



CIVIL CONTRACTORS FEDERATION NSW LTD

**ANNUAL REPORT 2021-2022** 

ABN 45 619 501 754

# 2021-2022 President's Report

On behalf of the Civil Contractors Federation New South Wales Ltd Board, I present to you the 2021-2022 Annual Report.

Within days of the CCF NSW Board confirming the updated Strategic Plan for CCF NSW's next five years, the State was rocked by COVID-19 Delta outbreak, large swathes of Sydney were declared LGA's of Concern, and the construction industry faced its first ever lock down.

Before businesses had truly extracted from the grip of that lockdown, floods struck that devastated large areas of NSW not once, but twice. For those fortunate to have avoided actual flooding, constant rain has hampered productivity. Then the COVID-19 Omicron wave hit in 2022, and a terrible war broke out in the Ukraine.

This has been an extraordinarily difficult year – for many the most difficult - with enormous pressures on our industry and our people.



Thorough it all, CCF NSW's performance has been exemplary, and one our Members can be very proud of. Suffice to say the Business Plan for FY22, set before lockdown and floods, could not proceed. Instead, the CCF NSW team very quickly moved to ensure that service would continue to be delivered where most needed and that the financial security of CCF NSW was protected for the benefit of Member's.

The CEO's Report, Auditor's Report, Financial Report and summary at on the following pages records this extraordinary performance in terms of numbers.

However, numbers fail to do justice to the true depth and extent of the support CCF NSW has provided to the industry and its people over FY22. CCF NSW exists only to support the industry and, when the hardest times faced us, CCF NSW was always there for us – rapidly distributing plain language information bulletins, running Flash Conferences and training sessions on COVID, providing emergency cash for staff of Members impacted by floods, and advocating on behalf of industry to NSW Government about the pain being experienced. Many Members have reported that CCF NSW's support was instrumental in them getting through the year.

Despite repeated crises that diverted us away from our FY22 Business Plan, CCF NSW has had to keep delivering critical advocacy in the interests of the industry: The organisation undertook the FY21 Industry Financial Survey with a staggering 35% Member response rate. It again commissioned the NSW Government Contract Commencement research which highlighted further the continued slump in commencements and the ongoing deterioration of Tier 2 and below contracts, It undertook its annual 10 year forecast of the industry. These critical pieces of research arm us with hard data to take to Government when we do our advocacy and present industry driven recommendations.

The release in March 2022, a full 12 months before the 2023 State election, of our policy position platform A Dozen Dos to Construct a Sustainable, Viable NSW Civil Construction Industry is a very special document. Constructed based on the input of Members, it uses the above referred to research data to present the industry's solutions to the pain we are experiencing. Releasing this document 12 months before the election provides CCF NSW the time needed to explain to decision makers not familiar with our industry the complex issues, and our solutions, contained therein.

I have seen the quality of CCF NSW's advocacy first hand in meetings I have attended as President, and have heard the consistent message Ministers have said about the extremely high regard CCF NSW is held—as a solution orientated but relentlessly dogged advocate for industry. I assure Members that you have an extremely strong voice fearlessly representing **all** of industry, from Tier 1 to one person operations, and for rural and city.

Given the enormity of what else was happening at the time, perhaps CCF NSW might have been excused for not doing the research and for not getting such a wonderful document out so far ahead of time. But this example shows what the Board sees routinely - the extraordinary commitment of a CCF NSW team that are not only focused on supporting the needs of 'the now', but on what should happen *now* to support the *future* needs of the industry.

# **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

Our Women in Civil Program and advocacy is another example of this effort. For many years CCF NSW has been the industry leader on this issue. Our excellent Women in Civil Program is well known, but CCF NSW's leadership to set a vision of gender equality in civil roles – 50/50 by 2050 – has left a lasting impact on the construction industry. The NSW Treasurer the Hon. Matt Kean informed Board members on June 16, 2022 that it was CCF NSW's vision of 50 by 50 that gave the NSW Government the courage to set its goal of 15% by 2030.

I want to recognise the leadership of CEO David Castledine on this issue. It was he who first championed the cause of WiC within CCF NSW and, in doing so, opened the doors for amazing employer and individual champions to show what can be done when opportunity is provided. The impact has not just been in NSW with the Government's 15 by 30 WiC goal, but with similar programs being launched by CCFs in most other states. We should acknowledge that it was here in NSW, many years ago, that this wonderful initiative began.

I would like to thank the CCF NSW team as a whole on another outstanding effort during extremely difficult times. It is during such times our Members need the CCF most, and David and his team have worked tirelessly for Members and the industry every day. We are very well served.

I would also like to also thank my fellow CCF NSW Directors, including Vice President Kim Liddell and NSW's CCF Australia board representative, Mick Boyle, who have all unselfishly given so much of their time to support the Federation. I would also like to especially acknowledge the work of the immediate past President Michael Fitzgerald (September 2019 to November 2021) who gave so much to CCF NSW during very difficult times.

On behalf of the Board of CCF NSW I commend to you the 2021/22 Annual Report of the operations of the Civil Contractors Federation New South Wales Ltd.

Lee Fahey, ECIM President

> Protecting the Industry Growing the industry Giving the industry a Voice

# 2021-2022 CEO's Report

The depth of frustration, stress and anguish that the industry and our Members have endured this past year is difficult to grasp. It has been a year of great turmoil.

Days after the FY22 year began, the COVID-19 Delta outbreak caused the first-ever NSW closure of the construction industry and created a new term we would come to fear – 'LGA of Concern'.

Then, NSW's worst recorded floods tore the heart out of regional NSW... sometimes twice. Our family of Members in these regions have suffered beyond measure.

The COVID Omicron variant arrived in 2022, and still the rains came, virtually everywhere... closing sites, cutting incomes, placing incredible pressure on businesses that were being constantly pushed to complete contracted work. To that were added supply chain issues borne of a terrible war and COVID's continued grip. These were impossible-to-foresee risks.



At the centre of this storm, shouldering the responsibility for 'carrying on', are the unheralded heroes of our industry – the business owners and their senior managers. It is these individuals who not only have to deal with their own personal fears about COVID, floods and war but who must navigate their business through the storm and support their staff. It is they who have to keep their flooded, floundering, mice-eaten, overwhelmed, and understaffed businesses going day after day. It is they who keep being asked to do more with less. It is they who have to turn up tomorrow with a smile for their people, no matter how bad today, last week, last month, the last years, have been. It is for them, for you, that CCF NSW serves.

# **Our Report to You**

The Year in Summary page that follows my report provides some indication of the resources we have continued to provide industry. It is my pleasure to provide additional comments.

CCF NSW is, fiscally, a very tightly controlled organisation. Our Members entrust us with their money, so we expend every dollar judiciously. The Board – all Members themselves – are extremely focused on risk.

As our Auditor notes, CCF NSW has a five-year Strategic Plan that includes investment in the development of ever-new resources for our industry. These include a Regional Engagement Program; the development of an electronic Integrated Management System for small businesses; expansion of our Women in Civil Program; creation of our Veterans in Civil Program; additional resourcing of our Compliance Support Unit; and the expansion of the Institute of Civil Infrastructure. Before yielding returns, these initiatives require upfront expenditure and will result in losses for two reporting periods.

However, in response to another uncertain year of turmoil we altered our Plan and paused in FY22 some, but by no means all, of our efforts on these investments. Rather, our primary focus has been on providing even more of our support services to an industry in dire need of them. This alteration allowed us to record a profit of \$260,029 in FY22 and, consequently, increase the equity in the business at the end of the period to \$2,316,534. The Auditor's comments are testimony to the continued clarity of focus and adaptiveness of CCF NSW:

"CCF NSW have focused on conserving capital resources whilst nevertheless driving member engagement, which has under-pinned its sound results. Its flexibility to member needs remains critical to its future success and is a credit to it's the [sic] management team"

# **People**

Finding more people to join the industry, retaining the ones we have, and upskilling them all is currently a major limiter for employers in our industry, and will be for a decade to come. It is the single most often raised concern we hear as we close the FY22 year. To solve these issues, the industry cannot keep doing the same thing, and CCF NSW remains at the forefront of innovative action to find solutions.

# The Institute of Civil Infrastructure

Continual professional development is clearly a successful way to provide a point of difference as an employer and to retain staff, to retain people in the industry, and to improve productivity. The CCF NSW continues to financially support The Institute of Civil Infrastructure, which now provides – with the exception of the ACT and SA – its services across Australia. We congratulate The Institute on achieving, in the last days of FY22, approval from the Victorian Government to be an Assessment Entity for registration of both Civil and Structural

## **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

Engineers. Conceived by CCF in 2017, a national solution to the issue of CPD that is *driven by the civil industry* is very nearly with us.

## Women in Civil

As foreshadowed in last year's report, we made a major announcement regarding Women in Civil (WiC), releasing our vision of equal gender participation -50/50 – by 2050. The means to achieve that vision was comprehensively detailed in our proposal placed before the NSW Government in March 2021; one we have been advocating for ever since.

In light of the dire need for more people in the industry, CCF NSW offered to commit 20% of our revenues to the Program and asked the NSW Government – the largest customer of civil services in NSW – to support us with 1/1000<sup>th</sup> of a percentage of its infrastructure spend.

We were delighted that the NSW Government subsequently announced, following input from us, its goal of 15% females by 2030 in not only civil but the *entire* construction industry. This directly aligned with our schedule of achieving '50 by 50' and was an outstanding commitment. We also welcomed its commitment to contribute \$20.2 million to achieve this goal, and we eagerly await the opportunity to access some of those funds so we can implement the much-needed expansion to our WiC Program.

We proudly watched our fourth graduation of the **CCF NSW Women in Civil** Mentoring class in November 2021 and happily welcomed our fifth class of mentees, our biggest yet, in February 2022. Our inaugural Women in Civil Community Celebration in June 2022 drew a capacity 170 attendees.

### A few civil words

To our Associate Members and Annual Sponsors – who have again been unbelievably flexible as we duck around COVID and storms, cancelling and changing some event dates – thank-you, sincerely. Sadly, we lost a few Associates during this last 24 months of restricted events, but in a humbling show of support for what we do, our sponsor panel remains full.

At the end of this Report, we present to the reader the Sponsors for 2022-23 and the Associate Members at the time of writing. I urge all readers to look no further than this list of entities, who have demonstrated they will support your business through the difficult times, for that is what they have done with us.

I remain extremely proud of the team at CCF NSW; they have continued to put themselves second. They understand there is no one else who can provide the support our employers need, and they keep on providing that support. Words fail to express the depth of my gratitude but, thank-you, team.

And thank-you to the CCF NSW Board, led incredibly well by the President, Lee Fahey and Vice President, Kim Liddell. The Board – all Members themselves and struggling to support their own businesses – receive nothing more from CCF NSW than any other Member receives. Yet *they give so very much* of their time, and always provide an 'industry-centric' focus on our activities.

Our greatest words of thanks are, always, to the CCF NSW family of civil Members. I said last year that you set the standard for how to behave in difficult times, and I remain in awe of you. CCF NSW is honoured to serve you, and our commitment to you remains this – we will support you, fearlessly, no matter what.

I commend to you the 2021-2022 Annual Report of the operations of the Civil Contractors Federation New South Wales Ltd.

**David Castledine** 

Chief Executive Officer & Company Secretary

Support
Fearlessly Delivered
Not For Profit...For <u>YOU</u>



# The Year in Summary

# At a time of great turmoil...

CCF NSW has kept Members informed, and advocated fearlessly for them. During FY22:

- we had over 150 meetings with Government, including 2 or 3 per day during the COVID lockdown;
- we delivered, in addition to our routine EDMs, 28 'Breaking News' on hot issues for employers;
- we conducted 11 'Flash Conferences' to keep Members informed, with 2,057 Member bookings;
- we again undertook and released the NSW Government Contract Commencement research in December that highlighted under-commitment, underspend, and Tier 2/3 contract cuts;
- we again conducted the State of the Industry Survey in February covering the FY21 year;
- we again undertook and released our annual 10 Year Work Forecast in February;
- we created, released in March, and advocated, our A Dozen Do's to Construct a Sustainable,
   Viable NSW Civil Construction Industry our policy position for now and the 2023 election;
- we made, in addition to 'A Dozen Do's', 14 policy submissions to Government on industry concerns; and
- we continued to fund the CCF National office so it could advocate for our industry on Federal issues.

# At a time of great turmoil...

Our Compliance Support Unit has kept delivering. During FY22:

- we never missed a day of being available to support our Members;
- we developed and updated a comprehensive template COVID Management Plan;
- we responded to over 800 Member enquiries on SHEQ;
- we responded to over 3,100 Member enquiries on IR/HR/Employment related issues;
- we completed 38 system audits for Members;
- we created and delivered 14 x COVID Site Supervisor training courses to over 278 Members; and
- we continued to develop the small business electronic Integrated Management System, completing all the documentation and the Peer Review

# At a time of great turmoil...

We protected Members' funds with:

- Profit of \$260,029 with Equity of \$2,316,534;
- No debt, other than vehicles; and
- Cash holdings of \$2,202,538
- Contractor Membership grew by over 3%

# The Auditor's Comment

The CCF NSW's Auditor has recognised our business strategy, and our application in response to these trying times:

"Overall the business has generated a substantial surplus in 2022 which is a sound result given the challenging environment. This caps off a number of very successful years of surplus, achieved through re-engineering/redefinition of activities pertinent to members.

The Committee [CCF NSW] has a 5 year strategic plan in place which is being actively managed by the CEO and Committee to ensure ongoing success.

The financial performance and financial position of the entity cle<mark>ar</mark>ly indicates how it has reinvested profits into the development of new and beneficial services to its members and the industry which go well beyond the traditional service offerings of CCF entities.

CCF NSW have focused on conserving capital resources whilst nevertheless driving member engagement, which has under-pinned its sound results. Its flexibility to member needs remains critical to its future success and is a credit to it's the [sic] management team."

# Civil Contractors Federation (NSW) Ltd

Closing Audit Report 2022



# **Contents**



Executive Summary	3
Performance	4
Comments Performance	5
Going Concern & Materiality	6
Reconciliation Review	7
Assessment of Control Environment	8
Significant Accounting and Audit Matters	9
General	12





	2022 \$	2021 \$
Trading Income	2,361,129	2,434,027
Other Income – Government Subsidies	118,514	297,500
Total Income	2,479,643	2,731,527
Employee Expenses	1,196,531	1,124,941
National Levy	102,750	117,003
Functions, Seminars and Conferences	255,205	353,074
Motor Vehicles Expenses	52,539	61,825
Project and Program Costs	39,320	123,951
Other Expenses from Ordinary Activities	486,577	474,431
Total Expenditure	2,132,922	2,255,225
EBITDA	346,721	476,302
Depreciation and Amortisation	(78,809)	(69,361)
Interest Received	5,403	6,272
Interest Charges	(13,286)	(16,475)
Earnings before Tax	260,029	396,738

# Comments **Performance**



# Revenue

- Overall revenue has decreased from the prior year given a difficult trading environment
- Membership has remained steady, with better contractor retention than expected given the
  ongoing focus on member engagement which has seen members remain with CCF despite a
  recessionary environment. This reflects the quality service levels of the organization including its
  ability to tailor such services to meet member's current demands/needs.
- Increased sponsorship income of \$30,000 was achieved, albeit this was offset by a reduction in Functions income of some \$110,000, due to continued delays to functions such as the State Conference and the Peoples Awards, and a smaller Earth Awards in 2022.
- Government subsidies (primarily JobSaver) were also received in the period which has supplemented (in part) Jobkeeper Income that ceased in 2022
- Total costs have been well contained when compared to the prior period, due to a reduction in the functions activities noted above, offset by an increase in employee expenses as CCF NSW continues to build a team to meet future demands by its members. A focus on marketing is occurring in this regard. Program and Project costs were lower in 2022.

# **Overall**

- Overall the business has generated a substantial surplus in 2022 which is a sound result given the challenging environment. This caps off a number of very successful years of surplus, achieved through re-engineering/redefinition of activities pertinent to members.
- The Committee has a 5 year strategic plan in place which is being actively managed by the CEO and Committee to ensure ongoing success.
- The financial performance and financial position of the entity clearly indicates how it has
  reinvested profits into the development of new and beneficial services to its members and the
  industry which go well beyond the traditional service offerings of CCF entities.
- CCF NSW have focused on conserving capital resources whilst nevertheless driving member engagement, which has under-pinned its sound results. Its flexibility to member needs remains critical to its future success and is a credit to it's the management team.

# Going Concern & Materiality



# **Going Concern & Future Forecast Performance**

 The capacity of Civil Contractors Federation (NSW) Ltd to remain a going concern is contingent upon its capacity to maintain Membership levels, which stems from ongoing delivery of relevant and appropriate services to Members and representation in the industry. Growth in other income sources, in addition to controlling expenditure is also critical. The organisation is well placed for the future given the breadth of its service delivery.....

# **Materiality**

Materiality was based on turnover at \$50,000.

# Reconciliation Review



Account	Findings
Cash at bank	No issues noted
Receivables	No issues noted
CCF National Loan	No issues noted.
Fixed Assets	No issues noted
AASB 16 Leases	No issues noted
Leave Entitlements	No issues noted
Trade Creditors	No issues noted
Other Payables	No issues noted

Conclusion - record keeping is accurate allowing timely and appropriate business decisions.

# **Assessment of Control Environment**



Focus Area	Summary of Matter	Risk level
Segregation of Duties	<ul> <li>There is limited segregation of duties within the finance team which is unavoidable given its size. Close management review of monthly financial reports is required to mitigate this risk.</li> </ul>	Low

Rating	Risk level	Action
High		Required to be addressed
Medium		<ul> <li>Presents opportunity for material misstatement to occur</li> </ul>
Low	х	<ul> <li>Should be considered for improvement and /or current control structure maintained.</li> </ul>

# **Significant Accounting and Audit Matters**



Focus Area	Summary of Matter	Our Conclusion
Accounts Receivable	Risk of non - recoverability	<ul> <li>Tested existence and recoverability of trade receivables - substantively tested the balance of trade receivables by reference to subsequent receipts for invoices.</li> </ul>
Property, Plant and Equipment and Deferred Costs	Significant asset balance on the balance sheet	<ul> <li>Tested existence and occurrence of fixed assets</li> <li>Completeness / valuation and allocation - reconciled register to general ledger totals to ensure all assets are recorded.</li> <li>A sample of additions and disposals (if applicable) was tested, noting any material errors.</li> <li>Reviewed of repairs and maintenance to detect any potential items of a capital nature.</li> <li>Reviewed of depreciation rates performed to ensure they are in accordance with the rates noticed in the organisation's accounting policies.</li> <li>Ensured right of use asset is being amortised appropriately.</li> <li>Assessed carrying value of deferred project costs by reference to future expected inflows.</li> </ul>

# Significant Accounting and Audit Matters (cont'd)



Focus Area	Summary of Matter	Our Conclusion
Trade Creditors & Other Payables	By its nature trade creditors is susceptible to fraud and error	<ul> <li>Tested completeness and accuracy of trade payables and any prepaid income - our audit procedures included a test of creditor balances to supporting supplier statements and subsequent payment. Additionally, cut off procedures included a search for unrecorded liabilities.</li> </ul>
Compliance with accounting standards	Compliance with legislative requirements for financial reporting.	<ul> <li>The accounts are a simplified disclosure financial report and comply with the disclosure requirements of the AASB and Corporations Act 2001.</li> </ul>
Compliance with audit standards	<ul> <li>Audit standards are enforceable.</li> <li>Auditor independence needs to be considered.</li> </ul>	<ul> <li>Formal meeting with management included appropriate fraud enquiry.</li> <li>Audit in accordance with ASA 240.</li> <li>Audit independence maintained throughout the audit engagement.</li> </ul>

# Significant Accounting and Audit Matters (cont'd)



Focus Area	Summary of Matter	Our Conclusion
Revenue	Assessment of revenue cycle. By its nature revenue is susceptible to fraud and error	<ul> <li>Tested existence and completeness of revenue - documented and tested system controls over revenue streams.</li> <li>Selected a sample of revenue ledgers during the period and agree to supporting documentation, testing completeness and recognition of revenue.</li> <li>No issues in testing noted.</li> </ul>
Expenditure	Assessment of expenditure cycles. By its nature expenses is susceptible to fraud and error	<ul> <li>Tested existence and completeness of expenditure - documented and tested system controls over expenditure streams.</li> <li>Selected a sample of ledgers during the period and agree to supporting documentation.</li> <li>No issues in testing noted.</li> </ul>
Payroll	Assessment of cost of payroll cycles. By its nature payroll is susceptible to fraud and error	<ul> <li>Tested existence, accuracy, occurrence and completeness of payroll - documented and tested system controls over payroll streams.</li> <li>Selected a sample of payruns during the period and agreed to employee file information.</li> <li>No issues in testing noted.</li> </ul>

# General



We would like to take this opportunity to thank the staff of CCF NSW Ltd for the co-operation offered during our audit.

In accordance with our firm policy, we advise that neither the firm nor any Member or employee of the firm undertakes responsibility arising in any way whatsoever to the Company or any other party in respect of this report, including any errors or omissions therein, arising through negligence or otherwise however caused.

This report is not to be used for any purpose other than those specified herein, nor may extracts or quotations be made without our express pre-written approval.



The Voice of the Industry

# **CIVIL CONTRACTORS FEDERATION NSW LTD**

ABN 45 619 501 754

# FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2022

# Directors' Report for the Year Ended 30 June 2022

Your directors present this report on the entity for the financial year ended 30 June 2022.

# **Directors**

The names of each person who has been a director during the year and to the date of this report are:

Mr Michael Fitzgerald (resigned 31/12/2021) Mr Michael O'Keeffe (resigned 27/10/2021)

Mr Stephen Cherrie Mr Lee Fahey
Mr Paul Wise Mr John Wade

Ms Kim Liddell Mr Richard Pottie (appointed 01/11/2021)
Ms Gladys Woods (appointed 27/10/2021) Mr Michael Boyle (appointed 27/10/2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

# **Principal Activities**

The principal activities of the Company during the financial year were as follows:

The Company operated predominantly in one business and geographical segment, being a representative body of civil construction and maintenance contractors in New South Wales, providing support to Members and the general public throughout New South Wales via professional services, information and advice in a wide range of business service areas.

These services included industrial relations advice, employment advice, dispute resolution, changes to Acts and Regulation, changes to awards and work practices.

As the peak employer representative body for the industry in New South Wales, the Company represented the industry at all levels of Government and advocated relating to civil construction and maintenance and business trade.

# **Short-term and Long-term Objectives**

The entity's short-term objective is:

providing services and advice within New South Wales.

The entity's long-term objective is:

• representing the industry as a peak employer body.

### **Strategies**

To achieve its stated objectives, the entity has adopted the following strategies:

- the entity strives to attract and retain quality staff who are committed to working with the Company. The directors consider that attracting and retaining quality staff are essential for the entity to continue providing the services that it does, and critical to it achieving all of its short-term and long-term objectives.
- the entity establishes and fosters working partnerships with a range of community stakeholders and government.
- the entity is committed to maintaining existing programs and creating new programs that support all Members of the industry.
- the entity sets its staff standards of best practice and provides clear expectations of their professional accountabilities and responsibilities to all stakeholders.

# Directors' Report for the Year Ended 30 June 2022

# **Key performance measures**

The entity measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the entity and whether the entity's short-term and long-term objectives are being achieved. Such measures are reviewed by the directors annually.

# Results of principal activities

The Company's principal activities resulted in a trading surplus of \$260,029 (2021: surplus of \$396,738).

# Significant changes in nature of principal activities

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

The entity is incorporated under the *Corporations Act. 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each Contractor Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

Auditor's Independent Declaration

The lead auditor's independence declaration for the year 30 June 2022 has been received and can be found on the following page of this financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors.

Director

Dated this 31st day of August 2022.



# AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF CCF (NSW) LTD

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2022 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.

Stemm Acedes + Adven

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

MB Shulman

Registered Company Auditor (163888)

Dated 31 August 2022

Stannards Accountants and Advisors Pty Ltd A.C.N. 006 857 441 Postal: PO Box 581, South Yarra, Vic 3141 Level 1, 60 Toorak Road, South Yarra, Vic 3141 Tel: (03) 9867 4433 Fax: (03) 9867 5118 Email: advisors@stannards.com.au

stannards.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Partners Marino Angelini, CA Michael Shulman, CA Peter Angelini, CA Nick Jeans, CPA James Dickson, CA

# Statement of Profit or Loss for the Year Ended 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
Revenues	2	2,485,046	2,737,799
Employee expenses	3f	1,196,531	1,124,941
Depreciation and amortisation	3d	79,809	69,361
Amortisation – right of use asset	11	85,554	76,973
Bad debts	За	-	35,000
National Levy	Зе	102,750	117,003
Rental expenses	3c	18,615	19,259
Interest Expense- right of use liability		13,286	16,475
Functions, seminars and conference costs		255,205	353,074
Travelling expenses		52,539	61,825
Project costs - Women In Civil		39,320	19,676
Program Costs		134,016	103,450
Stream Four Project Costs		-	825
CCF Bulletin and Year Book expenses		34,173	27,889
Other expenses from ordinary activities		213,220	315,310
Profit / (Loss) from ordinary activities		260,029	396,738
Income tax expense	1b	-	<u>-</u> .
Net profit / (loss) from ordinary activities after income tax expense attributable to the Company		260,029	396,738

# **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

# Statement of Comprehensive Income for the Year Ended 30 June 2022

	30 June 2022 \$	30 June 2021 \$
Profit for the year Other Comprehensive Income for the year	260,029	396,738 -
Total Comprehensive Income for the year	260,029	396,738
Total Comprehensive Income attributable to Members		
of the organisation	260,029	396,738

The accompanying notes form part of the financial statements

# **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

# Statement of Financial Position as at 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,202,538	2,433,253
Trade and other receivables	5	912,043	924,442
Inventory Other current assets	6	5,759 100,450	1,852 96,953
Other current assets	O	100,430	90,933
TOTAL CURRENT ASSETS		3,220,790	3,456,500
NON-CURRENT ASSETS			
Financial assets	7	28,265	28,347
Other Assets	8	2,162,423	1,451,435
Plant and equipment	9	221,162	230,433
Right of Use Asset	11	188,393	271,968
TOTAL NON-CURRENT ASSETS		2,600,243	1,982,183
TOTAL ASSETS		5,821,033	5,438,683
CURRENT LIABILITIES			
Trade and other payables	12	3,012,196	2,851,546
Short term provisions	13	264,788	216,158
Borrowings Lease Liability	15 11	102,181	19,800 82,424
Lease Liability	11	102,101	02,424
TOTAL CURRENT LIABILITIES		3,379,165	3,169,928
NON-CURRENT LIABILITIES			
Lease Liability	11	125,334	212,250
Lease Liability	11	120,004	212,230
TOTAL NON-CURRENT LIABILITIES		125,334	212,250
TOTAL LIABILITIES		3,504,499	3,382,178
NET ASSETS		2,316,534	2,056,505
MEMBERS' FUNDS		0.040.504	0.050.505
Accumulated Surplus		2,316,534	2,056,505
TOTAL MEMBERS' FUNDS		2,316,534	2,056,505

# Statement of Changes in Members' Funds for the Year Ended 30 June 2022

	30 June 2022 \$	30 June 2021 \$
Balance at beginning of year Surplus / (Loss) attributable to Members	2,056,505 260,029	1,659,767 396,738
Balance at end of year	2,316,534	2,056,505

The accompanying notes form part of the financial statements

# **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

# Statement of Cash Flow For the Year ended 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Receipts from customers		2,493,948	3,379,228
Interest received		5,403	6,272
Payments to suppliers and employees		(2,537,603)	(2,646,752)
Not each provided by energting activities	16b	(20.252)	738,748
Net cash provided by operating activities	100	(38,252)	730,740
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(90,239)	(16,618)
Net cash (used in) investing activities		(90,239)	(16,618)
CASH FLOWS FROM FINANCING ACTIVITIES		(00.404)	(00.055)
Lease payments		(82,424)	(83,655)
Borrowings		(19,800)	(34,321)
Net cash (used in) financing activities		(102,224)	(117,976)
Net (decrease)/increase in cash held		(230,715)	604,154
Cash at the beginning of the year		2,433,253	1,829,099
Cash at the end of the year	16a	2,202,538	2,433,253

The accompanying notes form part of these financial statements

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# **Basis of Preparation of the Financial Statements**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

# **Accounting Policies**

## a. Revenue

Revenue recognition

The Company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058).

**Operating Grants** 

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# **Accounting Policies**

# a. Revenue (cont'd)

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

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

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

No changes to comparative information were required given the adoption of AASB 15: *Revenue from Contracts with Customers*.

All revenue is recognised at the point of sale/service recognition, and is sourced in Australia. There are no unsatisfied performance obligations.

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

## b. Income Tax

The Company is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-15 of the Income Tax Assessment Act 1997.

## c. 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.

## d. 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.

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## **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:

30/06/2022

Office, furniture and equipment 20%-33%

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.

# e. Trade and Other Receivables

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

For trade receivables that do not have a significant financing component, the Company applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Company recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# f. Trade and Other Payables

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

## g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

# Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading: or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships.)

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# g. Financial Instruments (cont'd)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely
  payments of principal and interest on the principal amount outstanding on specified dates;
  and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

• it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis;

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# g. Financial Instruments (cont'd)

- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

# Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

# Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

## Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities, is recognised in profit or loss.

# Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# g. Financial Instruments (cont'd)

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised costs or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the profitability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

# General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- If the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- If there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# g. Financial Instruments (cont'd)

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- · trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. delivery of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measured any change in lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meets its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Recognition of expected credit losses in financial statements

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# g. Financial Instruments (cont'd)

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

# h. Employee Benefits

Short-term employee benefits

Provision has been made for the Company'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 Company'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 Company's obligations for long-term employee benefits were presented as non-current provisions in its statement of financial position, except where the Company 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.

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

# h. Employee Benefits (cont'd)

# Superannuation

Contributions were made by the Company to employee superannuation funds and are expensed when incurred. The Company 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.

### i. Leases

At inception of a contract, in accordance with AASB 16 (applicable this year) CCF (NSW) Ltd assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by CCF (NSW) Ltd where CCF (NSW) Ltd is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, CCF (NSW) Ltd uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that CCF (NSW) Ltd anticipates to exercise a purchase option, the specific asset is deprecated over the useful life of the underlying asset.

# Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable CCF (NSW) Ltd to further its objectives (commonly known as peppercorn/concessionary leases), CCF (NSW) Ltd has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

CCF (NSW) Ltd as lessor

If CCF (NSW) Ltd leases floor space in their buildings to external parties, upon entering into each contract as a lessor, it assesses if the lease is a finance or operating lease.

## Notes to the Financial Statements for the Period Ended 30 June 2022

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

#### i. Leases (cont'd)

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

#### j. 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.

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

The Company 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 Company 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.

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.

## Notes to the Financial Statements for the Period Ended 30 June 2022

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

#### I. 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 Company.

#### Key Estimates – Impairment

The Board assesses impairment on each reporting date by evaluating conditions specific to the Company 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 30 June 2022, 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 5. The Board believes that the full amount of the remaining debtors was recoverable.

#### m. New Accounting Standards for Application in Future Periods

There are no new Accounting Standards issued by the AASB that are not yet mandatory applicable to the Company, that are expected to have a significant impact on the Company when adopted in future periods.

	30 June 2022 \$	30 June 2021 \$
NOTE 2: REVENUE		
Operating activities:		
Membership Income (Subscriptions)	1,507,307	1,546,320
Sponsorship	238,113	208,578
Functions	354,960	465,190
CCF Bulletins	37,984	43,659
IMS System	-	-
Interest Income	5,403	6,272
Projects Income	145,613	139,104
Project Income (Stream Four)	-	825
Other Income	37,152	30,351
JobKeeper Subsidy	-	297,500
Government Grants	158,514	
Total Revenue	2,485,046	2,737,799
Courses of Devenue by Customer/Activity		
Sources of Revenue by Customer/Activity:  Members	1 507 307	1 546 220
Government	1,507,307 158,514	1,546,320 297,500
Other Parties	819,225	893,979
Outer i aities	2,485,046	2,737,799
	2,403,040	2,131,199

All revenue is sourced in Australia. There are no outstanding performance obligations in relation to the recorded revenue by the company.

100	orded revenue by the company.		
	TE 3: PROFIT/(LOSS) FROM ORDINARY TIVITIES		
	The operating profit/(loss) of the Company before income tax expense has been determined after:		
a.	Bad and Doubtful Debts Bad debts written off to expense	-	35,000
		-	35,000
b.	Auditor's Remuneration Auditor's remuneration – Audit of Financial		
	Statements	9,000	9,450
	(other services - \$nil)		
		9,000	9,450
C.	Operating Leases		
	Rent	18,615	19,259
		18,615	19,259
d.	Depreciation and Amortisation		
	Plant and equipment and Website	24,752	28,860
	Motor vehicles	55,047	40,501
		79,809	69,361

		30 June 2022 \$	30 June 2021 \$
NC	TE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
e.	Levy National office levy The levy is imposed by the CCF National to assist in fundioperations.	102,750 ing the	117,003
f.	Employee related Wages & Salaries Superannuation Employee benefits (leave and other entitlements)	1,029,023 120,797 46,711 1,196,531	1,023,047 102,998 (1,104) 1,124,941

	30 June 2022 \$	30 June 2021 \$
NOTE 4: CASH AND CASH EQUIVALENTS Current		
Cash on hand	500	500
Cash at bank	1,402,038	1,332,753
Short-term bank deposits	800,000	1,100,000
	2,202,538	2,433,253
NOTE 5: TRADE AND OTHER RECEIVABLES a. Current		
Trade debtors	953,971	972,374
Less: Provision for doubtful debts	(41,928)	(47,932)

#### 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.

912,043

924,442

Sundry debtors are non-interest bearing and unsecured. No credit losses except as stated above are expected. The movement in the credit loss provision amounted to \$6,004 this year.

	30 June 2022 \$	30 June 2021 \$
NOTE 6: OTHER CURRENT ASSETS		
Current		
Prepayments and Security Deposits	100,450	96,953
	100,450	96,953
NOTE 7: FINANCIAL ASSETS		
<ul> <li>a. Non-Current</li> <li>Shares in unlisted company – at Branch Board valuation (i)</li> </ul>	5,000	5,000
The National Training Resources Unit (NTRU) (ii)	23,265	23,347
- , , , ,	28,265	28,347

#### b. Terms and Conditions

(i)The Company holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Company have been valued based on the consideration of the transfer to shares to Civil Contractors Federation (NSW Branch) in August 2000.

(ii)The NSW Executive and Audit & Compliance Committee determined the value of the NTRU be set at 40% of the original investment amount, reviewed every 2 years.

	30 June 2022 \$	30 June 2021 \$
NOTE 8: OTHER NON CURRENT ASSETS		
Cert & GoldPO System Professional Development Programs	91,434 2,070,989 2,162,423	108,245 1,343,190 1,451,435
NOTE 9: PLANT AND EQUIPMENT  Motor vehicles – at cost Less: Accumulated depreciation	285,439 (107,115) 178,324	278,530 (97,165) 181,365
Furniture and equipment – at cost Less: Accumulated depreciation	319,067 (276,228) 42,838	300,545 (251,477) 49,068
Total plant and equipment – net book value	221,162	230,433
Reconciliation of movements in plant and equipmen	ıt	
Motor vehicle – at cost Carrying amount at beginning of the year Additions Disposals (net) Depreciation expense	181,365 71,717 (16,660) (55,057)	221,866 - - (40,501)
Carrying amount at end of the year	181,365	181,365
Furniture and equipment Carrying amount at beginning of the year Additions Disposals (net) Depreciation expense	49,068 18,522 - (24,752)	58,790 16,618 - (26,340)
Carrying amount at end of the year	42,838	49,068
Total carrying amount at end of the year	230,433	230,433
NOTE 10: WEBSITE DEVELOPMENT COSTS		
Carrying amount at beginning of the year Depreciation	2,520 (2,520)	2,520 (2,520)

#### **NOTE 11: INTANGIBLES**

#### a. Leases - Right of Use Assets (ROU) and related Liability

	2022	2021
	\$	\$
Right-of-use asset		
Right-of-use asset recognised	271,968	320,413
Additions/Adjustments to right-of-use assets	1,979	28,528
Amortisation Charge for right-of-use asset	(85,554)	(76,973)
Carrying amount of right -of-use assets	188,393	271,968
Lease liability Lease liability recognised Additions/Adjustments to lease liability Add interest expense Less lease payments Carrying amount of lease liability	294,674 1,979 13,286 (82,424) 227,515	333,326 28,528 16,475 (83,655) 294,674
carrying amount or rougo hability	221,010	201,071
Maturity Within 1 Year More than 1 Year but less than 5 Years More than 5 years	102,181 125,334 -	82,424 212,250 -
	227,515	294,674

CCF's lease portfolio includes buildings. The lease term is 4 years (after an extension option was executed) and is accounted for in accordance with AASB16.

#### Options to extend or terminate

The option to extend or terminate is contained in the property lease. These clauses provide CCF opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by CCF. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of Use asset.

The right-of-use asset and related liability refers to the lease of the current office premises.

NOTE 12: TRADE AND OTHER PAYABLES		
a. Current Deferred income	2,429,258	2,318,179
Creditors and accruals	582,938	533,367
	3,012,196	2,851,546

#### NOTE 12: TRADE AND OTHER PAYABLES (cont'd)

#### b. Terms and Conditions

Deferred income related to cash receipts for Membership fees, training and advertising revenue received for the subsequent reporting year and project funding received for subsequent reporting year and beyond.

Creditors and accruals were settled within the terms of payments offered, which was usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.

	30 June 2022 \$	30 June 2021 \$
NOTE 13: PROVISIONS		
a. Current		
Provisions for annual leave	177,705	148,999
Provisions for long service leave	87,083	67,159
	264,788	216,158
Aggregate employee entitlement liability	264,788	216,158
b. Movement in Provisions		
Annual Leave Opening balance	148,999	146,284
Additions	80,446	69,008
Utilised	(51,740)	(66,293)
Closing balance	177,705	148,999
		<u> </u>
Long Service Leave		
Opening balance	67,159	75,674
Additions	19,924	11,722
Utilised	07.000	(20,237)
Closing balance	87,083	67,159

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 year of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts are classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision 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 year of service.

#### **NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP)

#### NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION (Cont'd)

The totals of remuneration paid to KMP of the entity during the year are as follows:

KMP compensation	30 June 2022 \$	30 June 2021 \$
Short-term employee benefits Post-employment benefits	300,551 27,500	290,455 26,276
Other long-term benefits	12,867	5,584
	340,918	322,315

#### Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

	30 June 2022 \$	30 June 2021 \$
NOTE 15: BORROWINGS		
a. Current Hire Purchase Liability	-	19,800

#### c. Terms and Conditions

Hire Purchase facilities are secured by the assets they are financing.

	30 June 2022 \$	30 June 2021 \$
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash on hand	500	500
Cash at bank Call deposit	1,402,038 800,000	1,332,753 1,100,000
Can deposit	2,202,538	2,433,253
	, - ,	, ,
b. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating profit after income tax	260,029	396,738
Non-cash flows in profit/(loss) from ordinary activities		
- Depreciation and amortisation	79,809	69,361
- Amortisation and finance charges - AASB 16	98,840	93,448
- Net profit on sale of PPE	26,983	-
<ul> <li>Net movement in credit loss provision</li> </ul>	6,004	-
Changes in operating assets and liabilities		
Decrease/(Increase) in receivables	12,399	682,701
Decrease/(Increase) in other assets	(714,485)	(564,821)
Decrease/(Increase) in inventory	(3,907)	1,552
(Decrease)/Increase in trade & other payables (Decrease)/Increase in provisions	160,650 48,630	65,569 (5,800)
(Declease)/Illclease III provisions	40,030	(3,000)
	(00.272)	700 710
Net cash provided by operating activities	(38,252)	738,748

#### c. Credit Facility

The Company had a business card credit facility of \$50,000. At 30 June 2022, the utilised facility was \$nil.

#### **CIVIL CONTRACTORS FEDERATION NSW LTD ANNUAL REPORT 2021-2022**

## Notes to the Financial Statements for the Year Ended 30 June 2022 (cont'd)

#### **NOTE 17: CAPITAL COMMITMENTS**

At 30 June 2022, the entity has no capital commitments.

#### NOTE 18: EVENTS SUBSEQUENT TO BALANCE DATE

At 30 June 2022, there are no subsequent events to report.

#### **NOTE 19: ECONOMIC DEPENDENCY**

The Company is economically dependent on ongoing funding in the form of Membership fees.

#### **NOTE 20: COMPANY DETAILS**

The registered office and the principal place of business of the Branch prior disbandment was: Civil Contractors Federation (NSW Branch) Unit 11 9 Hoyle Avenue Castle Hill NSW 2154

#### **NOTE 21: MEMBERS' GUARANTEE**

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each Contractor Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

#### **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of CCF (NSW) Limited, the directors of the entity declare that:

- 1. The financial statements and notes, as set out on pages satisfy the requirements of the *Corporations Act 2001* and;
  - a. comply with Australian Accounting Standards AASB160: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.
  - b. give a true and fair view of the financial position of the entity as at 30 June 2022 and of its performance for the year ended on that date.
- 2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts and when they become due and payable.

Director

Dated this 31st day of August 2022.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCF (NSW) LIMITED

#### Opinion

We have audited the financial report of CCF (NSW) Ltd (the entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss statement of comprehensive income, statement of changes in Members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the entity is in accordance with the *Corporations Act* 2001, including:

- giving a true and fair view of the entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards AASB160: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

#### **Basis for Opinion**

We conducted our audit in accordance with the 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 our report. We are independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001 and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CCF (NSW) Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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 directors are responsible for other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditors' report thereon.

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.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards AASB160: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Act 2001 and for such internal control as the directors 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.

Stannards Accountants and Advisors Pty Ltd A.C.N. 006 857 441 Postal: PO Box 581, South Yarra, Vic 3141 Level 1, 60 Toorak Road, South Yarra, Vic 3141 Tel: (03) 9867 4433 Fax: (03) 9867 5118 Email: advisors@stannards.com.au

Peter Angelini, CA Michael Shulman, CA Peter Angelini, CA Mich Indias CPA James Dickson, CA

Liability limited by a scheme approved under Professional Standards Legislation



### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCF (NSW) LIMITED (Cont'd)

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

#### Auditors Responsibilities for the Audit or the Financial Report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to
  fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
  evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
  detecting material misstatement resulting from fraud is higher than the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the
  disclosures, and whether the financial report, represents the underlying transactions and
  events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities
  or business activities within the entity to express an opinion on the financial report. We are
  responsible for the direction, supervision and performance of the entity audit. We remain
  solely responsible for our audit opinion.

We communicate with the directors 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 identify during our audit.

Stannards Accountants and Advisors

Michael B Shulman Partner

Melbourne, VIC Dated: 31 August 2022



## To our Associate Members THANK YOU VERY MUCH...



























































































The valued support of our family of Associate Members allows the CCF NSW to get on and do our job of supporting the industry. We couldn't do it without you.











































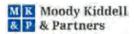














































# CCF NSW 2022/23 SPONSORS Helping CCF NSW Help our Members

Support. Fearlessly delivered. Not for profit... for YOU!

**PLATINUM SPONSORS** 









#### **GOLD SPONSORS**











#### SILVER SPONSORS





















#### **BRONZE SPONSORS**





























"When you are deciding where to spend your money, please consider that some portion of every dollar you spend through a Sponsor comes back to Members in the form of support provided by CCF".

David Castledine | CEO Civil Contractors Federation NSW

