



FAIR WORK
AUSTRALIA

28 September 2010

Mr Ian Sowerby
President
Civil Contractors Federation, Victorian Branch
By email: ccfvic@civilcontractors.com

Dear Mr Sowerby

Re: Financial Report for the Branch for year ended 30 June 2010 – FR2010/2613

I acknowledge receipt of the financial report for the Branch for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 10 September 2010.

The financial report has now been filed.

I have attached an addendum for your consideration in which I make comments to assist you when you next prepare a financial report. If you wish to discuss any matters further, I can be contacted on 03 8661 7882 or alternatively please contact Kevin Donnellan, also of this office, on 03 8661 7764 or via email at kevin.donnellan@fwa.gov.au.

Yours sincerely

Thomas Hobbs
Tribunal Services and Organisations
Fair Work Australia
Email: thomas.hobbs@fwa.gov.au

**Addendum to the Financial Report for the Civil Contractors Federation, Victorian Branch
for the year ended 30 June 2010: FR 2010/2613**

Operating Report

Trustee of superannuation entity

Subsection 254(2) of the *Fair Work (Registered Organisations) Act 2009* (the Act) requires details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report “*where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation*”.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy section s254(2)(d) is:

“No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.”

Results of principal activities

As noted in the financial report for the year ended 30 June 2009, s254(2)(a) of the Act requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

Such a review contemplates reference to the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated, explicitly in the text of the subsection, it reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, because the actual financial outcome is elaborated on elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss Statement.



**CIVIL CONTRACTORS
FEDERATION**

Certificate of Designated Officer

S268 of Fair Work (Registered Organisations) Act 2009

I **Ian Sowerby**, being the **President** of the **Civil Contractors Federation, Victorian Branch** certify:

- that the documents lodged herewith are copies of the full report, referred to in S268 of the RO Act; and
- that the full report, was provided to members on 16th August 2010; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 7th September 2010; in accordance with section 266 of the RO Act.

Signature

Date: 8th September 2010

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156**

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**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
OPERATING REPORT**

The Committee Members present this report of the CIVIL CONTRACTORS FEDERATION VICTORIAN BRANCH for the financial year ended 30 June 2010.

Committee of Management Members

The persons who held office as members of the Committee of Management of the Branch during the financial year were:

Ian Sowerby	President & Alternate Board Member (National)
Nathan Blackledge	Vice President
Andrew Simpson	Treasurer
Gary Gardiner	National Board Member & Board Member

Andrew Mahar
David Draper
Graeme Chambers
John Lander
John Plumridge
Robin Hicks
Rohan Davidson
Steve Pittonet
Tony Croagh

Principal Activities

The principal activities of the Branch during the financial year were to represent the members as a peak employer body in Victoria and provide member services consistent with the objects of the Federation.

Results of Principal Activities

The Branch's principal activities resulted in a profit of \$41,670 (2009: \$141,596).

For the 2010 year, the Branch generated operating cash inflows of \$149,485, whilst it had expended some \$972,158 on financing and investing activities. Cash balances during the year have decreased from \$1,397,802 to \$575,129 as a result of its activities during the year. As at reporting date, it has a working capital surplus of \$141,331 (2009: \$1,017,417), however financial assets held by the organisation have increased by \$893,175 as a result of the investment in Managed Funds.

Significant Changes

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

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

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

Likely developments in the operations of the Branch and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Branch.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
OPERATING REPORT

Members and Employees

The number of persons who, at the end of the year, were recorded on the Register of Members was 545. The number of persons who were, at the end of the year, employees of the Victorian Branch of the Federation was 16.2 employees measured on a full time basis.

Manner of Resignation

Members may resign from the Victorian Branch of the Federation in accordance with rule 9, and section 174 of the Fair Work (Registered Organisations) Act. Rule 9 reads as follows:

Rule 9 – RESIGNATION OF MEMBERS

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

Name: CLAUDIO CULLINO

Title of Office held: CHIEF EXECUTIVE OFFICER

Signature: 

Date: 12/8/2010

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
COMMITTEE OF MANAGEMENT STATEMENT

On 13th August 2010, the Committee of Management of the Civil Contractors Federation, Victorian Branch, passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 2010:

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 the reporting guidelines of the General Manager of Fair Work Australia (FWA);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009; and
 - (vii) in relation to recovery of wage activity, there has been no recovery of wage activity during the year.

For Committee of Management:

Title of Office held: PRESIDENT, VICTORIAN BRANCH

Signature:

IAN SOWERBY

Date: 13th August 2010

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Revenue	2	3,660,251	3,313,486
		<u>3,660,251</u>	<u>3,313,486</u>
Accountancy expenses		(15,670)	(20,025)
Auditors' remuneration	3	(16,950)	(12,400)
Bad and doubtful debt expenses	4	(712)	(2,953)
Depreciation and amortisation expenses	4	(74,488)	(65,530)
Employee benefits expenses	4	(1,400,082)	(1,168,930)
Investment expenses		(15,832)	-
Other expenses		(2,094,847)	(1,902,052)
Profit before income tax		<u>41,670</u>	<u>141,596</u>
Retained earnings at the beginning of the financial year		1,183,368	1,041,772
Retained earnings at the end of the financial year		<u>1,225,038</u>	<u>1,183,368</u>

The accompanying notes form part of these financial statements.

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Profit for the period		<u>41,670</u>	<u>141,596</u>
Other Comprehensive income for the period		-	-
Total Comprehensive income for the period		<u>41,670</u>	<u>141,596</u>
Total Comprehensive income attributable to members of the organisation		<u>41,670</u>	<u>141,596</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	5	575,129	1,397,802
Trade and other receivables	6	1,211,641	1,030,126
Inventories	7	10,970	16,030
Other current assets	8	51,958	63,363
Total Current Assets		<u>1,849,698</u>	<u>2,507,321</u>
Non-Current Assets			
Financial assets	9	905,675	12,500
Property, plant and equipment	10	302,974	270,412
Total Non-Current Assets		<u>1,208,649</u>	<u>282,912</u>
Total Assets		<u>3,058,347</u>	<u>2,790,233</u>
Current Liabilities			
Trade and other payables	11	1,454,592	1,311,548
Borrowings	12	108,368	82,449
Provisions	13	92,189	88,977
Other current liabilities	14	44,218	6,930
Total Current Liabilities		<u>1,699,367</u>	<u>1,489,904</u>
Non-Current Liabilities			
Trade and other payables	11	2,000	2,000
Borrowings	12	88,044	70,347
Provisions	13	41,898	42,614
Total Non-Current Liabilities		<u>131,942</u>	<u>114,961</u>
Total Liabilities		<u>1,831,309</u>	<u>1,604,865</u>
Net Assets		<u>1,227,038</u>	<u>1,185,368</u>
Equity			
Reserves	15	2,000	2,000
Retained earnings	16	1,225,038	1,183,368
Total Equity		<u>1,227,038</u>	<u>1,185,368</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION

VICTORIAN BRANCH

ABN: 97 341 352 156

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Retained Earnings \$	General Reserves - Members' Debentures \$	Total \$
Balance at 1 July 2008	1,041,772	2,000	1,043,772
Profit attributable to members	<u>141,596</u>	<u>-</u>	<u>141,596</u>
Balance at 30 June 2009	<u>1,183,368</u>	<u>2,000</u>	<u>1,185,368</u>
Profit attributable to members	<u>41,670</u>	<u>-</u>	<u>41,670</u>
Balance at 30 June 2010	<u><u>1,225,038</u></u>	<u><u>2,000</u></u>	<u><u>1,227,038</u></u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Cash Flows From Operating Activities			
Cash Receipts in the course of operations		3,391,447	3,369,167
Cash Receipts from related parties		51,010	(3,564)
Interest Received		40,279	91,790
Cash Payments in the course of operations		<u>(3,333,251)</u>	<u>(3,117,150)</u>
Net cash provided by (used in) operating activities	18	<u>149,485</u>	<u>340,243</u>
Cash Flows from Investing Activities			
Payment for Plant & Equipment		(7,982)	(12,879)
Proceeds from disposal of Plant & Equipment		34,904	40,726
Payment for Investments		<u>(893,175)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(866,253)</u>	<u>27,847</u>
Cash Flows from Financing Activities			
Repayment of Hire Purchases		<u>(105,905)</u>	<u>(118,392)</u>
Net cash provided by (used in) financing activities		<u>(105,905)</u>	<u>(118,392)</u>
Net increase (decrease) in cash held		(822,673)	249,698
Cash at beginning of financial year		1,397,802	1,148,104
Cash at end of year	5	<u>575,129</u>	<u>1,397,802</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009.

The financial report covers CIVIL CONTRACTORS FEDERATION VICTORIAN BRANCH as an individual entity.

The financial report of CIVIL CONTRACTORS FEDERATION VICTORIAN BRANCH complies with all International Financial Reporting Standards (IFRS) in their entirety.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

b. Property, Plant and Equipment

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

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75% - 25%
Plant and equipment	1.5 – 66.67%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. 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 entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

e. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

g. Provisions

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

h. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j. 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 Tax 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

k. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Comparative Figures

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

m. Critical accounting estimates and judgments

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

n. Adoption of new and revised accounting standards

During the current year, the Branch has adopted the revised Australian Accounting Standard AASB 101: Presentation of Financial Statements, which became mandatory. The adoption of this Standard has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of this Standard has had on the financial statements of the Branch.

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information with the financial statements. Below is an overview of the key changes and the impact on the Branch's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements. These changes are not expected to impact the financial performance or financial position of the Branch.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transaction with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity be presented in the income statement.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement – the statement of comprehensive income, or two statements – a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Branch's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit and loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosure in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

o. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Branch has decided not to early adopt. A discussion of those future requirements and their impact on the Branch is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined any potential impact on the financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit and loss and there is no impairment or recycling on disposal of the instrument; and
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Branch.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for the annual reporting periods commencing from 1 July 2010) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Branch.

- AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard clarifies the accounting for cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Branch.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2010).

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NOTES TO THE FINANCIAL STATEMENTS

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs issued by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Branch.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the Branch.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepaays future contributions into a defined benefit pension plan. It is not expected to impact the Branch.

p. Reporting Unit/Information to members or Registrar

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

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

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

2 Revenue

Operating activities

Interest received	40,279	91,790
Rendering of services	1,880,490	1,961,280
Other revenue	1,739,482	1,260,416
Total revenue	<u>3,660,251</u>	<u>3,313,486</u>

3 Auditor's Remuneration

Audit Services	9,500	9,500
Other Services	7,450	2,900
	<u>16,950</u>	<u>12,400</u>

4 Profit from Ordinary Activities

Expenses

Loss on Sale of Non-current Assets	15,549	13,628
Depreciation of property, plant and equipment	74,488	65,530
Bad Debts Written Off	712	2,953
Total bad and doubtful debts	<u>712</u>	<u>2,953</u>
Rental of Premises	145,568	123,744
Operating Lease Expenditure	26,309	21,571
	<u>171,877</u>	<u>145,315</u>
Salary and Benefits – Officers	166,689	138,534
Salary and Benefits – Non-Officers	1,233,393	1,030,396
	<u>1,400,082</u>	<u>1,168,930</u>
Significant Revenue		
Incolink Funding	624,871	441,852
	<u>624,871</u>	<u>441,852</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

5 Cash and Cash Equivalents

Current		
Deposit	4,000	4,000
Cash at Bank	94,240	149,985
Commercial Bills	476,889	1,243,817
	<u>575,129</u>	<u>1,397,802</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as set out above.

6 Trade and Other Receivables

Current		
Unamortised GST on Cars	17,799	13,632
Trade Debtors	1,189,842	1,014,179
Sundry Debtors	4,000	2,315
	<u>1,211,641</u>	<u>1,030,126</u>

7 Inventories

Current		
Publications on Hand – at cost	7,713	10,147
Cards on Hand – at cost	3,257	5,883
	<u>10,970</u>	<u>16,030</u>

8 Other Current Assets

Current		
Borrowing Costs	638	1,191
Prepayments	50,982	62,172
Withholding Tax	338	-
	<u>51,958</u>	<u>63,363</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

9 Financial Assets

Available for sale financial assets

Unlisted investments, at fair value	905,675	12,500
Total available-for-sale financial assets	<u>905,675</u>	<u>12,500</u>

10 Property, Plant and Equipment

Motor Vehicles:

At cost	308,485	229,023
Accumulated depreciation	(80,773)	(47,930)
Total motor vehicles	<u>227,712</u>	<u>181,093</u>

Office Furniture & Equipment:

At cost	313,302	445,708
Accumulated depreciation	(238,040)	(356,389)
Total office furniture & equipment	<u>75,262</u>	<u>89,319</u>
Total property, plant and equipment	<u>302,974</u>	<u>270,412</u>

Movements in Carrying Amounts

Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Motor Vehicles \$	Office Furniture & Equipment \$	Total \$
Balance at the 1 July 2008	179,878	102,916	282,794
Additions	94,623	12,879	107,502
Disposals	(54,354)	-	(54,354)
Depreciation Expense	(39,054)	(26,476)	(65,530)
Carrying amount at 30 June 2009	<u>181,093</u>	<u>89,319</u>	<u>270,412</u>
Additions	149,521	7,982	157,503
Disposals	(47,887)	(2,566)	(50,453)
Depreciation Expense	(55,015)	(19,473)	(74,488)
Carrying amount at 30 June 2010	<u>227,712</u>	<u>75,262</u>	<u>302,974</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

11 Trade and Other Payables

Current		
CMS in Trust	72,101	38,516
Income Not Yet Earned	1,082,008	1,001,183
Accounts Payable	112,007	125,765
Other Creditors	18,422	18,923
Payroll Liabilities	46,934	27,147
GST Payable	123,120	100,014
	<u>1,454,592</u>	<u>1,311,548</u>
Non-Current		
Debentures Not Repayable Within One Year	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

12 Borrowings

Current		
Hire Purchase Liability	123,873	93,998
Less: Unexpired Hire Purchase Liability	(15,505)	(11,549)
	<u>108,368</u>	<u>82,449</u>
Non-Current		
Hire Purchase Liability	95,223	73,424
Less Unexpired Hire Purchase Liability	(7,179)	(3,077)
	<u>88,044</u>	<u>70,347</u>

13 Provisions

Provision for Annual Leave	92,189	88,977
Provision for Long Service Leave	41,898	42,614
Total provisions	<u>134,087</u>	<u>131,591</u>
Analysis of Total Provisions		
Current	92,189	88,977
Non-current	41,898	42,614
	<u>134,087</u>	<u>131,591</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

14 Other Liabilities

Current

Accrued Wages/Bonuses	28,000	-
Accrued Expenses	16,218	6,930
	<u>44,218</u>	<u>6,930</u>

15 Reserves

General Reserve – Members' Debentures	<u>2,000</u>	<u>2,000</u>
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There has been no movement in the reserve during the current or preceding year.

16 Retained Earnings

Retained earnings at the beginning of the financial year	1,183,368	1,041,772
Net profit attributable to the entity	41,670	141,596
Retained earnings at the end of the financial year	<u>1,225,038</u>	<u>1,183,368</u>

17 Capital and Leasing Commitments

Hire Purchase Commitments

Payable - minimum Hire Purchase payments		
Not later than 12 months	123,873	93,999
Later than 12 Months but not later than 2 years	60,413	73,424
Later than 2 years but not later than 5 years	34,810	-
Minimum Hire Purchase payments	<u>219,096</u>	<u>167,423</u>
Less future finance charges	<u>(22,684)</u>	<u>(14,627)</u>
Present value of minimum lease payments	<u>196,412</u>	<u>152,796</u>

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

17 Capital and Leasing Commitments (Continued)

Operating Lease Commitments

Payable - minimum Operating Lease payments		
Not later than 12 months	163,777	161,857
Later than 12 Months but not later than 2 years	160,987	161,857
Later than 2 years but not later than 5 years	44,509	10,652
Minimum Operating Lease payments	<u>369,273</u>	<u>334,366</u>

18 Cash Flow Information

Reconciliation of net cash provided by operating activities to profit after income tax

Profit from Ordinary Activities after income tax	41,670	141,596
Add / (Less) Non Cash Flows in Profit from Ordinary Activities:		
- Depreciation	74,488	65,530
- Loss on Sale of Plant & Equipment	15,549	13,628
	<u>131,707</u>	<u>220,754</u>
Changes in Operating Assets and Liabilities		
- (Increase)/Decrease in Trade Debtors	(175,663)	144,132
- (Increase)/Decrease in Inventory	5,060	(6,705)
- (Increase)/Decrease in Prepayments	11,190	(7,066)
- (Increase)/Decrease in Other Assets	215	-
- (Increase)/Decrease in Other Receivables	(5,852)	(524)
- Increase/(Decrease) in Payables	143,044	(560)
- Increase/(Decrease) in Other Liabilities	37,288	(30,000)
- Increase/(Decrease) in Employee Entitlements	2,496	20,212
Net cash provided by operating activities	<u>149,485</u>	<u>340,243</u>

The entity currently has no credit standby or financing facilities in place.

There were no non-cash financing or investing activities during the period except for the hire purchase of \$94,623 of motor vehicles

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

19 Financial Instruments

Financial Risk Management

The entity's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The entity does not have any derivative instruments at 30 June 2010.

	Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash and cash equivalents	8.70%	94,240	480,889	-	-	575,129
Managed Investments		893,175	-	-	-	893,175
Total Financial Assets		<u>987,415</u>	<u>480,889</u>	<u>-</u>	<u>-</u>	<u>1,468,304</u>
Financial Liabilities						
Bank overdraft secured		-	-	-	-	-
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date and adjusted for transaction costs expected to be incurred. For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded in organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities which approximate each other are disclosed in the Statement of Financial Position and in the notes to the financial statements.

A 1% change in interest rates would change profit before tax by \$12,718

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

19 Financial Instruments (Continued)

Financial Instruments

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2010		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	575,129	575,129	1,397,802	1,397,802
Managed Investments	893,175	893,175	-	-
Total Financial Assets	<u>1,468,304</u>	<u>1,468,304</u>	<u>1,397,802</u>	<u>1,397,802</u>
Financial Liabilities				
Bank overdraft secured	-	-	-	-
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

20 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The ultimate parent entity is the Civil Contractors Federation, of which this reporting entity is the Victorian Branch.

Other related parties are other state branches of the Civil Contractors Federation.

	\$	\$
Transactions with related Income		
Interstate Branches	<u>217,301</u>	<u>125,567</u>
Expenses		
Affiliation – National CCF	93,900	84,693
Insurance - National CCF	3,560	5,113
CMS Expenses	<u>77,085</u>	<u>39,325</u>
	<u>174,545</u>	<u>129,131</u>

As at 30 June 2010 the balances receivable from related parties are as follows:

CCF - National Branch	(5,819)	-
CCF – NSW Branch	-	5,716
CCF - NT Branch	424	-
CCF – SA Branch	6,505	11,095
CCF – WA Branch	-	1,100
CCF – Qld Branch	7,887	-
CCF – Tas Branch	2,596	1,936

The accompanying notes form part of these financial statements.

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

21 Entity Details

The principal place of business of the entity is:

Level 2, 192B Burwood Road,
Hawthorn Victoria 3122

The principal segment is member services within Australia.

The entity is domiciled in Australia.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
INCOME		
Membership Contributions	974,451	971,432
Publications	84,808	57,281
Training Fees	821,231	932,567
	<u>1,880,490</u>	<u>1,961,280</u>
OTHER INCOME		
Interest Received	40,279	91,790
Meetings & Social Functions	608,861	467,833
Incolink	624,871	441,852
Sundry Income	86,705	87,300
CMS Income	419,045	263,431
	<u>1,779,761</u>	<u>1,352,206</u>
	<u>3,660,251</u>	<u>3,313,486</u>
EXPENSES		
Accountancy Fees	15,670	20,025
Affiliation & CEO meetings - National C.C.F.	99,817	91,013
Auditor's Remuneration	16,950	12,400
Bad Debts Written Off	712	2,953
Bank Charges	12,338	12,717
CMS	237,692	87,465
Computer Web Site	11,043	9,899
Depreciation	74,488	65,530
Donations	-	9,300
Hire Purchase Charges	20,280	16,114
Investment Expenses	15,832	-
Legal & Professional Costs	17,370	40,878
Loss on Sale of Non-current Assets	15,549	13,628
Meetings, Seminars & Functions	471,670	357,540
Motor Vehicle Expenses	67,124	63,500
Other Administrative Costs	608,441	552,382
Payroll Tax	64,194	60,208
Provision for Annual Leave	3,207	8,940
Provision for Long Service Leave	- 716	11,271
Publications	47,770	17,967
Regional Support Expenditure	7,313	5,468
Salaries & Benefits - Officers	166,689	138,534
Salaries & Benefits - Non Officers	1,233,393	1,030,396
Scholarship	3,694	2,375
Special Projects and Advocacy	85,813	206,966
Subscriptions	7,527	4,599
Training Expenditure	221,973	272,054
Travelling & Accommodation	15,663	18,443
Victorian Prequal	77,085	39,325
	<u>3,618,581</u>	<u>3,171,890</u>
Profit before income tax	<u>41,670</u>	<u>141,596</u>

The accompanying notes form part of these financial statements.



STANNARDS

Accountants and Advisors
Independent Auditors' Report

To The Members of The Civil Contractors Federation –
Victoria Branch

Partners

Marino Angelini, CA
Michael Shulman, CA
Nello Traficante, CPA
Jason Wall, CA

Associate

Nicole Postan, CA

SCOPE

The Financial report and Committee of Management's responsibility

The financial report comprises the income statement, the statement of Comprehensive income, the statement of financial position, statement of changes in equity, statement of cash flows, the Committee of Management Statement and accompanying notes to the financial statements for the year ended 30 June 2010 as set out on pages 6 to 27.

The Committee of Management's is responsible for the preparation and true and fair presentation of the financial report in accordance with the requirements imposed by the Fair Work (Registered Organisations) Act 2009 and the General Manager of FWA. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have audited the financial statements of the Civil Contractors Federation – Victoria Branch (CCFVB) for the financial year ended 30 June, 2010.

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

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

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

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

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





**Independent Auditors' Report
To The Members of The Civil Contractors Federation –
Victoria Branch (Cont'd)**


INDEPENDENCE

We declare that to the best of our knowledge and belief, that the auditor's independence declaration set out in this the financial report, has not been changed as at the date of providing our audit opinion.

AUDIT OPINION

In our opinion:–

- i) there were kept by the CCFVB in respect of the year satisfactory accounting records detailing the sources and nature of the income (including income from members) and the nature and purposes of the expenditure of the CCFVB;
- ii) the general purpose financial report is prepared under the historical cost convention and is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009 and the General Manager of the FWA. The financial report is properly drawn up so as to give a true and fair view of:
 - a) the financial affairs of the CCFVB as at 30 June, 2010;
 - b) the income and expenditure and net result of the CCFVB for the period ended on that date; and
- iii) in relation to recovery of wages activity, there has been no recovery of wages activity during the year .

 *M Shulman*

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

Dated:

13/5/10

Melbourne, Victoria



STANNARDS

Accountants and Advisors

Partners

Marino Angelini, CA
Michael Shulman, CA
Nello Traficante, CPA
Jason Wall, CA

Associate

Nicole Postan, CA

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June, 2010 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

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

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

Dated 13/6/10