



15 October 2015

Mr John Stewart
Chief Executive Officer
Civil Contractors Federation-Victorian Branch
jstewart@ccfvic.com.au

Dear Mr Stewart,

**Civil Contractors Federation-Victorian Branch
Financial Report for the year ended 30 June 2015 - [FR2015/144]**

I acknowledge receipt of the financial report of the Victorian Branch of the Civil Contractors Federation. The documents were lodged with the Fair Work Commission on 16 September 2015.

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

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 2016 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7810 or via email at orgs@fwc.gov.au.

Yours sincerely

Nick Salzberg
Regulatory Compliance Branch



**CIVIL CONTRACTORS
FEDERATION**

Certificate of Designated Officer

S268 of Fair Work (Registered Organisations) Act 2009

I, **Domenic De-Fazio**, 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 3rd of August 2015; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 3rd September 2015; in accordance with section 266 of the RO Act.

Signature

Domenic De-Fazio
President
Date: 25th September 2015

**CIVIL CONTRACTORS FEDERATION
(VIC BRANCH)**

ABN 97 341 352 156

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015**

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**Operating Report
for the Year Ended 30 June 2015**

Principal Activities s254(2)(a)

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 s254(2)(a)

The Branch's principal activities resulted in a trading profit of \$23,571 (2014 profit of \$302,665).

Cash balances during the year have increased from \$1,507,154 to \$1,634,209. As at reporting date, it has a working capital surplus of \$1,523,072 (2014: \$1,534,183).

Advocacy and member services in industrial relations services has again been a focus given the Federal Workplace Relations reform including workplace agreements, and Building and Construction industry Code Compliance.

The Branch has also continued service provision in workplace training to meet industry demand.

Continued education and promotion of contractors to achieve recognition as accredited contractors for quality management OH&S and environmental management utilising the Branch's Contractor Management System also occurred.

Advocacy to both state and federal governments and government agencies has also been an area of high performance in representing the views of members in the industry.

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

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

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

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

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

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.

**Operating Report (cont'd)
for the Year Ended 30 June 2015**

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: 431 Members and 136 Associate Members. At the end of the previous financial year there were 462 Members and 126 Associate Members.

Number of Employees *reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the VIC Branch of the Branch was 14.6 (2014: 16.20).

Committee of Management Members *RO reg 159(c)*

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

Andrew Mahar	President & Alternate National Board Member	1-07-2014 to 21-11-2014
Andrew Mahar	Board Member & Alternate National Board Member	1-07-2014 to 30-06-2015
Domenic De-Fazio	President	21-11-2014 to 30-06-2015
Sophie Brown	Vice President	21-11/2014 to 30-06-2015
Sophie Brown	Board Member	1-07-2014 to 21-11-2014
Andrew J Simpson	Treasurer	1-07-2014 to 21-11-2014
Andrew J Simpson	Board Member	21-11-2014 to 30-06-2015
John Plumridge	Treasurer	21-11-2014 to 30-06-2015
John Plumridge	Board Member	1-07-2014 to 21-11-2014
Gary Gardiner	National Board Member & Board Member	1-07-2014 to 30-06-2015
Clifford Smith	Board Member	1-07-2014 to 30-06-2015
John Harvey	Board Member	1-07-2014 to 11-09-2014
Peter Rodrigues	Board Member	1-07-2014 to 30-06-2015
Jeff Gallus	Board Member	1-07-2014 to 19-05-2015
Jay Miller	Board Member	1-07-2014 to 19-05-2015
Steve Traicevski	Board Member	1-07-2014 to 19-05-2015
Bob Beck	Board Member	1-07-2014 to 19-05-2015
Robert Trebilco	Board Member	19-05-2014 to 19-05-2015

**Operating Report (cont'd)
for the Year Ended 30 June 2015**

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

The following 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 an organisation.

Name of Officeholder	Name of Superannuation Entity	Position Held
John Stewart	JAG & ME Stewart Superannuation Fund	Director
Rob Garrard	Super Fund ABN 950 665 646	Trustee
Sophie Brown	Brown Superannuation Fund	Director
Steve Traicevski	Raven Hill Superannuation Fund	Director
Andrew Simpson	Simpson Construction Superannuation / Simpson Family Foundation SuperFund	Director / Trustee

**Operating Report (cont'd)
for the Year Ended 30 June 2015**

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."



Domenic De-Fazio
VIC President

Date: 3rd of August 2015

**VIC Committee of Management Statement
for the Year Ended 30 June 2015**

On the 3rd of August 2015, 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 30 June 2015:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, 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
 - (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 FWC duly made under section 272 of the RO Act has been furnished to the member or General Manager of FWC; and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act.
 - (vii) In relation to recovery of wages activity, no revenue has been derived from undertaking recovery of wages activity during the period.

For Committee of Management:



Domenic De-Fazio
President, Victorian Branch

Date: 3rd August 2015

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2015 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



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

Dated 31/5/15

**Statement of Profit and Loss
for the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
Revenue	2	2,775,704	3,130,840
		<u>2,775,704</u>	<u>3,130,840</u>
Accountancy expenses		(30,573)	(30,524)
Auditors remuneration	3	(14,444)	(11,890)
Bad and doubtful debt expenses	3	(12,091)	(3,403)
Depreciation and amortisation expenses	3	(69,098)	(68,275)
Employee benefits expenses	3	(1,178,238)	(1,036,082)
National Branch Levy	3	(65,724)	(173,312)
Other expenses	3	(1,381,965)	(1,504,689)
Trading Profit before income tax		<u>23,571</u>	<u>302,665</u>
Special Projects		535	(93,914)
Net Profit before Income Tax		<u>24,106</u>	<u>208,751</u>
Retained earnings at the beginning of the financial year		1,750,768	1,542,017
Retained earnings at the end of the financial year		<u>1,774,874</u>	<u>1,750,768</u>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2015**

	2015 \$	2014 \$
Profit for the period	24,106	208,751
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	24,106	208,751
Total Comprehensive Income attributable to members of the organisation	24,106	208,751

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,634,209	1,507,154
Trade and other receivables	5	1,268,837	1,476,677
Inventories	6	26,894	14,513
Other current assets	7	139,506	153,210
Total Current Assets		3,069,446	3,151,554
NON-CURRENT ASSETS			
Financial assets	8	12,500	12,500
Property, plant and equipment	9	314,773	290,685
Total Non-Current Assets		327,273	303,185
Total Assets		3,396,719	3,454,739
CURRENT LIABILITIES			
Trade and other payables	10	1,356,721	1,381,928
Borrowings	11	38,953	50,380
Provisions	12	150,700	185,063
Total Current Liabilities		1,546,374	1,617,371
NON-CURRENT LIABILITIES			
Trade and other payables	10	2,000	2,000
Borrowings	11	71,471	71,903
Provisions	12	-	10,697
Total Non-Current Liabilities		73,471	84,600
Total Liabilities		1,619,845	1,701,971
NET ASSETS		1,776,874	1,752,768
EQUITY			
Reserves	14	2,000	2,000
Retained earnings	15	1,774,874	1,750,768
Total Equity		1,776,874	1,752,768

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2015**

	\$
Balance as at 1 July 2013	1,542,017
Profit /(Loss) attributable to members	208,751
Balance at 30 June 2014	<u>1,750,768</u>
Reserve balance at 30 June 2014	<u>2,000</u>
<hr/>	
Balance as at 1 July 2014	1,750,768
Profit /(Loss) attributable to members	24,106
Balance at 30 June 2015	<u>1,774,874</u>
Reserve balance at 30 June 2015	<u>2,000</u>

The accompanying notes form part of the financial statements

**Statement of Cash Flows
for the Year ended 30 June 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		2,817,671	3,059,682
Cash receipts from related parties – Branches	18(f)	149,154	172,253
Interest received		66,012	58,659
Cash payments to related parties - Branches	18(f)	(111,355)	(231,644)
Cash payments in the course of operations		<u>(2,687,678)</u>	<u>(2,939,226)</u>
Net cash provided by (used in) operating activities	19	<u>233,804</u>	<u>119,724</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(120,191)	(33,052)
Proceeds from disposal of plant and equipment		24,766	38,536
(Payment)/Withdrawals from Investments Special Projects		535	(93,914)
Net cash provided by (used in) investing activities		<u>(94,890)</u>	<u>(88,430)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of hire purchases		(11,859)	(93,660)
Net cash provided by (used in) financing activities		<u>(11,859)</u>	<u>(93,660)</u>
Net increase/(decrease) in cash held		127,055	(62,366)
Cash at the beginning of the financial year		<u>1,507,154</u>	<u>1,569,520</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>1,634,209</u>	<u>1,507,154</u>

The accompanying notes form part of the financial statements

Notes to the Financial Statements for the Year Ended 30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, 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 (VIC Branch) as an Individual entity. Civil Contractors Federation (VIC Branch) is a Branch incorporated in Victoria under the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

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

The financial report has been prepared on an accruals basis and is based on historical costs 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. The Branch is a 'not for profit' organisation.

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

Accounting Policies

a. Income Tax

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

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months and net of bank overdrafts.

c. Plant and Equipment

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

Cost and valuation

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

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

**Notes to the Financial Statements (cont'd)
for the Year Ended 30 June 2015**

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

d. Plant and Equipment (cont'd)

Depreciation

The depreciable amounts of all fixed assets including buildings and capitalized lease assets, but excluding freehold land, is depreciated on a straight line method at rates based on their estimated 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.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75% - 25%
Plant & Equipment	2.5% – 100.00%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance/(reporting) date.

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. 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.

f. 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 (cont'd)
for the Year Ended 30 June 2015**

f. 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.

g. 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.

h. 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 (cont'd)
for the Year Ended 30 June 2015**

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. Comparative figures

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

k. Operating Segment

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

The Branch operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in Victoria, 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 Victoria.

l. 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.

m. Fair Value of Assets and Liabilities

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

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

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

**Notes to the Financial Statements (cont'd)
for the Year Ended 30 June 2015**

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

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

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

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

n. Capitation Fees

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

o. 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 2015, 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. The Board believes that the full amount of the debtors are recoverable.

**Notes to the Financial Statements (cont'd)
for the Year Ended 30 June 2015**

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

p. New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable 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 Branch 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 directors anticipate that the adoption of AASB 9 may have an impact on the Branch's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer
- identify the performance obligations in the contract(s)
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**Notes to the Financial Statements (cont'd)
for the Year Ended 30 June 2015**

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

q. Information to be provided to Members or General Manager of FWC

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 2: REVENUE		
Operating activities:		
CMS SCIMS Income	269,803	420,135
Conference / Functions	124,496	173,519
Sponsorship	182,034	172,906
Publications	76,700	36,151
Training Fees	574,334	675,371
Membership	1,045,725	1,089,254
Incolink Funding	344,516	345,600
Interest received	66,012	58,659
Other revenue	92,084	149,553
Profit on Sale of Non-current Assets	-	9,692
Capitation Fees	-	-
Compulsory Levy	-	-
Donations	-	-
Financial Support - Branches	-	-
Total Revenue	2,775,704	3,130,840
NOTE 3: 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 to expense	12,091	3,403
Provision for doubtful debts	-	-
	12,091	3,403
b. Auditor's Remuneration		
Auditor's remuneration	14,444	11,890
	14,444	11,890
c. Depreciation and Amortisation		
Plant and equipment	23,448	25,918
Motor vehicles	45,650	42,357
	69,098	68,275

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (cont'd)		
d. Employee related expenses		
Salaries*	1,021,576	880,977
Superannuation	108,089	82,482
Employee benefits	(8,120)	21,333
Payroll tax	53,800	46,127
Training and recruitment	2,893	5,163
	1,178,238	1,036,082
* Salaries for 2015 include amounts relating to the inclusion of the Water Liaison Officer payroll costs and related redundancy expenses.		
e. Other expenses include:-		
Publications	75,348	23,041
CMS Expenses	250,818	271,977
Conference / Functions	215,994	188,781
Training Delivery Costs	95,837	184,153
Computer Expenses	13,206	21,978
Insurance Costs	13,273	17,208
Communication Expense	14,269	19,476
Motor Vehicle Expenses	45,075	43,152
Stationery, Printing and Postage	9,137	13,740
Rent	128,932	146,833
Legal Costs - Litigation	-	-
Legal Costs - Consultation (Other Matters)	775	27,035
Verification of Competency Project – Roland Walsh		
Wages and Super	27,414	-
Other Costs	491,887	547,315
Penalties (RO Act)	-	-
Payroll Deduction Costs	-	-
Subscriptions (Political Parties etc)	-	-
Capitation Fee	-	-
Grants / Donations	-	-
Meeting Attendance Fees	-	-
	1,381,965	1,504,689
f. Levy		
National office levy	65,724	173,312
	65,724	173,312

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

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Deposit	4,000	4,000
Cash at bank & on deposit	1,630,209	1,503,154
	<u>1,634,209</u>	<u>1,507,154</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.		
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	1,283,127	1,468,531
Less: Provision for Doubtful Debts	(16,719)	-
Sundry Debtors	2,429	8,146
	<u>1,268,837</u>	<u>1,476,677</u>
NOTE 6: INVENTORIES		
Current		
Publications on Hand – at cost	24,855	12,474
Cards on Hand – at cost	2,039	2,039
	<u>26,894</u>	<u>14,513</u>
NOTE 7: OTHER CURRENT ASSETS		
Current		
Borrowing Costs	676	676
Prepayments	94,923	108,627
Withholding Tax	-	-
Security Deposit – Leased Premises	43,907	43,907
	<u>139,506</u>	<u>153,210</u>
NOTE 8: FINANCIAL ASSETS		
Available for sale financial assets		
Unlisted investments, at fair value	12,500	12,500
Total available-for-sale financial assets	<u>12,500</u>	<u>12,500</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles:		
At cost	265,831	315,083
Accumulated depreciation	(87,103)	(135,135)
Total motor vehicles	178,728	179,948
Office Furniture & Equipment		
At cost	349,237	342,803
Accumulated depreciation	(263,215)	(243,395)
Total office furniture & equipment	86,022	99,408
Software		
At cost	55,385	13,064
Accumulated depreciation	(5,362)	(1,735)
Total software	50,023	11,329
Total property, plant and equipment	314,773	290,685

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 \$	Software \$	Total \$
Balance at 30 June 2013	172,089	107,666	-	279,755
Additions	87,269	19,988	13,064	120,321
Disposals	(37,053)	(4,063)	-	(41,116)
Depreciation Expense	(42,357)	(24,183)	(1,735)	(68,275)
Carrying amount at 30 June 2014	179,948	99,408	11,329	290,685
Carrying amount at 30 June 2014	179,948	99,408	11,329	290,685
Additions	71,436	6,435	42,320	120,191
Disposals	(27,005)	-	-	(27,005)
Depreciation Expense	(45,651)	(19,821)	(3,626)	(69,098)
Carrying amount at 30 June 2015	178,728	86,022	50,023	314,773

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 10: TRADE AND OTHER PAYABLES		
Current		
Income not yet earned	1,094,668	1,186,642
Accounts Payable	95,797	24,595
Other Creditors	22,589	18,263
Payroll Liabilities	23,245	20,444
GST Payable	114,047	115,046
Accrued Expenses	6,375	16,938
	1,356,721	1,381,928
Non-Current		
Debentures Not Repayable Within One Year	2,000	2,000
NOTE 11: BORROWINGS		
Current		
Hire Purchase Liability	43,600	53,001
Less: Unexpired Hire Purchase Liability	(4,647)	(2,621)
	38,953	50,380
Non-Current		
Hire Purchase Liability	74,601	84,531
Less Unexpired Hire Purchase Liability	(3,130)	(12,628)
	71,471	71,903
These borrowings are secured by the assets that were financed.		
NOTE 12: PROVISIONS		
Current		
Provision for Annual Leave	81,572	107,037
Provision for Long Service Leave	69,128	78,026
	150,700	185,063
Non-Current		
Provision for Long Service Leave	-	10,697
	-	10,697
Total provisions	150,700	195,760

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 12: PROVISIONS (cont'd)

(i) These provisions accrue directly to employees of the Federation.

No employee entitlements were accrued in respect of officeholders (2014 : \$nil)

Number of employees at year-end	14.60	16.20
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Of the amounts owing above, they are payable as follows:-

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Officeholders	-	-	-	-	-	-
Other Staff	81,572	107,037	69,128	88,723	150,700	195,760
Total	81,572	107,037	69,128	88,723	150,700	195,760

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2014: \$nil)

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 13: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	1,020,444	864,522	1,020,444	864,522
Annual Leave and Long Service Leave	-	-	(8,120)	21,333	(8,120)	21,333
Redundancy Payments	-	-	28,546	16,455	28,546	16,455
Superannuation	-	-	108,089	82,482	108,089	82,482
Total	-	-	1,148,959	984,792	1,148,959	984,792

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 14: RESERVES		
General Reserve – Members' Debentures	2,000	2,000
There has been no movement in the reserve during the current or preceding year.		
NOTE 15: RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	1,750,768	1,542,017
Net profit attributable to the entity	23,572	302,665
Add/(Less): Special Projects	534	(93,914)
Retained earnings at the end of the financial year	1,774,874	1,750,768
NOTE 16: CAPITAL AND LEASING COMMITMENTS		
	2015 \$	2014 \$
Hire Purchase Commitments		
Payable – Minimum Hire Purchase payments		
Not later than 12 months	43,600	53,001
Later than 12 months but not later than 2 years	44,152	53,707
Later than 2 years but not later than 5 years	30,449	30,824
Minimum Hire Purchase payments	118,201	137,532
Less future finance charges	(7,777)	(15,249)
Present value of minimum payments	110,424	122,283
Operating Lease Commitments		
Payable – Minimum Operating Lease payments		
Not later than 12 months	192,364	167,002
Later than 12 months but not later than 2 years	288,180	305,294
Later than 2 years but not later than 5 years	59,133	53,633
Minimum Operating Lease payments	539,677	525,929

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 17: 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 a unlisted company.

The entity does not have any derivative instruments at 30 June 2015.

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

iii. Financial Risk Exposures and Management

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

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 2015, 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:

	2015 \$	2014 \$
Change in profit/(loss)		
Increase in interest rate by 1%	15,238	13,849
Decrease in interest rate by 1%	(15,238)	(13,849)
Change in equity		
Increase in interest rate by 1%	15,238	13,849
Decrease in interest rate by 1%	(15,238)	(13,849)

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

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. 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:-

Notes to the Financial Statements for the Year Ended 30 June 2015 (cont'd)

NOTE 17: FINANCIAL RISK MANAGEMENT (cont'd)

	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 2015							
Assets:							
Cash	3.4%	1,634,209	-	-	-	-	1,634,209
Trade and Sundry Debtors		-	-	-	-	1,408,343	1,408,343
		1,634,209	-	-	-	1,408,343	3,042,552
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(1,358,721)	(1,358,721)
Borrowings	10%	-	(38,953)	(71,471)	-	-	(110,424)
			(38,953)	(71,471)		(1,358,721)	(1,469,145)
Net financial assets		1,634,209	(38,953)	(71,471)	-	49,622	1,573,407
30 June 2014							
Total financial assets	3.13%	1,507,154	-	-	-	1,476,677	2,983,831
Total financial liabilities	10%	-	(50,380)	(71,903)	-	(1,383,926)	(1,506,209)
Net financial assets		1,507,154	(50,380)	(71,903)	-	92,751	1,477,622

v. 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 statement

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 18: RELATED PARTY TRANSACTIONS

a. VIC Branch Board members

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

Andrew Mahar, Domenic De-Fazio, Sophie Brown, Andrew Simpson, John Plumridge, Gary Gardiner, Clifford Smith, John Harvey, Peter Rodrigues, Jeff Gallus, Jay Miller, Steve Traicevski, Bob Beck and Robert Trebilco.

The officeholders received no 'non cash' benefits (2014: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

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

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

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

John Stewart	CEO
Mark Binks	General Manager Operations (resigned 2-02-2015)
Robert Garrad	General Manager Training
Anushan Jayaratne	Finance Manager

In the current year, there was 14.6 full time equivalent staff (2014: 16.2 staff).

c. Key Management Personnel Remuneration	2015 \$			2014 \$		
	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	468,348	61,294	529,642	457,345	52,395	509,740

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year	2015 \$			2014 \$		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
	\$	\$	\$	\$	\$	\$
Total Leave Provision	24,564	37,189	61,753	29,962	34,887	64,849

No termination benefits or share based payments were received, except as already disclosed in this report.

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 18: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

Entities related to VIC 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.

	2015	2014
	\$	\$
Levy Payment		
During the year, the VIC Branch paid to the National Office a per capita payment calculated in accordance with the rules.	65,724	173,312

f. Related Party balances at year end

	2015	2014
	\$	\$
Amounts receivable/(payable) at reporting date – Federal office and other branches		
National Office	2,959	14,435
Queensland Branch	(110)	(105)
South Australia Branch	(1,273)	420
Western Australia Branch	(1,562)	(220)
New South Whales Branch	(138)	4,977
Northern Territory Branch	3,467	-
Tasmania Branch	945	1,820
	<u>4,288</u>	<u>21,327</u>

Balance Reconciliation- related entities

National Office		
Carrying amount at beginning of the year	14,435	2,605
Levy charge	(65,724)	(173,312)
Sundry charges	(11,670)	(46,377)
Sundry income	32,409	111,024
Receipts	(45,376)	(97,706)
Payment made	78,885	218,201
Carrying amount at end of the year	<u>2,959</u>	<u>14,435</u>
Queensland Branch		
Carrying amount at beginning of the year	(105)	(423)
Sundry charges	(476)	(6,257)
Sundry income	-	-
Receipts	(1,736)	-
Payment made	2,207	6,575
Carrying amount at end of the year	<u>(110)</u>	<u>(105)</u>
South Australia Branch		
Carrying amount at beginning of the year	420	1,225
Sundry charges	-	-
Sundry income	6,466	7,712
Receipts	(17,038)	(8,517)
Payment made	8,879	-
Carrying amount at end of the year	<u>(1,273)</u>	<u>420</u>
Western Australia Branch		
Carrying amount at beginning of the year	(220)	3,520
Sundry charges	(4,214)	(2,750)
Sundry income	-	34,350
Receipts	(4,142)	(37,890)
Payment made	7,014	2,550
Carrying amount at end of the year	<u>(1,562)</u>	<u>(220)</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 18: RELATED PARTIES (cont'd)

	2015	2014
	\$	\$
New South Wales Branch		
Carrying amount at beginning of the year	4,977	(1,953)
Sundry charges	(2,255)	(3,218)
Sundry income	17,629	33,970
Receipts	(23,239)	(28,140)
Payment made	2,750	4,318
Carrying amount at end of the year	<u>(138)</u>	<u>4,977</u>
Northern Territory Branch		
Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Sundry income	12,590	-
Receipts	(17,973)	-
Payment made	8,850	-
Carrying amount at end of the year	<u>3,467</u>	<u>-</u>
Tasmania Branch		
Carrying amount at beginning of the year	1,820	-
Sundry charges	-	-
Sundry income	34,982	1,820
Receipts	(38,627)	-
Payment made	2,770	-
Carrying amount at end of the year	<u>945</u>	<u>1,820</u>
Australian Capital Territory Branch		
Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Sundry income	1,023	-
Receipts	(1,023)	-
Payment made	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

	2015 \$	2014 \$
NOTE 19: CASH FLOW INFORMATION		
Reconciliation of net cash provided by operating activities to profit after income tax		
Profit from Ordinary Activities after income tax	24,106	208,751
Add/(Less) Non Cash Flows in Profit from Ordinary Activities:		
- Depreciation	69,098	68,275
- (Profit)/Loss on Sale of Plant & Equipment	2,239	2,580
- Special Projects	(535)	93,914
- Doubtful Debts	16,719	-
	111,627	373,520
Changes in Operating Assets and Liabilities		
- (Increase)/Decrease in Trade Debtors	191,121	153,420
- (Increase)/Decrease in Inventory	(12,381)	(7,016)
- (Increase)/Decrease in Prepayments	13,704	(65,042)
- (Increase)/Decrease in Other Assets	-	191
- (Increase)/Decrease in Sundry Receivables	-	6,334
- Increase/(Decrease) in Payables	(25,207)	(363,016)
- Increase/(Decrease) in Employee Entitlements	(45,060)	21,333
Net cash provided by operating activities	233,804	119,724

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 20: FAIR VALUE MEASUREMENT

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

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

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

a. Fair Value Hierarchy

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

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

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

Valuation techniques

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

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

Notes to the Financial Statements for the Year Ended 30 June 2015 (cont'd)

NOTE 20: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

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 2015			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:		-	12,500	-	12,500
Total financial assets recognised at fair value		-	12,500	-	12,500
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

	Note	30 June 2014			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:		-	12,500	-	12,500
Total financial assets recognised at fair value		-	12,500	-	12,500
<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 2015 (cont'd)**

NOTE 20: FAIR VALUE MEASUREMENT (cont'd)

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

Description	Fair Value at 30 June 2015 & 30 June 2014 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss:	-		
Available-for-sale financial assets:	12,500	Market Value using income on DCF approach	Price per share, market borrowing rate
	12,500		

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;
- accounts payable and other payables; and
- hire purchase liability.

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

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

**Notes to the Financial Statements
for the Year Ended 30 June 2015 (cont'd)**

NOTE 21: EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 22: CONTINGENT LIABILITIES

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

NOTE 23: ENTITY DETAILS

The principal place of business of the entity is:

1 / 322 Glenferrie Road
MALVERN VIC 3144

The principal segment is member services within Victoria, Australia.

The entity is domiciled in Australia.

NOTE 24: 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 25: OTHER DISCLOSURES

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

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

No legal fees or employer payroll deductions for subscriptions were payable at reporting date (2014: \$nil).

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

To the Members of Civil Contractors Branch – VIC Branch

Scope

The financial report and Committee of management responsibility

The financial report comprises the Committee of Management Statement, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Civil Contractors Branch (VIC Branch) for the year ended 30 June 2015 set out on pages 5 to 35.

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

Audit Approach

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

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

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

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

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

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

Independence

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

Audit Opinion

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

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

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

As part of our audit of the organisation for the year ended 30 June 2015, we are of the opinion that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.



Stannards Accountants & Advisors



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

Dated this 3rd day of April 2015