditors & Other Liabilities		-	(6,853)	(15,924)	-	(161,157)	(183,934)
		-	(6,853)	(15,924)	-	(161,157)	(183,934)
Net financial assets		39,417	(6,853)	(15,924)	-	(16,959)	(319)

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The Branch is not materially exposed to any individual credit risk.

iv. Net Fair Values

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

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

NOTE 14: RELATED PARTIES

a. TAS Branch Board members

The names of the members of the TAS Branch Board who held office at the end of year are as follows:

Adrian Granger, Rob Batchelor, Camille O'Meara, Neil Armstrong, Simon Heazlewood, Stewart Greeves, Jessie Brunskill and Hugh Maslin, Ashely Cooper, Stephen Pregnell, Phil Sydney Alistair McCulloch, Linclon Bromwich and Peter Campbell.

No members of the TAS Branch Board, nor any other employees received attendance fees during the year, nor did the TAS Branch Board members accrue any leave entitlements.

The officeholders/other employees received no 'non cash' benefits (2017: \$nil). No officeholder/other employee 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/other employee has or did acquire.

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

- i) The officeholder or other employee held such a position with the Board or peak council 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

	2018 \$			2017 \$		
c. Key Management Personnel Remuneration	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	11,442	1,087	12,529	66,279	5,335	71,614

	2018 \$			2017 \$		
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
	\$	\$	\$	\$	\$	\$
Total Annual Leave Provision	880	-	880	-	-	-

No termination benefits or share based payments were received by officeholders or employees during the year (2017: \$nil).

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

NOTE 14: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

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

Levy Payment	2018	2017
	\$	\$
During the year, the TAS Branch paid to the National Office a per capita payment calculated in accordance with the rules.	16,500	16,500

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date	2018	2017
	\$	\$
National Branch	-	(2,066)
Victoria Branch	-	248
South Australia Branch	(991)	-
	<u>(991)</u>	<u>(1,818)</u>

Balance Reconciliation- related entities

National Office

Carrying amount at beginning of the year	(2,066)	(2,440)
Levy charged	(16,500)	(16,500)
Sundry Charges	(1,337)	(2,111)
Sundry Income	279	104
Receipts	(279)	(105)
Payment made	19,903	18,986
Carrying amount at end of the year	<u>-</u>	<u>(2,066)</u>

Victoria Branch

Carrying amount at beginning of the year	248	(1,575)
Sundry Charges	(7,989)	(18,026)
Sundry Income	600	357
Receipts	(825)	(109)
Payment made	7,966	19,601
Carrying amount at end of the year	<u>-</u>	<u>248</u>

South Australia Branch

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

Queensland

Carrying amount at beginning of the year	-	-
Sundry Charges	-	(251)
Sundry Income	-	-
Receipts	-	-
Payment made	-	251
Carrying amount at end of the year	<u>-</u>	<u>-</u>

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

NOTE 15: RELATED PARTIES (cont'd)

g. Other

The Branch rents its premises on normal terms and conditions from an entity in which Mr Granger is a director. Rental and other costs incurred from 'G & A Consulting' amounted to \$24,916 for the year ended 30 June 2018. Mr Granger receives fees for holding directorships in other entities on behalf of the Branch, such fees are paid directly to the Branch and disclosed as director fees (see Note 3 to this report).

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

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

	2018 \$	2017 \$
NOTE 15: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at bank	12,720	39,417
	<u>12,720</u>	<u>39,417</u>
	<u>12,720</u>	<u>39,417</u>
b. Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Operating (loss) / profit after income tax	(15,042)	(16,329)
Non-cash flows in profit / (deficit) from ordinary activities		
- Depreciation and amortisation	4,105	5,293
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in receivables	89,110	23,770
Decrease/(Increase) in other assets	18,720	(19,378)
(Decrease)/Increase in payables and other creditors	(118,562)	(16,797)
(Decrease)/Increase in provisions	1,523	(1,956)
Net Cash Provided by Operating Activity	<u>(20,146)</u>	<u>(25,397)</u>

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

	2018 \$	2017 \$
NOTE 16: OPERATING COMMITMENTS		
Operating Lease Commitments – as lessee		
Future minimum rentals payable under non-cancellable operating leases at 30 June are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-
	-	-
Operating Lease Commitments – as lessor		
Future minimum rentals receivable under non-cancellable operating leases at 30 June are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-
	-	-

NOTE 17: CAPITAL COMMITMENTS

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

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.

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

NOTE 18: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

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.

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.

Note	30 June 2018			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:	-	-	-	-
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	-	-	-	-

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

NOTE 18: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

	Note	Level 1 \$	30 June 2017 Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
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		-	-	-	-

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

Description	Fair Value at 30 June 2018 and 30 June 2017 \$	Valuation Technique(s)	Inputs Used
Non-financial assets	-	n/a	n/a
Financial assets at fair value through profit or loss:	-	n/a	n/a
Available-for-sale financial assets:	-	n/a	n/a
	-	n/a	n/a

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

NOTE 18: FAIR VALUE MEASUREMENT (cont'd)

c. Disclosed Fair Value Measurements

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

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

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

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

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

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

NOTE 20: CONTINGENT ASSETS OR LIABILITIES

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

NOTE 21: ECONOMIC DEPENDENCY

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

NOTE 22: OTHER DISCLOSURES

The Branch did not receive any financial support from any other reporting unit during the year to enable it to continue as a going concern, nor did it provide any financial support to another reporting unit during the financial year to enable that unit to continue as a going concern. 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.

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

NOTE 23: BRANCH DETAILS

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

Civil Contractors Federation (TAS Branch)
Unit 1/5 Runway Place
Cambridge TAS 7170

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

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, we 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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the CCF TAS audit. I remain solely responsible for our audit opinion.

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

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

No revenue has been derived from undertaking recovery of wages activity during the 2018 financial year as confirmed in the committee of management statement.

Stannards Accountants & Advisors

Stannards Accountants and Advisors



Michael B Shulman
Partner

Melbourne, VIC
Dated: 21 August 2018

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



13 December 2018

Mr Hugh Maslin
President
Civil Contractors Federation-Tasmanian Branch
Sent via email: ccftas@civilcontractors.com

Dear Mr Maslin,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Civil Contractors Federation-Tasmanian Branch (the reporting unit) ended on the 30 June 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at Sam.Gallichio@roc.gov.au.

Yours faithfully,

Sam Gallichio
Registered Organisations Commission



25 September 2018

Mr Hugh Maslin
President
Civil Contractors Federation-Tasmanian Branch

By Email: ccftas@civilcontractors.com

Dear Mr Maslin,

Re: Lodgement of Financial Report - [FR2018/211]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Civil Contractors Federation-Tasmanian Branch (the reporting unit) ended on 30 June 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 28 September 2018.

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 December 2018 (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.

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).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

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,



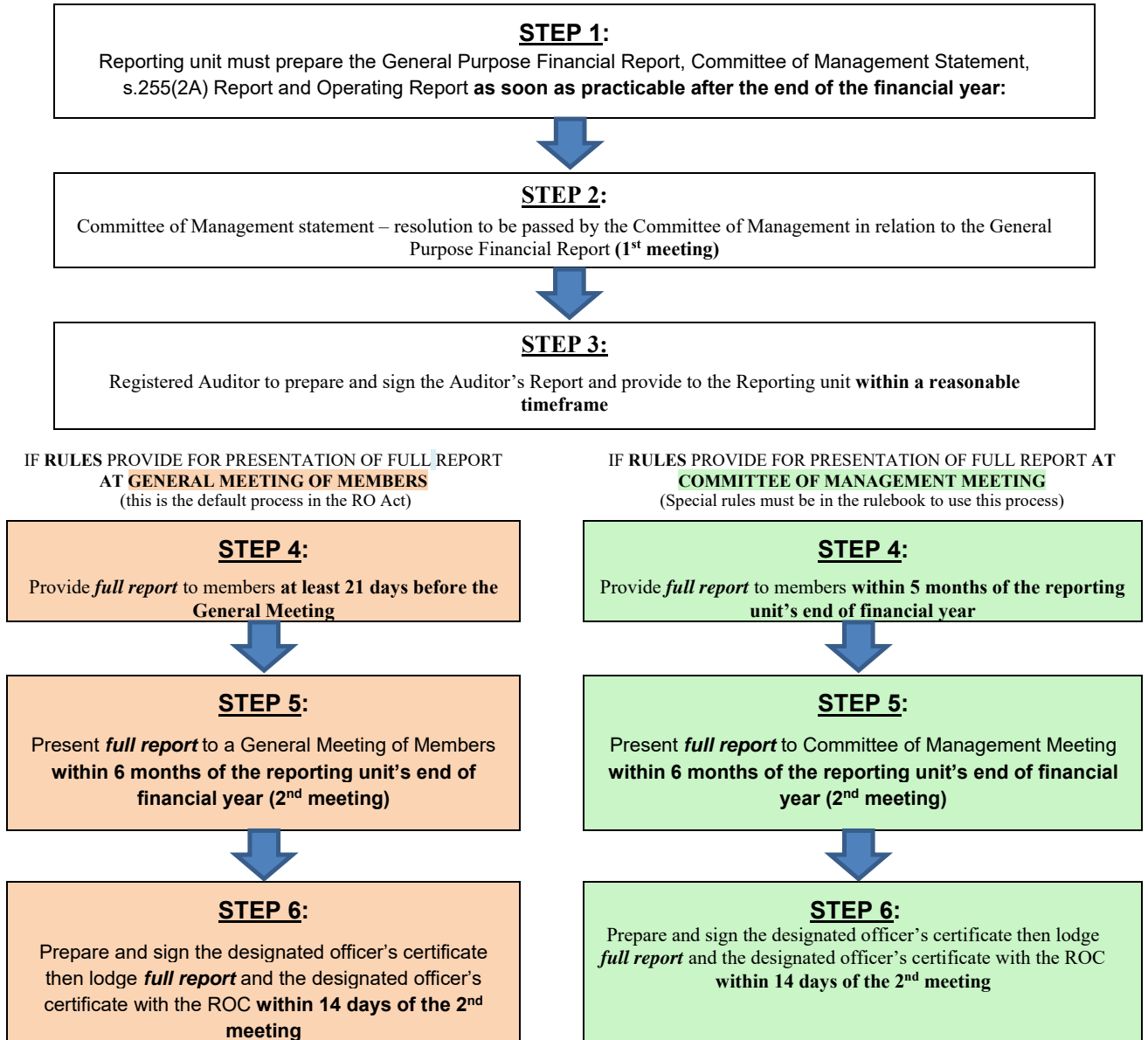
Sarah Wilkin
Registered Organisations Commission

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](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

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
 Only reporting units must lodge the Statement.	 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.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		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.
---	---	--	---

Grants & Donations within the Financial Report

Item 16(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:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report 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 2017

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