



12 November 2018

Mr Andrew Mahar  
President, Victorian Branch  
Civil Contractors Federation

Dear Mr Mahar

**Re: – Financial reporting – Civil Contractors Federation, Victorian Branch - for year ending 30 June 2018 (FR2018/212)**

I refer to the financial report of the Victorian Branch of the Civil Contractors Federation, in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 28 September 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 30 June 2019 may be subject to an advanced compliance review.

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

Documents must be lodged with ROC within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 7 September 2018. If this is correct the documents should have been lodged with the ROC by 21 September 2018.

The branch should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents. Please note that if in future financial years the branch cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

Auditor's report - all parts of GPFR

The Auditor's Statement is required to identify the title of each statement comprising the financial report in accordance with paragraph 24c of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under section 255(2A) and as prescribed by Reporting Guideline 22, (and, if one is completed in accordance with Reporting Guideline 21, the Officer's Declaration Statement -

see subsection 253(2)(c) of the RO Act.)<sup>1</sup> The auditor's statement omitted reference to the expenditure report.

#### Nil Activities disclosures

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

The nil activity disclosure for RG12 – i.e. acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission - was located in the Operating report prepared under section 254. It should have been located in the general purpose financial report prepared under section 253 (to which the reporting guidelines apply).

The nil activity disclosure for RG16(b)(i) – i.e. have a payable in relation to legal costs (litigation) – was not clearly identified because Note 11 stated that *"No amounts were payable in respect of legal matters"* (which might have been intended to encompass both 'litigation' and 'other legal matters') while note 25 stated that *"At 30 June 2018, a total amount of \$nil was payable in respect of legal costs (relating to 'other matters')"* which would appear to refer only to costs related to 'other matters'.

The notes otherwise contained nil activity information for all other prescribed RG activities except for RG20 - make a payment to a former related party of the reporting unit.

#### Trustee of superannuation entity

Subsection 254(2)(d) of the RO 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 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 (my underline emphasis).

The Operating report listed details that relate to superannuation trusteeships or directorships to which this criterion does not appear, on advice received, to have applied.

If no officer or member of the reporting unit is a trustee of a superannuation entity to which the criterion in subsection 254(2)(d) applies, the preferred wording to satisfy the requirement 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.

#### Reporting Requirements

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

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<sup>1</sup> It was not necessary for the auditor's report to refer to an officer declaration statement because one was not completed.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission



**CIVIL CONTRACTORS  
FEDERATION**

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**Certificate of Designated Officer**

for period ended 30<sup>th</sup> June 2018

S268 of Fair Work (Registered Organisations) Act 2009

I, Andrew Mahar 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 17<sup>th</sup> August 2018; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 7<sup>th</sup> September 2018; in accordance with section 266 of the RO Act.

Signature

Andrew Mahar

President

Date: 10<sup>th</sup> September 2018

**CIVIL CONTRACTORS FEDERATION  
(VIC BRANCH)**

not

**ABN 97 341 352 156**

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

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

### **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 loss of \$85,244 (2017 Surplus of \$ 50,516).

The branch service delivery to membership was based on the five key value drivers, Skills, Member Services, Advocacy, Representation and Technology (SMART)

Advocacy and member services in relation to capacity development of the work force in the civil industry was a major focus area for our work. In the delivery of skilled based training, the Branch offered a wider range of civil related courses and apprenticeship training, which included the launch of our Civil Skills Cadetship program following a successful \$1.93m grant funding application under the State Government's Workforce Training & Innovation Fund (WTIF) Skills First Initiative.

The Branch has continued service provision in workplace training to meet industry demands. 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. Review of the CCF Code was undertaken in accordance with recent ISO 9000 ,ISO14000 and ISO45001 amendments. This review has been submitted to JAS-ANZ as the controlling Quality Assurance Body and awaiting endorsement at the time of this audit.

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. This included submissions to the Federal Government's, Security of Payments Review and Parliamentary enquiry into the performance of Vic Roads in maintaining Country Roads, led by the Victorian Civil Construction Alliance of which the Branch is an active member.

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).

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

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

There were no significant changes in the nature of the Branch's principal activities during the financial year. However, a restructuring of the business operations was implemented following the findings and recommendations emanating from the Branch's Process Fitness Review, conducted in the previous year by local and national business advisor, Pitcher Partners.

This resulted in the establishment of a new Sales & Marketing function to lead the development and launch of the Branch's new on-line market and portal for industry trading (CivFast), establishment of the CCF Help Desk Services and Member Services Functions.

**Operating Report (cont'd)  
for the Year Ended 30 June 2018**

**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.

**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: 379 Members and 121 Associate Members. At the end of the previous financial year there were 386 Members and 120 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 19.85 (2017: 13.2).

**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	1-07-2017 to 30-06-2018
Andrew Mahar	Board Member & National Board Member	1-07-2017 to 30-06-2018
Cliff Smith	Acting President (covering President's leave)	20-04-2018 to 19-06-2018
Cliff Smith	Board Member	1-07-2017 to 30-06-2018
Steve Traicevski	Acting National delegate	21-09-2017 – 30.06.2018
Steve Traicevski	Board Member	1-07-2017 to 30-06-2018
John Plumridge	Board Member & Treasurer	1-07-2017 to 30-06-2018
Jay Miller	Board Member	1-07-2017 to 30-06-2018
Bob Beck	Board Member	1-07-2017 to 30-06-2018
Robert Trebilco	Board Member	1-07-2017 to 30-06-2018
Khaled Elagha	Board – Member Casual	20-04-2018 to 30-06-2018
Nick Karapetsas	Board Member	1-09-2017 to 15-02-2018 (resigned)
Michael Di-Carlo	Board – Member Casual	16-05-2017 to 31-07-2017 (resigned)




**Operating Report (cont'd)  
for the Year Ended 30 June 2018**

**MANNER OF RESIGNATION**

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

**"9 - RESIGNATION OF MEMBERS**

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

Signature of designated officer: 

Name and title of designated officer: Andrew Mahar

Dated: 15<sup>th</sup> of August 2018.

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

On, 15<sup>th</sup> of August 2018 the Civil Contractors Federation (VIC Branch) Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2018:

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

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

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

Signature of designated officer:



Name and title of designated officer: Andrew Mahar

Dated: 15<sup>th</sup> August 2018

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

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

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



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



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

Dated: 15<sup>th</sup> August 2018

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

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

	Note	2018 \$	2017 \$
<b>CATEGORIES OF EXPENDITURE</b>			
Remuneration and other employment-related costs and expenses - employees		1,583,057	1,238,738
Advertising		13,143	17,070
Operating Costs		1,701,152	1,361,947
Donations to Political Parties		-	-
Legal Costs		7,269	2,849
<b>Total</b>		<b>3,304,621</b>	<b>2,620,604</b>

Signature of designated officer:



Name and title of designated officer: Andrew Mahar

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

	Note	2018 \$	2017 \$
Revenue	3	3,219,377	2,671,120
		3,219,377	2,671,120
Auditors remuneration	4b	(9,486)	(10,945)
Bad and doubtful debt expenses	4a	(71,177)	(21,200)
Depreciation expenses	4c	(96,058)	(42,033)
Employee benefits expenses	4d	(1,583,057)	(1,238,738)
National Branch Levy	4f	(88,000)	(88,000)
Other expenses	4e	(1,456,843)	(1,219,688)
Total expenses		(3,304,621)	(2,620,604)
<b>Net (Loss) / Profit before Income Tax</b>		<b>(85,244)</b>	<b>50,516</b>
Retained earnings at the beginning of the financial year		1,846,793	1,796,277
<b>Retained earnings at the end of the financial year</b>		<b>1,761,549</b>	<b>1,846,793</b>

The accompanying notes form part of the financial statements

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

	2018 \$	2017 \$
(Loss) / Profit for the period	(85,244)	50,516
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	(85,244)	50,516
<b>Total Comprehensive Income attributable to members of the organisation</b>	<b>(85,244)</b>	<b>50,516</b>

The accompanying notes form part of the financial statements

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

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,804,559	893,293
Trade and other receivables	6	1,316,486	1,226,826
Inventories	7	32,645	31,771
Other current assets	8	65,493	159,041
<b>Total Current Assets</b>		<b>4,219,183</b>	<b>2,310,931</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	-	12,500
Property, plant and equipment	10	2,971,082	1,958,686
<b>Total Non-Current Assets</b>		<b>2,971,082</b>	<b>1,971,186</b>
<b>Total Assets</b>		<b>7,190,265</b>	<b>4,282,117</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,356,636	1,431,628
Borrowings	12	212,587	116,617
Provisions	13	171,110	126,517
<b>Total Current Liabilities</b>		<b>3,740,333</b>	<b>1,674,762</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	2,000	2,000
Borrowings	12	1,684,383	756,562
<b>Total Non-Current Liabilities</b>		<b>1,686,383</b>	<b>758,562</b>
<b>Total Liabilities</b>		<b>5,426,716</b>	<b>2,433,324</b>
<b>NET ASSETS</b>		<b>1,763,549</b>	<b>1,848,793</b>
<b>EQUITY</b>			
Reserves	15	2,000	2,000
Retained earnings	16	1,761,549	1,846,793
<b>Total Equity</b>		<b>1,763,549</b>	<b>1,848,793</b>

The accompanying notes form part of the financial statements

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

	\$
Balance as at 1 July 2016	1,796,277
Profit /(Loss) attributable to members	50,516
Balance at 30 June 2017	<u>1,846,793</u>
Reserve balance at 30 June 2017	<u>2,000</u>
<hr/>	
Balance as at 1 July 2017	1,846,793
Profit /(Loss) attributable to members	(85,244)
Balance at 30 June 2018	<u>1,761,549</u>
Reserve balance at 30 June 2018	<u>2,000</u>

The accompanying notes form part of the financial statements



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

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		3,090,512	2,569,866
Cash receipts from related parties – Branches	20(f)	24,713	59,020
Interest received		14,492	19,953
Cash payments to related parties - Branches	20(f)	(109,622)	(105,098)
Cash payments in the course of operations		(1,024,686)	(2,364,034)
<b>Net cash provided by (used in) operating activities</b>	21	<b>1,995,409</b>	<b>179,707</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		(1,150,137)	(1,671,560)
Proceeds from disposal of plant and equipment		42,203	3,953
<b>Net cash provided by (used in) investing activities</b>		<b>(1,107,934)</b>	<b>(1,667,607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds / (repayments) of hire purchase liabilities		98,243	(39,386)
Borrowings - net		925,548	818,255
<b>Net cash provided by (used in) financing activities</b>		<b>1,023,791</b>	<b>778,869</b>
Net increase/(decrease) in cash held		1,911,266	(709,031)
Cash at the beginning of the financial year		893,293	1,602,324
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	<b>2,804,559</b>	<b>893,293</b>

The accompanying notes form part of the financial statements

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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of the Financial Statements

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

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

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

#### Prior Year Comparatives

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

#### Accounting Policies

##### a. Income Tax

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

##### b. Cash and cash equivalents

Cash and cash equivalents include cash on hand 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 2018**

**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%

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.

**d. Trade and other Receivables**

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

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

**e. Trade and other Payables**

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

**f. Financial Instruments**

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

Subsequent to the initial recognition, the 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.

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

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

**g. Employee Benefits**

Short-term employee benefits

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

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

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.

**h. Leases**

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

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

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

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

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

**i. Goods and Services Tax (GST)**

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

**j. 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 and subscriptions and grants is recognised upon the delivery of the service on an accruals basis.

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

**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 2018**

**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 2018, except as stated in this report.

*Key Judgements - Doubtful Debts Provision*

The Board have assessed each debtor and have estimated a provision for doubtful debts is required of \$21,200. The Board believes that the full amount of the debtors may however be recoverable.

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

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

**p. New Accounting Standards for Application in Future Periods**

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

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

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

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

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

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

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

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

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

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

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

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

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

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

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

The significant accounting requirements of AASB 1058 are as follows:

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



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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

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

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

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

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

This pronouncement is not expected to impact the Branch.

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

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

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

**2. Fund Analysis**

For the financial year ended 30 June 2018, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch; and - there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose.

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

	2018 \$	2017 \$
<b>NOTE 3: REVENUE</b>		
<b>Operating activities:</b>		
CMS SCIMS Income	199,541	211,709
Events/ Functions	101,428	90,584
Sponsorship	165,040	121,409
Publications	53,279	62,443
Training Fees	1,132,369	868,333
Membership	847,183	946,269
Incolink Funding	344,100	344,686
Interest received	14,492	19,953
Grants	289,947	-
Other revenue	71,478	5,734
Profit on Sale of Non-Current Assets	520	-
Capitation Fees	-	-
Compulsory Levy and Voluntary Levy	-	-
Donations	-	-
Projects Income	-	-
Sundry Income	-	-
Financial Support - Branches	-	-
Revenue Derived from Undertaking Recovery of Wager Activity	-	-
<b>Total Revenue</b>	<b>3,219,377</b>	<b>2,671,120</b>
<b>NOTE 4: PROFIT FROM ORDINARY ACTIVITIES</b>		
The operating profit of the Branch before income tax expense has been determined after:		
<b>a. Bad and Doubtful Debts</b>		
Bad debts written off to expense	-	-
Provision for doubtful debts	71,177	21,200
	<u>71,177</u>	<u>21,200</u>
<b>b. Auditor's Remuneration</b>		
Auditor's remuneration – Financial Statement Audit (Other services: \$nil (2017: \$nil))	9,486	10,945
	-	-
	<u>9,486</u>	<u>10,945</u>
<b>c. Depreciation and Amortisation</b>		
Plant and equipment	39,419	14,369
Motor vehicles	37,342	27,664
Building & Fittings	19,297	-
	<u>96,058</u>	<u>42,033</u>

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

	2018 \$	2017 \$
<b>NOTE 4: PROFIT FROM ORDINARY ACTIVITIES (cont'd)</b>		
<b>d. Employee related expenses</b>		
Salaries	1,322,356	987,106
Superannuation	107,584	92,965
Employee benefits	58,071	98,929
Payroll tax	60,978	52,727
Redundancy payments	-	-
Training and recruitment	34,068	7,011
Other Employee Expenses	-	-
	1,583,057	1,238,738
<b>e. Other expenses include: -</b>		
Publications	43,712	55,940
CMS Expenses	118,638	154,776
Events / Functions	247,898	155,299
Training Delivery Costs	110,229	129,181
Computer Expenses	27,341	17,916
Insurance Costs	15,458	10,365
Communication Expense	22,850	19,097
Motor Vehicle Expenses	52,877	30,662
Stationery, Printing and Postage	13,471	6,445
Rent	89,068	161,361
Legal Costs – Litigation	-	-
Legal Costs – Consultation (Other Matters)	7,269	2,849
Other Costs	503,536	428,234
Consultancy Fees	77,076	38,363
ATCP Expenses	102,379	-
Incolink – OH&S Consultant Expense	19,950	4,200
Penalties (RO Act and Regulations)	-	-
Affiliation Fees	-	-
Consideration to employers making payroll deductions	-	-
Subscriptions (Political Parties etc)	-	-
Levies – Other Parties	-	-
Grants > \$1,000	-	-
Grants < \$1,000	-	-
Donations > \$1,000 (Non-Political)	5,000	-
Donations < \$1,000 (Non-Political)	91	5,000
Meeting Attendance Fees	-	-
Capitation Fees	-	-
Forgiveness of Loans	-	-
Other/Sundry	-	-
	1,456,843	1,219,688
<b>f. Levy</b>		
National office levy	88,000	88,000
	88,000	88,000

The levy is imposed by the CCF National Office to assist in funding the National Office Operations. No other compulsory or voluntary levies (2017: \$nil) were paid by the Branch.

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

**NOTE 4: PROFIT FROM ORDINARY ACTIVITIES (cont'd)**

**g. Expenses – Financial Affairs Administered by Other Entities**

For the financial year ended 30 June 2018, there was \$nil incurred for any financial affairs administered by other entities (2017: \$nil).

	2018 \$	2017 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Deposit	4,000	4,000
Cash at bank & on deposit	2,800,559	889,293
	2,804,559	893,293
<b>Reconciliation of cash</b>		
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.		
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade Debtors	1,387,609	1,248,163
Less: Provision for Doubtful Debts	(71,177)	(21,200)
Sundry Debtors	54	(137)
	1,316,486	1,226,826
<b>NOTE 7: INVENTORIES</b>		
<b>Current</b>		
Publications on Hand – at cost	25,693	24,270
Cards on Hand – at cost	2,039	2,039
Stock Promotions – at cost	4,913	5,462
	32,645	31,771
<b>NOTE 8: OTHER CURRENT ASSETS</b>		
<b>Current</b>		
Borrowing Costs	2,110	605
Prepayments	63,383	114,529
Security Deposit – Leased Premises	-	43,907
	65,493	159,041
<b>NOTE 9: FINANCIAL ASSETS</b>		
Available for sale financial assets		
Unlisted investments, at fair value	-	12,500
Total available-for-sale financial assets	-	12,500

The shares were written off during the financial year. A Deed of Termination was signed resulting in such shares being transferred from CCF VIC to INFORMA.

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

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

	2018 \$	2017 \$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicles</b>		
At cost	342,330	275,899
Accumulated depreciation	(88,183)	(120,167)
Total motor vehicles	254,147	155,732
<b>Office Furniture &amp; Equipment</b>		
At cost	277,172	415,265
Accumulated depreciation	(112,433)	(285,054)
Total office furniture & equipment	164,739	130,211
<b>Software</b>		
At cost	55,385	55,385
Accumulated depreciation	(30,559)	(16,334)
Total software	24,826	39,051
<b>CivFast System Development (1)</b>		
At cost	184,646	109,792
Accumulated depreciation	-	-
Total CivFast System Development	184,646	109,792
<b>Land and Buildings</b>		
At cost	1,271,785	1,523,900
Accumulated depreciation	-	-
Total Land and Buildings	1,271,785	1,523,900
<b>Building &amp; Fitout</b>		
At cost	906,622	-
Accumulated depreciation	(11,325)	-
Total Building & Fitout	895,297	-
<b>Aircon &amp; Electrical Equip</b>		
At cost	155,145	-
Accumulated depreciation	(5,356)	-
Total Aircon & Electrical Equip	149,789	-
<b>Furniture &amp; office Equip</b>		
At cost	28,470	-
Accumulated depreciation	(2,617)	-
Total Furniture & office Equip	25,853	-
<b>Total property, plant and equipment</b>	<b>2,971,082</b>	<b>1,958,686</b>

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

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

(1) This asset has both tangible and intangible characteristics

	<b>Motor Vehicles</b>	<b>Office Furniture &amp; Equipment</b>	<b>Software</b>	<b>CivFast System Development</b>	<b>Land and Buildings</b>	<b>Land</b>	<b>Building &amp; Fitout</b>	<b>Aircon</b>	<b>Furniture &amp; Office Equipment</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2016</b>	183,395	75,801	42,346	32,476	-	-	-	-	-	334,018
Additions	-	70,344	-	77,316	1,523,900	-	-	-	-	1,671,560
Disposals	-	(4,859)	-	-	-	-	-	-	-	(4,859)
Depreciation Expense	(27,663)	(11,075)	(3,295)	-	-	-	-	-	-	(42,033)
<b>Carrying amount at 30 June 2017</b>	155,732	130,211	39,051	109,792	1,523,900	-	-	-	-	1,958,686
<b>Carrying amount at 30 June 2017</b>	155,732	130,211	39,051	109,792	1,523,900	-	-	-	-	1,958,686
Additions	165,448	71,714	-	74,854	-	-	654,507	155,145	28,469	1,150,137
Transfer to new asset group	-	-	-	-	(1,523,900)	1,271,785	252,115	-	-	-
Disposals	(29,691)	(11,992)	-	-	-	-	-	-	-	(41,683)
Depreciation Expense	(37,342)	(25,194)	(14,225)	-	-	-	(11,325)	(5,356)	(2,616)	(96,058)
<b>Carrying amount at 30 June 2018</b>	254,147	164,739	24,826	184,646	-	1,271,785	895,297	149,789	25,853	2,971,082

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

	2018 \$	2017 \$
<b>NOTE 11: TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Income not yet earned	2,857,376	1,102,094
Accounts Payable	440,328	163,418
Other Creditors	46,261	49,875
Payroll Liabilities	848	21,394
GST Payable	(177)	88,847
Accrued Expenses	12,000	6,000
	<u>3,356,636</u>	<u>1,431,628</u>
<p>No amounts were payable in respect of legal matters and/or consideration for employers making payroll deductions (2017: \$nil) Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts. Details of the trade debtors owing from related parties are outlined at Note 20.</p>		
<b>Non-Current</b>		
Debentures Not Repayable Within One Year	2,000	2,000
<b>NOTE 12: BORROWINGS</b>		
<b>Current</b>		
Hire Purchase Liability	48,937	40,704
Less: Unexpired Hire Purchase Liability	(5,594)	(899)
	<u>43,343</u>	<u>39,805</u>
Westpac Business Loan (i)	169,244	76,812
<b>Total Current Borrowings</b>	<u>212,587</u>	<u>116,617</u>
<b>Non-Current</b>		
Hire Purchase Liability	114,165	15,179
Less Unexpired Hire Purchase Liability	(4,341)	(60)
	<u>109,824</u>	<u>15,119</u>
Westpac Business Loan (i)	1,574,559	741,443
<b>Total Non-Current Borrowings</b>	<u>1,684,383</u>	<u>756,562</u>
<p>(i)The facilities for this borrowing are secured by the following: \$1,400,000 Limited Guarantee and Indemnity provided by Civil Contractors Federation ABN 41 639 349 350 supported by: Mortgage by Civil Contractors Federation over the property located at 9 Business Park Drive, Notting Hill Vic 3168.</p>		
<b>NOTE 13: PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	117,319	74,108
Provision for Long Service Leave	53,791	52,409
	<u>171,110</u>	<u>126,517</u>
<b>Non-Current</b>		
Provision for Long Service Leave	-	-
	<u>-</u>	<u>-</u>
<b>Total provisions</b>	<u>171,110</u>	<u>126,517</u>

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

**NOTE 13: PROVISIONS (cont'd)**

- (i) Employee provisions accrue directly to employees of the Branch.  
No employee entitlements were accrued in respect of officeholders (2017: \$nil)

	<b>2018</b>	<b>2017</b>
<b>Number of full time equivalent employees at year-end</b>	19.85	13.2

Of the amounts owing are payable as follows: -

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Officeholders	-	-	-	-	-	-
Other Staff	117,319	74,108	53,791	52,409	171,110	126,517
<b>Total</b>	<b>117,319</b>	<b>74,108</b>	<b>53,791</b>	<b>52,409</b>	<b>171,110</b>	<b>126,517</b>

	Separation and Redundancy Provisions		Other Employee Provisions		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2017: \$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 14: EMPLOYEE BENEFITS**

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Wages and Salaries	-	-	1,322,356	987,106	1,322,356	987,106
Annual Leave and Long Service Leave	-	-	58,071	98,929	58,071	98,929
Redundancy Payments	-	-	-	-	-	-
Superannuation	-	-	107,584	92,965	107,584	92,965
Other Employee Expenses	-	-	95,045	59,738	95,045	59,738
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,583,056</b>	<b>1,238,738</b>	<b>1,583,056</b>	<b>1,238,738</b>



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

	2018 \$	2017 \$
<b>NOTE 15: RESERVES</b>		
General Reserve – Members’ Debentures	2,000	2,000
There has been no movement in the reserve during the current or preceding year.		
<b>NOTE 16: RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	1,846,793	1,796,277
Net profit attributable to the entity	(85,244)	50,516
Retained earnings at the end of the financial year	1,761,549	1,846,793
<b>NOTE 17: CAPITAL AND LEASING COMMITMENTS</b>		
	2018 \$	2017 \$
<b>Hire Purchase Commitments</b>		
Payable – Minimum Hire Purchase payments		
Not later than 12 months	48,937	40,704
Later than 12 months but not later than 2 years	114,165	15,179
Later than 2 years but not later than 5 years	-	-
Minimum Hire Purchase payments	163,102	55,883
Less future finance charges	(9,935)	(959)
Present value of minimum payments	153,167	54,924
<b>Operating Lease Commitments</b>		
Payable – Minimum Operating Lease payments		
Not later than 12 months	20,078	140,962
Later than 12 months but not later than 2 years	36,930	59,001
Later than 2 years but not later than 5 years	-	-
Minimum Operating Lease payments	57,007	199,963

In the 2017 financial year, the Branch acquired a new property on which they had contracted to spend \$48,609 on capital improvements. No capital improvement commitments noted at 30 June 2018.

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

**NOTE 18: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

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

The entity does not have any derivative instruments at 30 June 2018.

**i. Terms, Conditions and Accounting Policies**

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

**ii. Treasury Risk Management**

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

	2018 \$	2017 \$
<b>Change in profit/(loss)</b>		
Increase in interest rate by 1%	10,608	750
Decrease in interest rate by 1%	(10,608)	(750)
<b>Change in equity</b>		
Increase in interest rate by 1%	10,608	750
Decrease in interest rate by 1%	(10,608)	(750)

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 2018 (cont'd)**

**NOTE 19: 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 \$
<b>30 June 2018</b>							
<b>Assets:</b>							
Cash	2%	2,804,559	-	-	-	-	2,804,559
Trade and Sundry Debtors		-	-	-	-	1,381,979	1,381,979
		2,804,559	-	-	-	1,381,979	4,186,538
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities		-	-	-	-	(3,358,636)	(3,358,636)
Borrowings	5.2%	(1,743,803)	(43,343)	(109,824)	-	-	(1,896,970)
		(1,743,803)	(43,343)	(109,824)	-	(3,358,636)	(5,255,606)
Net financial assets		1,060,756	(43,343)	(109,824)	-	(1,976,657)	(1,069,068)

	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 \$
<b>30 June 2017</b>							
<b>Assets:</b>							
Cash	2.1%	893,293	-	-	-	-	893,293
Trade and Sundry Debtors		-	-	-	-	1,385,867	1,385,867
		893,293	-	-	-	1,385,867	2,279,160
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities		-	-	-	-	(1,433,628)	(1,433,628)
Borrowings	5.2%	(818,255)	(39,805)	(15,119)	-	-	(873,179)
		(818,255)	(39,805)	(15,119)	-	(1,433,628)	(2,306,807)
Net financial assets		75,038	(39,805)	(15,119)	-	(47,761)	(27,647)

**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 2018 (cont'd)**

**NOTE 20: 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, John Plumridge, Clifford Smith, Michael Di-Carlo, Jay Miller, Steve Traicevski, Bob Beck, Robert Trebilco, Nick Karapetsas and Khaled Elagha.

The officeholders received no 'non cash' benefits (2017: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch (this year or last year) received any remuneration because they were a member of, or held position with a Board or 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 Kilgour	CEO
Robert Garrard	General Manager Training
Anushan Jayaratne	Finance Manager
Gavriel Berkowitz	Sales & Marketing Manager

c. Key Management Personnel Remuneration	2018			2017		
	\$			\$		
	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	509,321	46,291	555,612	449,819	39,879	489,698

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year	2018			2017		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
	\$	\$	\$	\$	\$	\$
Total Leave Provision	36,918	-	36,918	12,518	-	12,518

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 2018 (cont'd)**

**NOTE 20: 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.

	<b>2018</b>	<b>2017</b>
	\$	\$
Levy Payment		
During the year, the VIC Branch paid to the National Office a per capita payment calculated in accordance with the rules.	88,000	88,000

**f. Related Party balances at year end**

	<b>2018</b>	<b>2017</b>
	\$	\$
Amounts receivable/(payable) at reporting date – Federal office and other branches		
National Office	493	(10,164)
Queensland Branch	-	(1,740)
South Australia Branch	(1,550)	(1,827)
Western Australia Branch	-	(330)
New South Wales Branch	(450)	(715)
Northern Territory Branch	-	(83)
Tasmania Branch	-	(248)
	<u>(1,507)</u>	<u>(15,107)</u>

Balance Reconciliation- related entities

National Office		
Carrying amount at beginning of the year	(10,164)	(8,571)
Levy charge	(88,000)	(88,000)
Sundry charges	(1,433)	(2,679)
Sundry income	1,003	13,364
Receipts	(403)	(13,364)
Payment made	99,490	89,086
Carrying amount at end of the year	<u>493</u>	<u>(10,164)</u>
Queensland Branch		
Carrying amount at beginning of the year	(1,740)	(110)
Sundry charges	(242)	(2,290)
Sundry income	400	1,378
Receipts	(400)	(1,378)
Payment made	1,982	660
Carrying amount at end of the year	<u>-</u>	<u>(1,740)</u>
South Australia Branch		
Carrying amount at beginning of the year	(1,827)	976
Sundry charges	(5,775)	(8,842)
Sundry income	9,105	10,884
Receipts	(9,253)	(10,538)
Payment made	6,200	5,693
Carrying amount at end of the year	<u>(1,550)</u>	<u>(1,827)</u>
Western Australia Branch		
Carrying amount at beginning of the year	(330)	(1,740)
Sundry charges	-	(1,870)
Sundry income	471	-
Receipts	(141)	-
Payment made	-	3,280
Carrying amount at end of the year	<u>-</u>	<u>(330)</u>

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

**NOTE 20: RELATED PARTIES (cont'd)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>New South Wales Branch</b>		
Carrying amount at beginning of the year	(715)	(495)
Sundry charges	(1,500)	(2,585)
Sundry income	7,265	14,139
Receipts	(6,550)	(14,139)
Payment made	1,050	2,365
Carrying amount at end of the year	<u>(450)</u>	<u>(715)</u>
<b>Northern Territory Branch</b>		
Carrying amount at beginning of the year	(83)	(275)
Sundry charges	-	(3,713)
Sundry income	8	-
Receipts	-	-
Payment made	75	3,905
Carrying amount at end of the year	<u>-</u>	<u>(83)</u>
<b>Tasmania Branch</b>		
Carrying amount at beginning of the year	(248)	1,575
Sundry charges	(600)	(357)
Sundry income	7,989	18,026
Receipts	(7,966)	(19,601)
Payment made	825	109
Carrying amount at end of the year	<u>-</u>	<u>(248)</u>

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

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

	2018 \$	2017 \$
<b>NOTE 21: CASH FLOW INFORMATION</b>		
<b>Reconciliation of net cash provided by operating activities to profit after income tax</b>		
Profit from Ordinary Activities after income tax	(85,244)	50,516
Add/(Less) Non Cash Flows in Profit from Ordinary Activities:		
- Depreciation	96,058	42,033
- (Profit)/Loss on Sale of Plant & Equipment	(520)	906
Add back: Loss on write-down of investments	12,500	-
	<u>22,794</u>	<u>93,455</u>
Changes in Operating Assets and Liabilities:		
- (Increase)/Decrease in Trade & Sundry Debtors	(89,660)	(22,281)
- (Increase)/Decrease in Inventory	(874)	(5,833)
- (Increase)/Decrease in Prepayments	51,146	(24,541)
- (Increase)/Decrease in Other Assets	42,402	430
- Increase/(Decrease) in Payables	1,925,008	123,227
- Increase/(Decrease) in Employee Entitlements	44,593	15,250
<b>Net cash provided by operating activities</b>	<u>1,995,409</u>	<u>179,707</u>

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

**NOTE 22: 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:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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 2018 (cont'd)**

**NOTE 22: 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 2018			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
Available-for-sale financial assets:		-	-	-	-
<b>Total financial assets recognised at fair value</b>		-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings		-	2,167,082	-	2,167,082
<b>Total non-financial assets recognised at fair value</b>		-	2,167,082	-	2,167,082

	Note	30 June 2017			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:		-	-	-	-
Available-for-sale financial assets:		-	12,500	-	12,500
<b>Total financial assets recognised at fair value</b>		-	12,500	-	12,500
<i>Non-financial assets</i>					
Freehold land & buildings		-	1,523,900	-	1,523,900
<b>Total non-financial assets recognised at fair value</b>		-	1,536,400	-	1,536,400

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

**NOTE 22: FAIR VALUE MEASUREMENT (cont'd)**

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

Description	Fair Value at 30 June 2018 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss	-	Market Value using income on DCF approach	Price per share, market borrowing rate
Available-for-sale financial assets:			

**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

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
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 2018 (cont'd)**

**NOTE 21: EVENTS SUBSEQUENT TO BALANCE DATE**

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

**NOTE 22: CONTINGENT ASSETS OR LIABILITIES**

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

**NOTE 23: ENTITY DETAILS**

The principal place of business of the entity is:

9 Business Park Drive  
Notting Hill VIC 3168

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, nor provide any to other reporting units. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

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

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

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

**Report on the Audit of the Financial Report**

**Opinion**

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

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

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

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

**Basis for Opinion**

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

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

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

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

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

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

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

**Responsibilities of Committee of Management for the Financial Report**

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

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the CCF VIC audit. We remain solely responsible for our audit opinion

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

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



Stannards Accountants and Advisors



Michael B Shulman  
Partner

Melbourne, VIC  
Dated: 15<sup>th</sup> August 2018

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