



Australian Government  
Registered Organisations Commission

15 July 2019

Michael Unger  
President  
Civil Contractors Federation

By e-mail: [ccfnat@civilcontractors.com](mailto:ccfnat@civilcontractors.com)  
CC: [michael.shulman@stannards.com.au](mailto:michael.shulman@stannards.com.au)

Dear Michael Unger,

**Civil Contractors Federation-Australian Capital Territory Branch**

**Civil Contractors Federation-New South Wales Branch**

**Civil Contractors Federation- Northern Territory Branch**

**Civil Contractors Federation-Queensland Branch**

**Civil Contractors Federation-South Australia Branch**

**Civil Contractors Federation-Tasmanian Branch**

**Civil Contractors Federation-Victorian Branch**

**Civil Contractors Federation-Western Australian Branch**

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

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

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

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

**Timescale requirements**

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

I note that the following timescale requirement was not met:

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

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

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

### **Redaction of Information**

#### Key management personnel compensation – redaction of information

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

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

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

### **Reporting Requirements**

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

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

Yours sincerely



**Kylie Ngo**  
**Financial Reporting Assistant**  
**Registered Organisations Commission**

## Civil Contractors Federation

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

### **CERTIFICATE BY PRESCRIBED DESIGNED OFFICER**

Certificate for the year ended 31<sup>st</sup> December 2018

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

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

Signature of prescribed designated officer:



Michael Unger  
Civil Contractors Federation  
President

7<sup>th</sup> May 2019



# **CIVIL CONTRACTORS FEDERATION**

**CIVIL CONTRACTORS FEDERATION  
(VIC BRANCH)**

**ABN 97 341 352 156**

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

**CIVIL CONTRACTORS FEDERATION  
(VIC BRANCH)**

**ABN 97 341 352 156**

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

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

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

### **Principal Activities s254(2)(a)**

The principal activities of the Branch during the financial period 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 \$62,708 for the period ended 31 December 2018, before providing for a 'significant item of expense' of \$1,700,841 (refer below) relating to the disbandment of the Branch (30 June 2018: Loss of \$ 85,244).

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 received the full approval of JAS-ANZ and the official launch to the market is scheduled for Feb 2019. The release of the revised code necessitated higher level of engagement with stake holders and related authorities. In this regard we have conducted number of workshops in regional and metro locations.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.

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

There were no significant changes in the nature of the Branch's principal activities during the financial period, except that on 31 December 2018, the Branch was disbanded and its net assets transferred to CCF for no consideration in accordance with the approval of members and the Fair Work Commission.

The restructuring of the branch entity structure and disestablishment of the FWC registration resulted in closure of commercial activities. These corporate structural changes are impacting the registrations with ASQA etc. and CCF is working through the process. The transition of all activities including staff is to be done based on a planned-out transition plan.

### **Significant changes in Federation's financial affairs s254(2)(b)**

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

## Operating Report for the Period Ended 31 December 2018

### Principal activities s254(2)(a) - (cont'd)

#### **Number of Members** RO reg 159(a)

The number of persons who, at the end of the period (prior to disbandment), were recorded on the Register of financial members was: 378 Members and 104 Associate Members, with financial members being 320 and financial associate members being 66. At the end of the previous financial year there were 379 Members and 121 Associate Members.

#### **Number of Employees** reg 159(b)

The number of persons who were, at the end of the period (prior to disbandment), employees of the Victoria Branch was 20.59 measured on a full-time equivalent basis (30 June 2018: 19.85).

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

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

Andrew Mahar	President	1-07-2018 to 31-12-2018
Andrew Mahar	Board Member & National Board Member	1-07-2018 to 31-12-2018
Steve Traicevski	Acting President (covering leave)	16-11-2018 to 31-12-2018
John Plumridge	Board Member & Treasurer	1-07-2018 to 31-12-2018
Steve Traicevski	Acting National delegate	16-11-2018 – 31.12.2018
Cliff Smith	Board Member	1-07-2018 to 31-12-2018
Steve Traicevski	Board Member	1-07-2018 to 31-12-2018
Jay Miller	Board Member	1-07-2018 to 31-12-2018
Bob Beck	Board Member	1-07-2018 to 31-12-2018
Robert Trebilco	Board Member	1-07-2018 to 16-11-2018
Khaled Elagha	Board – Member Casual	20-04-2018 to 31-12-2018

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

#### **Officers or Members who are Superannuation Fund Trustee(s) or Director of a Company that is a Superannuation Fund Trustee where being a Member or Officer of a Registered Organisation is a criterion for them holding such position S254(2)(D)**

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



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

**Manner of resignation**

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

**"9 - RESIGNATION OF MEMBERS**

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

Signature of designated officer:



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

Dated: 7th May 2019

**National Board Statement  
for the Period Ended 31 December 2018**

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

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit could pay its debts as and when they become due and payable prior to disbandment; and
- (e) during the period to which the GPFR relates:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:



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

Dated: 7th May 2019

**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 period ended 31 December 2018 there have been: –

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

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



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

Dated 7th May 2019

**Expenditure Report  
For the Period ended 31 December 2018**

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

	<b>1 July 2018 - 31 December 2018 \$</b>	<b>1 July 2017 - 30 June 2018 \$</b>
<b>CATEGORIES OF EXPENDITURE</b>		
Remuneration and other employment-related costs and expenses - employees	1,036,732	1,583,057
Advertising	12,655	13,143
Operating Costs	967,189	1,701,152
Donations to Political Parties	-	-
Legal Costs	-	7,269
<b>Total</b>	<b>2,016,576</b>	<b>3,304,621</b>

Signature of designated officer:



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

Dated: 7th May 2019

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

	Note	1 July 2018 - 31 December 2018 \$	1 July 2017 - 30 June 2018 \$
Revenue	3	1,953,868	3,219,377
Auditors remuneration	4b	(255)	(9,486)
Bad and doubtful debt expenses	4a	(131,465)	(71,177)
Depreciation expenses	4c	(58,627)	(96,058)
Employee benefits expenses	4e	(1,036,732)	(1,583,057)
National Branch Levy	4d	(59,297)	(88,000)
Other expenses	4f	(730,200)	(1,456,843)
Total expenses		(2,016,576)	(3,304,621)
<b>(Loss) from ordinary activities</b>		(62,708)	(85,244)
Significant Item of Expense		(1,700,841)	-
<b>(Loss) from ordinary activities after Significant Item of Expense</b>		(1,763,549)	(85,244)
Income tax expense		-	-
<b>Net (loss) from ordinary activities after income tax expense attributable to the Federation</b>		(1,763,549)	(85,244)

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income  
for the Period Ended 31 December 2018**

	<b>1 July 2018 - 31 December 2018 \$</b>	<b>1 July 2017 - 30 June 2018 \$</b>
(Loss) for the period	(1,763,549)	(85,244)
Other Comprehensive Income for the period	-	-
Total comprehensive Income for the period	(1,763,549)	(85,244)
Total comprehensive Income attributable to members of the organisation	(1,763,549)	(85,244)

The accompanying notes form part of the financial statements

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

	Note	31 December 2018 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	-	2,804,559
Trade and other receivables	6	-	1,316,486
Inventories	7	-	32,645
Other current assets	8	-	65,493
<b>TOTAL CURRENT ASSETS</b>		-	4,219,183
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	-	2,971,082
<b>TOTAL NON-CURRENT ASSETS</b>		-	2,971,082
<b>TOTAL ASSETS</b>		-	7,190,265
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	-	3,356,636
Borrowings	11	-	212,587
Provisions	12	-	171,110
<b>TOTAL CURRENT LIABILITIES</b>		-	3,740,333
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	10	-	2,000
Borrowings	11	-	1,684,383
<b>TOTAL NON-CURRENT LIABILITIES</b>		-	1,686,383
<b>TOTAL LIABILITIES</b>		-	5,426,716
<b>NET ASSETS</b>		-	1,763,549
<b>MEMBERS' FUNDS</b>			
Reserves	14	-	2,000
Retained earnings	15	-	1,761,549
<b>TOTAL MEMBERS' FUNDS</b>		-	1,763,549

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds  
for the Period Ended 31 December 2018**

Retained Earnings Balance as at 1 July 2017	1,846,793
(Loss) attributable to members	(85,244)
Balance at 30 June 2018	1,761,549
Reserve balance at 30 June 2018	2,000
Retained Earnings Balance as at 1 July 2018	1,761,549
Transfer from Reserves	2,000
(Loss) attributable to members	(1,763,549)
Balance at 31 December 2018	-
Reserve balance at 30 June 2018	2,000
Transfer to Retained Earnings	(2,000)
Balance at 31 December 2018	-

The accompanying notes form part of the financial statements



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

	Note	31 December 2018 \$	30 June 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		2,494,983	3,090,512
Cash receipts from related parties – Branches	18(f)	9,992	24,713
Interest received		16,037	14,492
Cash payments to related parties - Branches	18(f)	(43,197)	(109,622)
Cash payments in the course of operations		(2,807,915)	(1,024,686)
<b>Net cash provided by (used in) operating activities</b>	19	(330,100)	1,995,409
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		(105,684)	(1,150,137)
Proceeds from disposal of plant and equipment		39,112	42,203
<b>Net cash provided by (used in) investing activities</b>		(66,572)	(1,107,934)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds / (repayments) of hire purchase liabilities		(32,142)	98,243
Borrowings - net		(624,337)	925,548
<b>Net cash provided by (used in) financing activities</b>		(656,479)	1,023,791
Net increase/(decrease) in cash held		(1,053,151)	1,911,266
Cash at the beginning of the financial year		2,804,559	893,293
Transfer of cash to CCF on disbandment of Branch		(1,751,408)	-
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	-	2,804,559

**Notes to the Financial Statements  
for the Period Ended 31 December 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. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. Given the disbandment of the Branch effective at 31 December, 2018 – refer the note below, the financial statements have not been prepared on a going concern basis, all assets and liabilities having been transferred to Civil Contractors Federation on that date. Rather, the financial report and in particular the assets and liabilities of the branch, prior transfer, were measured on a "liquidation" basis which reflected their recoverable values and expected settlement amounts as at the date of transfer.

The financial statements are presented in Australian dollars.

The financial report covers Civil Contractors Federation (VIC Branch) as an Individual entity. Civil Contractors Federation (VIC Branch) was a Federation incorporated in Victoria under the Fair Work (Registered Organisations) Act 2009 until the date of disbandment referred to above.

**Disbandment of Branch**

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

	\$
Cash	1,751,408
Inventory	27,255
Land & Buildings	1,284,777
Plant & Equipment	1,701,142
Trade Receivables	749,342
Other Assets	90,212
Borrowings	(1,240,491)
Trade and Other Payables	(2,508,980)
Employee Entitlements	(153,824)
<b>Net Assets</b>	<b>1,700,841</b>

On the basis that \$nil consideration was received for this transfer, an amount of \$1.701 million has been reported as a "Significant Item of Expense" in the Statement of Profit/Loss and Other Comprehensive Income.

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

**Prior Year Comparatives**

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

## Notes to the Financial Statements for the Period Ended 31 December 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of the Financial Statements

#### Accounting Policies

##### a. Income Tax

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

##### b. Cash and cash equivalents

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

##### c. Plant and Equipment

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

#### Cost and valuation

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

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

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

#### Depreciation

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

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

	<b>31 December 2018</b>	<b>30 June 2018</b>
Motor vehicles	18.75%-25%	18.75%-25%
Plant & Equipment	2.5%-100%	2.5%-100%

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

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

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

**Notes to the Financial Statements  
for the Period Ended 31 December 2018**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of the Financial Statements**

**Accounting Policies**

**d. Trade and other Receivables**

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

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

**e. Trade and other Payables**

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

**f. Financial Instruments**

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

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

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

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

**g. Employee Benefits**

Short-term employee benefits

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

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

Long-term employee benefits

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

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

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

Superannuation

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

**h. Leases**

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

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

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

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

#### **h. Leases (cont'd)**

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

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

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

Revenues, expenses and assets have been recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST has been recognised as part of the cost of acquisition of the asset or as part of an item of expense, and included in receivables and payables in the Statement of Financial Position.

Cash flows are presented in the Cash Flow Statement on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **j. Revenue**

Revenue from membership subscriptions is recognised proportionately over the period to which it relates. Any contribution received in advance for the next period is included in deferred income.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service (this includes any grant income received/receivable).

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

#### **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. Fair Value of Assets and Liabilities**

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

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

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

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

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

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

### **m. Capitation Fees**

These fees were recognised on an accruals basis, and recorded as an expense in the period to which they related.

### **n. Critical Accounting Estimates and Judgements**

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

#### *Key Estimates – Impairment*

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

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

#### *Key Judgements - Doubtful Debts Provision*

The Board assessed each debtor and estimated no provision for doubtful debts was required except as disclosed at Note 6. The Board believes that the full amount of the remaining debtors was recoverable.

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

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

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

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

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

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

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

**q. Going Concern**

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

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

**2. FUND ANALYSIS**

For the financial period ended 31 December 2018, there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Branch; and

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



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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 3: REVENUE</b>		
Operating activities:		
CMS SCIMS Income	62,839	199,541
Events/ Functions	122,796	101,428
Sponsorship	146,827	165,040
Publications	24,134	53,279
Training Fees	774,910	1,132,369
Membership	395,180	847,183
Incolink Funding	-	344,100
Interest received	16,037	14,492
Grants	391,608	289,947
Other revenue	12,645	71,478
Profit on Sale of Non-Current Assets	6,892	520
Sundry Income	-	-
Profit on disposal of assets	-	-
Capitation Fee	-	-
Affiliation Fees	-	-
Compulsory Levies	-	-
Donations > \$1,000	-	-
Donations < \$1,000	-	-
Grants > \$1,000	-	-
Grants < \$1,000	-	-
Financial Support- other Branches	-	-
Other Revenue Derived From Undertaking Recovery of Wager Activity	-	-
<b>Total Revenue</b>	<b>1,953,868</b>	<b>3,219,377</b>
<b>NOTE 4: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
The operating profit/(loss) of the Branch before income tax expense has been determined after:		
<b>a. Bad and Doubtful Debts</b>		
Bad debts written off	-	-
Provision for doubtful debts	131,465	71,177
	<b>131,465</b>	<b>71,177</b>
<b>b. Auditor's Remuneration</b>		
Accounting fees – other accountants	-	-
Auditor's remuneration – Financial Statement Audit (other auditors services: \$nil (30 June 2018: \$nil))	255	9,486
	<b>255</b>	<b>9,486</b>
<b>c. Depreciation and Amortization</b>		
Plant and equipment	11,685	39,419
Motor vehicles	21,994	37,342
Building & Fittings	24,948	19,297
	<b>58,627</b>	<b>96,058</b>

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 4: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
<b>d. Levy</b>		
National office levy	59,297	88,000
The levy is imposed by the CCF National Office to assist in funding the National Office operations.		
<b>e. Employee related</b>		
Salaries	916,693	1,322,356
Superannuation	68,104	107,584
Employee benefits	-	58,071
Payroll tax	39,717	60,978
Redundancy payments	-	-
Training and recruitment	12,218	34,068
Other Employee Expenses	-	-
	1,036,732	1,583,057
<b>f. Other expenses</b>		
Publications	16,374	43,712
CMS Expenses	75,574	118,638
Events / Functions	211,086	247,898
Training Delivery Costs	66,061	110,229
Computer Expenses	8,398	27,341
Insurance Costs	1,399	15,458
Communication Expense	11,014	22,850
Motor Vehicle Expenses	47,646	52,877
Stationery, Printing and Postage	21,900	13,471
Rent	4,098	89,068
Legal Costs – Litigation	-	-
Legal Costs – Consultation (Other Matters)	-	7,269
Other Costs	215,091	503,536
Consultancy Fees	21,500	77,076
ATCP Expenses	-	102,379
Incolink – OH&S Consultant Expense	29,559	19,950
Loss on disposal of assets	-	-
Attendance Allowance / Fee – Meetings & Conferences	-	-
Donations < \$1,000	-	5,000
Donations > \$1,000	500	91
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Other Compulsory Levies	-	-
Membership Subscriptions	-	-
Sponsorship	-	-
Subscriptions – Political Parties etc.	-	-
Forgiveness of Loans	-	-
Consulting Fees	-	-
Payroll Deduction Costs	-	-
Capitation Fees	-	-
Levies – Other Parties	-	-
Consideration to employers for making payroll deductions of membership subscriptions	-	-
	730,200	1,456,843

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

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

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

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

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Deposit	-	4,000
Cash at bank & on deposit	-	2,800,559
	-	2,804,559

The weighted average interest rate for cash as at 31 December 2018 was 2% (30 June 2018: .2%)

**NOTE 6: TRADE AND OTHER RECEIVABLES**
**a. Current**

Trade debtors	-	1,387,609
Less: Provision for doubtful debts	-	(71,177)
	-	1,316,432
Sundry and other debtors	-	54
	-	1,316,486

**b. Terms and Conditions**

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days.

Details of the trade debtors owing from related parties are outlined at Note 18f.

Sundry debtors (where recognised) are non-interest bearing and unsecured.

**NOTE 7: INVENTORIES**
**Current**

Publications on Hand – at cost	-	25,693
Cards on Hand – at cost	-	2,039
Stock Promotions – at cost	-	4,913
	-	32,645

**NOTE 8: OTHER ASSETS**
**Current**

Borrowing Costs	-	2,110
Prepayments	-	63,383
	-	65,493

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicles</b>		
At cost	-	342,330
Accumulated depreciation	-	(88,183)
Total motor vehicles	-	254,147
<b>Office Furniture &amp; Equipment</b>		
At cost	-	277,172
Accumulated depreciation	-	(112,433)
Total office furniture & equipment	-	164,739
<b>Software</b>		
At cost	-	55,385
Accumulated depreciation	-	(30,559)
Total software	-	24,826
<b>CivFast System Development (1)</b>		
At cost	-	184,646
Accumulated depreciation	-	-
Total CivFast System Development	-	184,646
<b>Land and Buildings</b>		
At cost	-	1,271,785
Accumulated depreciation	-	-
Total Land and Buildings	-	1,271,785
<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>	-	2,971,082

### Notes to the Financial Statements for the Year Ended 31 December 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

	Motor Vehicles	Office Furniture & Equipment	Software	CivFast System Development	Land and Buildings	Land	Building & Fitout	Aircon	Furniture & Office Equipmen t	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance 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
<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
Additions	-	33,475	52,104	7,114	-	12,991	-	-	-	105,684
Disposals	(32,219)	-	-	-	-	-	-	-	-	(32,219)
Depreciation Expense	(21,994)	(7,075)	3,760	-	-	-	(22,362)	(8,370)	(2,586)	(58,627)
Transfer to CCF	(199,934)	(191,139)	(80,690)	(191,760)	-	(1,284,776)	(872,935)	(141,419)	(23,267)	(2,985,920)
<b>Carrying amount at 31 December 2018</b>	-	-	-	-	-	-	-	-	-	-

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Income not yet earned	-	2,857,376
Accounts Payable	-	440,328
Other Creditors	-	46,261
Payroll Liabilities	-	848
GST Payable	-	(177)
Accrued Expenses	-	12,000
	-	3,356,636

**b. Terms and Conditions**

Deferred income related to cash receipts for membership fees, training and advertising revenue received for beyond the current reporting period and project funding received for beyond the current reporting period.

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 payables owing from related parties are outlined at Note 18f.

**Non-Current**

Debentures Not Repayable Within One Year	-	2,000
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**NOTE 11: BORROWINGS****Current**

Hire Purchase Liability	-	48,937
Less: Unexpired Hire Purchase Liability	-	(5,594)
	-	43,343

Westpac Business Loan (i)	-	169,244
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**Total Current Borrowings**

-	212,587
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**Non-Current**

Hire Purchase Liability	-	114,165
Less Unexpired Hire Purchase Liability	-	(4,341)
	-	109,824

Westpac Business Loan (i)	-	1,574,559
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**Total Non-Current Borrowings**

-	1,684,383
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(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.

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 12: PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	-	117,319
Provision for Long Service Leave	-	53,791
	-	171,110
<b>Non-Current</b>		
Provision for Long Service Leave	-	-
	-	-
<b>Total provisions</b>	-	171,110

- (i) Employee provisions accrue directly to employees of the Branch.  
No employee entitlements were accrued in respect of officeholders (30 June 2018: \$nil)

	31 December 2018	30 June 2018
Number of full time equivalent employees at disbandment date	20.59	19.85

Of the amounts owing, they were payable as follows: -

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$	31/12/18 \$	30/06/18 \$
Officeholders	-	-	-	-	-	-
Other Staff	-	117,319	-	53,791	-	171,110
Total	-	117,319	-	53,791	-	171,110

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

There were no bonuses for separation and redundancy or other provisions for officeholders or other employees (30 June 2018: \$nil), except as set out at Note 13.

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

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



**CIVIL CONTRACTORS FEDERATION (VIC BRANCH)**
**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 12: PROVISIONS (cont'd)**

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

**NOTE 13: EMPLOYEE BENEFITS**

Employee benefits paid / accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	31/12/2018 \$	30/06/2018 \$	31/12/2018 \$	30/06/2018 \$	31/12/2018 \$	30/06/2018 \$
Wages and Salaries	-	-	916,693	1,322,356	916,693	1,322,356
Annual Leave and Long Service Leave	-	-	-	58,071	-	58,071
Redundancy Payments	-	-	-	-	-	-
Superannuation	-	-	68,104	107,584	68,104	107,584
Other Employee Expenses	-	-	51,935	95,045	51,935	95,045
Total	-	-	1,036,732	1,583,056	1,036,732	1,583,056

There were no share based payments to officeholders or staff to period ending 31 December 2018 or 30 June 2018. There were no other employee expenses paid to 31 December 2018(30 June 2018: \$Nil).

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 14: RESERVES</b>		
General Reserve – Members' Debentures	2,000	2,000
Transfer to Retained Earnings	(2,000)	-
	-	2,000
<b>NOTE 15: RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	1,761,549	1,846,793
Transfer from Reserves	2,000	-
(Loss) attributable to members	(1,763,549)	(85,244)
Retained earnings at the end of the financial year	-	1,761,549

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 16: CAPITAL AND LEASING COMMITMENTS**

	31 December 2018 \$	30 June 2018 \$
<b>Hire Purchase Commitments</b>		
Payable – Minimum Hire Purchase payments		
Not later than 12 months	-	48,937
Later than 12 months but not later than 2 years	-	114,165
Later than 2 years but not later than 5 years	-	-
Minimum Hire Purchase payments	-	163,102
Less future finance charges	-	(9,935)
Present value of minimum payments	-	153,167
<b>*Operating Lease Commitments</b>		
Payable – Minimum Operating Lease payments		
Not later than 12 months	-	20,078
Later than 12 months but not later than 2 years	-	36,930
Later than 2 years but not later than 5 years	-	-
Minimum Operating Lease payments	-	57,007

**a. Equipment Rental**

\*Given the disbandment of the Branch, new lease agreements will be signed and will be payable by the Civil Contractors Federation Victoria Ltd.

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

### NOTE 17: FINANCIAL RISK MANAGEMENT

#### Financial Risk Management Policies

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

The Branch did not have any derivative instruments at 31 December 2018.

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

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

#### ii. Treasury Risk Management

The Branch Board members met 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 managed 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 period results and equity which could result from a change in this risk.

As at 31 December 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:

	31 December 2018 \$	30 June 2018 \$
<b>Change in profit/(loss)</b>		
Increase in interest rate by 1%	-	10,608
Decrease in interest rate by 1%	-	(10,608)
<b>Change in equity</b>		
Increase in interest rate by 1%	-	10,608
Decrease in interest rate by 1%	-	(10,608)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

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.

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

### NOTE 17: FINANCIAL RISK MANAGEMENT (cont'd)

#### Interest Rate Risk

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

	Weighted Average Effective Interest Rate %	Floating Interest Rate	1 year or less	Fixed Interest Rate Maturities 1 to 5 years	Over 5 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
<b>31 December 2018</b>							
<b>Assets:</b>							
Cash	N/A	-	-	-	-	-	-
Trade and Sundry Debtors		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities		-	-	-	-	-	-
Borrowings	N/A	-	-	-	-	-	-
		-	-	-	-	-	-
Net financial assets		-	-	-	-	-	-

	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)

#### Credit Risk Exposure

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

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

#### iv. Net Fair Values

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

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 18: RELATED PARTIES****a. VIC Branch Committee of Management**

The names of the members of the VIC Committee of Management who held office during the period are as follows:

Andrew Mahar, Steve Traicevski, John Plumridge, Clifford Smith, Jay Miller, Bob Beck, Robert Trebilco and Khaled Elagha.

No officeholder received any remuneration during the period or accrued an employee entitlement.

The officeholders received no 'non cash' benefits (30 June 2018: \$nil). No officeholder of the Branch during the period and/or the prior period declared any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire. Personal interests and directorships are disclosed in the Operating Report.

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

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

**b. Names and positions held by key management personnel at any time during the period ended 31 December 2018:**

John Kilgour	CEO
Robert Garrard	General Manager Training (resigned 14 December 2018)
Anushan Jayaratne	Finance Manager
Gavriel Berkowitz	Sales & Marketing Manager

There were 20.59 full time equivalent staff at disbandment date (30 June 2018: 19.85 full time equivalent staff).

	31 December 2018			30 June 2018		
	\$			\$		
<b>c. Key Management Personnel Remuneration</b>	<b>Salaries</b>	<b>Super-annuation</b>	<b>Total</b>	<b>Salaries</b>	<b>Super-annuation</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Total Compensation	327,776	28,172	355,948	509,321	46,291	555,612

	31 December 2018			30 June 2018		
	\$			\$		
<b>d. Annual Leave and Long Service Leave Accrued for Key Management Personnel During the Period</b>	<b>Annual Leave</b>	<b>Long Service Leave</b>	<b>Total</b>	<b>Annual Leave</b>	<b>Long Service Leave</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Total Leave Provision	-	-	-	36,918	-	36,918

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

**CIVIL CONTRACTORS FEDERATION (VIC BRANCH)**
**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (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 period on the same commercial terms and conditions offered to all other members.

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Levy Payment		
During the year, the VIC Branch paid to the National Office a per capita payment calculated in accordance with the rules.	59,297	88,000

**f. Related Party balances at 31 December 2018**

Amounts receivable/(payable) at reporting date – Federal office and other branches

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
National Office	-	493
Queensland Branch	-	-
South Australia Branch	-	(1,550)
Western Australia Branch	-	-
New South Wales Branch	-	(450)
Northern Territory Branch	-	-
Tasmania Branch	-	-
	<u>-</u>	<u>(1,507)</u>

Balance Reconciliation- related entities

National Office

Carrying amount at beginning of the year	493	(10,164)
Levy charge	(59,297)	(88,000)
Sundry charges	(1,775)	(1,433)
Sundry income	69	1,003
Receipts	(902)	(403)
Payment made	40,093	99,490
Transfer to CCF	21,319	-
Carrying amount at end of the year	<u>-</u>	<u>493</u>

Queensland Branch

Carrying amount at beginning of the year	-	(1,740)
Sundry charges	(1,018)	(242)
Sundry income	47	400
Receipts	(47)	(400)
Payment made	1,018	1,982
Transfer to CCF	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

South Australia Branch

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

Western Australia Branch

Carrying amount at beginning of the year	-	(330)
Sundry charges	-	-
Sundry income	-	471
Receipts	-	(141)
Payment made	-	-
Transfer to CCF	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

**CIVIL CONTRACTORS FEDERATION (VIC BRANCH)****Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)****NOTE 18: RELATED PARTIES (cont'd)**

	<b>31 December 2018 \$</b>	<b>30 June 2018 \$</b>
New South Wales Branch		
Carrying amount at beginning of the year	(450)	(715)
Sundry charges	(450)	(1,500)
Sundry income	3,717	7,265
Receipts	(3,267)	(6,550)
Payment made	450	1,050
Transfer to CCF	-	-
Carrying amount at end of the year	-	(450)
Northern Territory Branch		
Carrying amount at beginning of the year	-	(83)
Sundry charges	-	-
Sundry income	-	8
Receipts	-	-
Payment made	-	75
Transfer to CCF	-	-
Carrying amount at end of the year	-	-
Tasmania Branch		
Carrying amount at beginning of the year	-	(248)
Sundry charges	(86)	(600)
Sundry income	4,445	7,989
Receipts	(4,445)	(7,966)
Payment made	86	825
Transfer to CCF	-	-
Carrying amount at end of the year	-	-

**g. Transactions with National Office, Branches and Related Entities**

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

The sales to and purchases from related parties were made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at 31 December 2018 were unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 2018, the Civil Contractors Federation (VIC Branch) has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (30 June 2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 19: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash</b>		
Cash on hand	-	4,000
Cash at bank & on deposit	-	2,800,559
	-	2,804,559
<b>b. Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Operating profit / (loss) after income tax	(1,763,549)	(85,244)
<b>Non-cash flows in profit/(loss) from ordinary activities</b>		
- Depreciation and amortisation	58,627	96,058
- (Profit)/Loss on sale of fixed assets	(6,892)	(520)
- Loss on transfer of Net Assets to CCF	1,700,841	-
Add back: Loss on write-down of investments	-	12,500
<b>Changes in operating assets and liabilities</b>		
- (Increase)/Decrease in Trade & Sundry Debtors	567,144	(89,660)
- (Increase)/Decrease in Inventory	5,390	(874)
- (Increase)/Decrease in Other Assets	(24,719)	93,548
- Increase/(Decrease) in Payables	(849,656)	1,925,008
- Increase/(Decrease) in Employee Entitlements	(17,286)	44,593
<b>Net cash provided by operating activities</b>	<b>(330,100)</b>	<b>1,995,409</b>
<b>c. Cash Transfer</b>		

At disbandment date, the fair value of net assets transferred to CCF for \$nil consideration amounted to \$1.701 million (refer Note 1). Cash of \$1,751,408 was transferred to CCF as part of this transaction (refer also Note 1).



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

	31 December 2018 \$	30 June 2018 \$
<b>NOTE 20: OPERATING COMMITMENTS</b>		
<b>Operating Lease Commitments – as lessor</b>		
Future minimum rentals receivable under non-cancellable operating leases at 31 December are:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-
	-	-

**NOTE 21: CAPITAL COMMITMENTS**

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

**NOTE 22: EVENTS SUBSEQUENT TO BALANCE DATE**

At 31 December 2018, there are no subsequent events to report.

**NOTE 23: 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.

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

### NOTE 23: FAIR VALUE MEASUREMENT (cont'd)

#### a. Fair Value Hierarchy

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

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

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

#### Valuation techniques

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

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Branch gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**Notes to the Financial Statements  
for the Period Ended 31 December 2018 (cont'd)**
**NOTE 23: FAIR VALUE MEASUREMENT (cont'd)**

The following tables provide the fair values of the Branch's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	Note	Level 1 \$	31 December 2018 Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Available for sales assets		-	-	-	-
<b>Total financial assets recognised at fair value</b>		-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
<b>Total non-financial assets recognised at fair value</b>		-	-	-	-

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

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

Description	Fair Value at 31 December 2018 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Financial assets at fair value through future cash flow:	-	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Market price per share, market borrowing date
	-		

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

### NOTE 23: FAIR VALUE MEASUREMENT (cont'd)

#### c. Disclosed Fair Value Measurements

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

- accounts receivable and other debtors;
- 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 technique(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

### NOTE 24: CONTINGENT ASSETS OR LIABILITIES

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

### NOTE 25: ECONOMIC DEPENDENCY

The Branch was economically dependent on ongoing funding in the form of membership fees.

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

**NOTE 26: OTHER ACTIVITIES**

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

**NOTE 27: BRANCH DETAILS**

The registered office and the principal place of business of the Branch is:  
Civil Contractors Federation (VIC Branch)  
9 Business Park Drive  
Notting Hill VIC 3168

The principal segment is member services within Victoria, Australia.

The entity is domiciled in Australia.

**NOTE 28: OTHER DISCLOSURES**

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

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

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

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

In our opinion, paying due regard to the matter set out in the 'Going Concern Basis' paragraph below, the accompanying financial report presents fairly, in all material aspects, the financial position of Civil Contractors Federation (VIC Branch) as at 31 December 2018, and its financial performance and its cash flows for the period ended on that date in accordance with:

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

We declare that management's use of the liquidation basis of accounting – refer further below, in the preparation of the financial statements of the VIC Branch is appropriate.

#### **Going Concern Basis**

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

#### **Basis for Opinion**

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

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

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

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

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

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 and CCF National Board for the Financial Report**

The Committee of Management of VIC Branch and the National Board of CCF were responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as they determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

Stannards Accountants and Advisors

A handwritten signature in black ink, appearing to read 'MBS', with a long horizontal stroke extending to the right.

Michael B Shulman  
Partner

Melbourne, VIC  
Dated: 7th May 2019

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





21 January 2019

Mr John Kilgour  
Chief Executive Officer  
Civil Contractors Federation-Victorian Branch  
By Email: [jkilgour@ccfvic.com.au](mailto:jkilgour@ccfvic.com.au)

Dear Mr Kilgour,

**Re: Lodgement of Financial Report - [FR2018/387]  
*Fair Work (Registered Organisations) Act 2009* (the RO Act)**

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

### **Loans Grants and Donations Statement**

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

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

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

### **Financial report**

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

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

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

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

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

### **Subsection 255(2A) report**

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

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

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

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

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

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

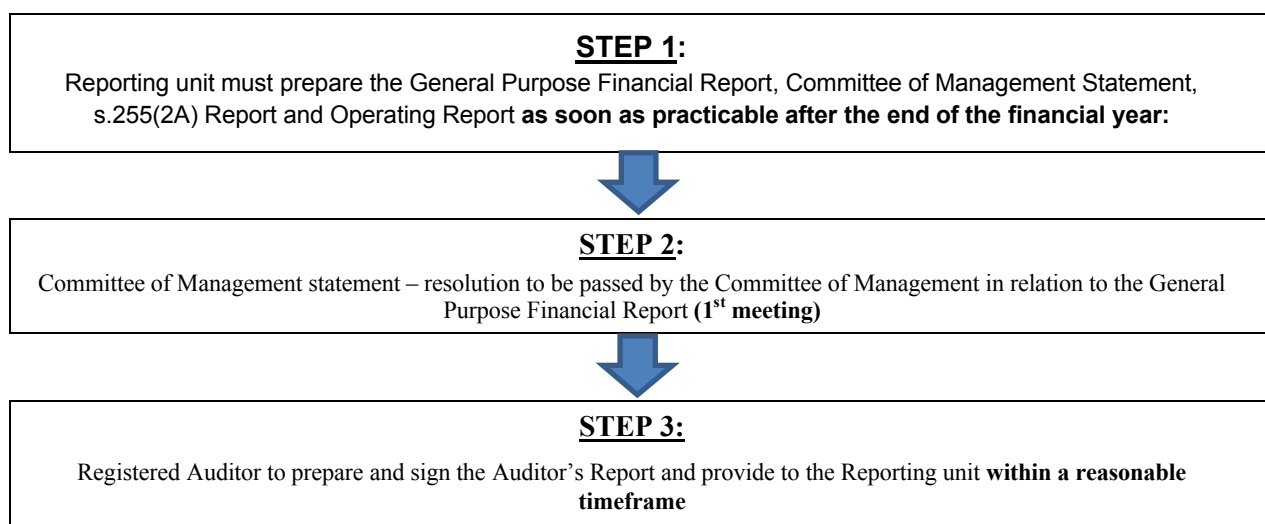


## Fact sheet

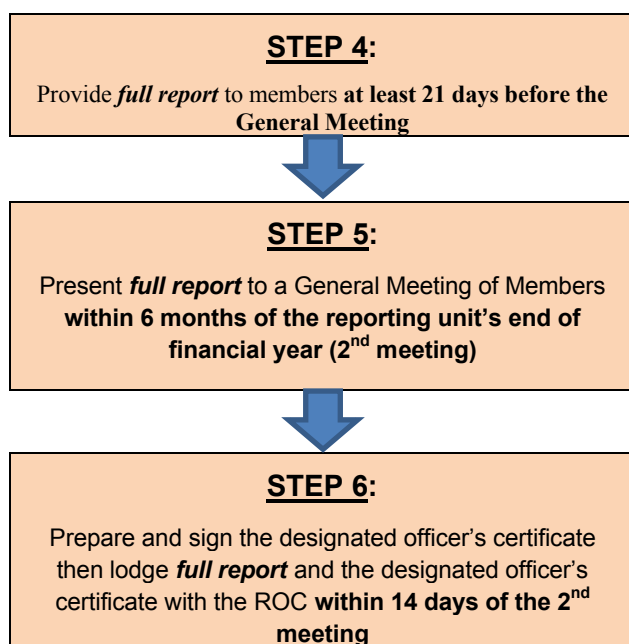
### Summary of financial reporting timelines – s.253 financial reports

#### General Information:

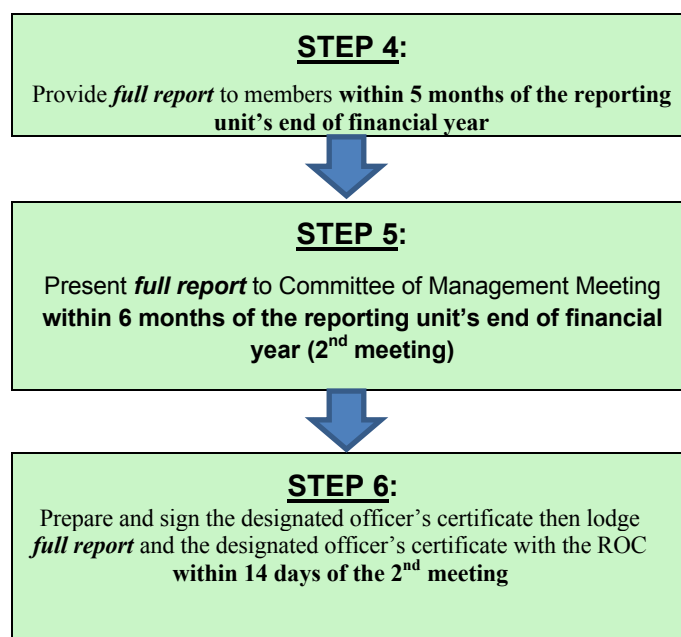
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



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





















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



## Misconceptions

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

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

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



## **Fact sheet**

### **Loans, Grants & Donations**

#### **The Loans, Grants & Donations Requirements**

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

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

#### **The Loans, Grants & Donations Statement**

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







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

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

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

## Common misconceptions

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

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

## Grants & Donations within the Financial Report

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

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

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

### Note 4E: Grants or donations\*

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

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

## Implications for filing the Financial Report

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

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

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

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

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

## Further information

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

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