CIVIL CONTRACTORS
FEDERATION

CIVIL CONTRACTORS FEDERATION NSW LTD

ANNUAL REPORT 2020-2021

ABN 45 619 501 754

2021 President's Report

On behalf of the Civil Contractors Federation New South Wales Ltd Board, I present to you the 2020-2021 Annual Report.

The reporting period was a difficult one for the industry. Grappling with what COVID-19 was, and how it would impact individual businesses and the industry as a whole, was a learning experience. The Delta variant has taken that experience to a new level.

Given the environment, it has been vital during this period that CCF NSW focus on the essential needs of industry. Firstly, supporting employers with our normal services including industrial relations, employment advice, WHS and management systems, payment recovery services and professional development.

Secondly, the retention of a strong voice clearly articulating to Government *all* of industry's concerns, along with its recommendations for reform, has been crucial. Two great strengths of CCF NSW are its singular focus on civil construction, and its Membership diversity. We have Tier 1 contractors to sole traders, family and public owned companies; rural to city-based businesses, and both contractors and suppliers. our Membership is very engaged; with survey response rates of 50% to 70% the norm. This gives us a wide, clear vision of the issues affecting the civil industry and the ability craft solutions that will work, and work for *all* of the industry.

In short, industry should be very pleased that CCF NSW has a strong, truly civil industry-representative voice, and has demonstrated that through the course of this period in areas from procurement reform to COVID-19 management.

COVID-19 has, however, meant that we have had to change our internal plans for the year. The financial result for the year reflects a deferment of investment in new services and Membership growth. These are appropriate steps to take in such an environment. We remain however, committed to undertaking those plans and growing our service offering in the coming two years.

As the civil industry's peak industry body, CCF NSW continues to work incredibly hard to provide the much-needed support to industry in order to not only survive the COVID-19 pandemic, but to adapt and grow in new and exciting ways.

The 2022 period has been rocked, from day one, by the Delta outbreak. While the impact on industry is again significant, I am confident that CCF NSW will continue doing what it does so very well – supporting employers.

I would like to thank David and his team on an outstanding effort during such difficult times. It is in these times when our Members need CCF the most, David and his team have worked tirelessly for the Members every day.

I would also like to also thank my fellow Directors of CCF NSW, including Vice President Kim Liddell and NSW's CCF Australia board representative, Lee Fahey, who have all unselfishly given so much of their time to support the Federation. At times, they have met several times per week to be briefed and in turn provide guidance to the CCF NSW management team on COVID-19 issues.

On behalf of the Board of Civil Contractors Federation New South Wales Ltd I commend to you the 2020/21 Annual Report.

Michael Fitzgerald FIE Aus MCIM
President

2021 CEO's Report

Welcome to the 2020-2021 Annual Report of the operations of the Civil Contractors Federation New South Wales Ltd.

As this report is prepared, the New South Government has just reopened the civil construction industry in Greater Sydney and announced the reopening plan, post COVID-19 restrictions, for the State.

The impact of COVID-19 on businesses and people in the industry is, as yet, beyond calculation. The wrestle against COVID-19 is yet to conclude, the Government debt yet to reach its peak, the massive impact on business sustainability and workforce structure yet to be realised.

It is thus perhaps too early to speak of being happy about reopening. For a little longer we had best continue to rely on and nurture what the industry and people within it have demonstrated an abundance of over the past 18 months; **resilience**.

Resilience is what this industry is renowned for

As a Member based organisation, we hear the stories, live the problems, and feel the pain of our family of Members. It is they who have struggled the hardest, and will for some time to come. It is hard to focus on ourselves rather than their story, however, this report is about the operations of CCF NSW.

Resolute Strategy; Nimble Tactics

Despite the events of this reporting period our strategy of supporting and representing industry; of constructing a financially secure organisation that will always survive; and of continually investing in developing new services that will provide benefits to industry tomorrow, has never altered. However, in what I hope is my last ever use of the term, tactically we had to *pivot* often this year.

Service has remained at the epicentre of our focus and so has been the least impacted by COVID-19. We have not lost a day of operation due to COVID-19 and continue this on now, despite months of lockdown. All of our compliance support services have continued on unaffected.

We have retained a very clear and strong voice with the NSW Government. Our values Statement that we will raise your voice 'fearlessly' remains CCF NSW's way. In late 2020 we alone shone the light on the Transport for NSW's circa 50% reduction in the value of contracts awarded since the merger with RMS. And we collected and presented data that dispelled the myth that the industry was at capacity, and so removed the possibility anyone could say industry's inability to meet demand attributed to the reduction in contracts.

However, we have used this honest relationship to bond tightly with the Government to manage a way out for the industry through the Delta lockdown. By having such a diverse Membership, we were able to present robust, real and practical solutions and feedback. Whilst the first time for everyone, the Government have managed this extremely well.

To keep people connected and informed we injected a large number of webinars into our event offering. Regrettably, we had to cancel many face to face events, including the 10th year of our People Awards. While a signature event is always a loss, what struck our team hardest was the cancelling of a full round of our regional meetings. Our regional Members make up nearly half our Membership and are incredibly important to the essence of what makes CCF NSW great. Missing a visit was a blow for all.

I am however very thankful that on 4th June, just days before the Delta wave struck, a record crowd of 619 people were able to join us for a party under the Big Top at Luna Park in celebration of the *CCF NSW Earth Awards*. We celebrated together with the gusto of what we are - a family.

Our support of the Institute of Civil Infrastructure remains an important lever for improving professional standards in the industry. The first half of the period, in which COVID-19 was awakening, was very difficult. However, employers in NSW increasingly came on board in support of the program, with solid growth in the second half of the period.

Whilst gender gap remains a serious problem (and opportunity) in the industry, we proudly watched our third Graduation class of the **CCF NSW Women in Civil** Mentoring program conclude in November 2020. Just as happily we welcomed our fourth group of mentees in February 2020. We continue to push for significant change in this space, but do so in a way that allows individual employers to choose their path. Our belief is simple; equality is achieved through business driving opportunity, and it is CCF NSW's role to provide solutions that allow employers to take up the opportunity and benefits a gender balanced workforce yields. There will be significant announcement in the coming reporting period.

Our investment in Membership growth was however deferred; a measured fiscal response to the increasing risk of falling revenues from other sources. Nonetheless, we pleasingly concluded the year with virtually the same Member numbers as we began: 438 vs 437 a year earlier.

Financial Performance

CCF NSW is, fiscally, a tightly controlled organisation. Our Member's entrust us with their money, so we spend every dollar very carefully. The Board, all Members themselves, are extremely focused on monitoring financial management.

CCF NSW has an investment plan for Membership growth and the development and delivery of new services for industry, including expanding The Institute of Civil Infrastructure. Before yielding returns, this plan will require up-front expenditure and more staff. Consequently, we know there will be two reporting periods that will be very financially tough. 2020-2021 was forecast to be one of those years, but events forced us to defer that plan. We assessed the risk and took a cautious approach – to defer those activities and to continue to build equity and assess the environment.

The $396,738 profit achieved this year was secured in part with the support of the Federal Government's COVID-19 business support programs, but that support did not fully replace the very significant revenues lost due to COVID-19. More significantly was our deferral of staff expansion plans, deferral of our Membership expansion plans, and investment in the next major service offering. In short, we focused on the providing our existing services very well, and on weathering the storm.

As a result, we are extremely well placed with equity at the end of the period of $2,056,505.

Some words of thanks

CCF NSW's sole purpose is to support and give resources to the industry. To **protect** the industry; to help **grow** it; and to give it a **voice** it would otherwise never have as individual employers. It can do this only with the support of a family.

To our Associate Members and annual sponsors, who have been unbelievably flexible in dealing with us changing event dates and then loading up with webinars. At the close of this Report we present to the reader the Sponsors for 2021-22 and the Associates at the time of this Report. In a show of confidence they have in what we do and in the value we provide them, 24 of 25 sponsors renewed for the next period; five new joined; and most accepted multi-year agreements. Look no further than this sponsor and Associate list to find *true* supporters of the industry.

I remain extremely proud of the team at CCF NSW; they put themselves second through the fires of the year before and the pandemic this year. They understood there was no one else who offered the support we provide and that, more than ever at times like this, our primary focus had to be to keep on providing that support. Thankyou team.

This response echoes the way the Board, who receive no benefits for the enormous amount of time they contribute, has operated - with clarity, unity, and courage.

However, our greatest words of thanks are to the Members of CCF NSW. You continue to set the standard for how to behave in a difficult time. Your resilience is extraordinary. CCF NSW is honoured to serve you, and our commitment to you is this: we will support you, fearlessly, no matter what.

I commend to you the 2020/21 Report.

David Castledine
Chief Executive Officer & Company Secretary

Protecting the Industry
Growing the industry
Giving he industry a Voice

CIVIL CONTRACTORS FEDERATION NSW LTD

ABN 45 619 501 754

FINANCIAL REPORT FOR YEAR ENDED

30 JUNE 2021

Directors' Report for the Year Ended 30 June 2021

Your directors present this report on the entity for the financial year ended 30 June 2021.

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 (President)
Ms Kim Liddell (Vice President)
Mr Lee Fahey (CCF Australia representative)
Mr John Wade
Mr Paul Wise
Mr Stephen Cherrie
Mr Micheal O'Keeffe

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 2021

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 $396,738 (2020: surplus of $20,873).

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 2021 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 25th day of August 2021

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ACCOUNTANTS and ADVISORS

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 2021 there have been: –

(i) no contraventions of the auditor independence requirements in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stannards Accountants & Advisors

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

MB Shulman
Registered Company Auditor (163888)

Dated: 25 August 2021

Stannards Accountants and Advisors Pty Ltd
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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 2021

	Note	30 June 2021 $	30 June 2020 $
Revenues	2	2,737,799	2,893,375
Employee expenses	3f	1,124,941	1,070,419
Depreciation and amortisation	3d	69,361	73,968
Amortisation – right of use asset	11	76,973	91,546
Bad debts	3a	35,000	5,667
National Levy	3e	117,003	117,296
Rental expenses	3c	19,259	15,789
Interest Expense- right of use liability		16,475	18,828
Functions, seminars and conference costs		353,074	247,589
Travelling expenses		61,825	100,232
Project costs		19,676	316,570
Program Costs		103,450	246,596
Stream Four Project Costs		825	200,000
CCF Bulletin and Year Book expenses		27,889	35,293
Other expenses from ordinary activities		315,310	332,709
Profit / (Loss) from ordinary activities		**396,738**	**20,873**
Income tax expense	1b	**-**	**-**
Net profit / (loss) from ordinary activities after income tax expense attributable to the Company		**396,738**	**20,873**

The accompanying notes form part of the financial statements

Statement of Comprehensive Income
for the Year Ended 30 June 2021

	30 June 2021 $	30 June 2020 $
Profit for the year	396,738	20,873
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	396,738	20,873
Total Comprehensive Income attributable to Members of the organisation	396,738	20,873

The accompanying notes form part of the financial statements

Statement of Financial Position
as at 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,433,253	1,829,099
Trade and other receivables	5	924,442	1,607,143
Inventory		1,852	3,404
Other current assets	6	96,953	116,823
TOTAL CURRENT ASSETS		3,456,500	3,556,469
NON-CURRENT ASSETS			
Financial assets	7	28,347	28,850
Other Assets	8	1,451,435	866,241
Plant and equipment	9	230,433	280,656
Website development costs	10	-	2,520
Right of Use Asset	11	271,968	320,413
TOTAL NON-CURRENT ASSETS		1,982,183	1,498,680
TOTAL ASSETS		**5,438,683**	**5,055,149**
CURRENT LIABILITIES			
Trade and other payables	12	2,851,546	2,785,977
Short term provisions	13	216,158	221,958
Borrowings	15	19,800	54,121
Lease Liability	11	82,424	85,647
TOTAL CURRENT LIABILITIES		3,169,928	3,147,703
NON-CURRENT LIABILITIES			
Lease Liability	11	212,250	247,679
TOTAL NON-CURRENT LIABILITIES		212,250	247,679
TOTAL LIABILITIES		**3,382,178**	**3,395,382**
NET ASSETS		**2,056,505**	**1,659,767**
MEMBERS' FUNDS			
Accumulated Surplus		2,056,505	1,659,767
TOTAL MEMBERS' FUNDS		**2,056,505**	**1,659,767**

The accompanying notes form part of the financial statements

Statement of Changes in Members' Funds for the Year Ended 30 June 2021

	30 June 2021 $	30 June 2020 $
Balance at beginning of year	1,659,767	1,638,894
Surplus / (Loss) attributable to Members	396,738	20,873
Balance at end of year	2,056,505	1,659,767

The accompanying notes form part of the financial statements

Statement of Cash Flow
For the Year ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,379,228	3,413,423
Interest received		6,272	3,029
Payments to suppliers and employees		(2,646,752)	(3,220,565)
Net cash provided by operating activities	17b	**738,748**	**195,887**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(16,618)	(173,449)
Net cash (used in) investing activities		**(16,618)**	**(173,449)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		(83,655)	(97,461)
Borrowings		(34,321)	(45,431)
Net cash (used in) financing activities		**(117,976)**	**(142,892)**
Net (decrease)/increase in cash held		604,154	(120,454)
Cash at the beginning of the year		1,829,099	1,949,553
Cash at the end of the year	17a	**2,433,253**	**1,829,099**

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The Company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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.

Notes to the Financial Statements for the Period Ended 30 June 2021

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:

	30/06/2021
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.

Notes to the Financial Statements for the Period Ended 30 June 2021

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.

Notes to the Financial Statements for the Period Ended 30 June 2021

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.

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 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

l. 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 2021, 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.

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	30 June 2021 $	30 June 2020 $
NOTE 2: REVENUE		
Operating activities:		
Membership Income (Subscriptions)	1,546,320	1,526,141
Sponsorship	208,578	237,078
Functions	465,190	287,906
CCF Bulletins	43,659	44,674
IMS System	-	-
Interest Income	6,272	3,029
Projects Income	139,104	454,010
Project Income (Stream Four)	825	160,000
Other Income	30,351	36,037
JobKeeper Subsidy	297,500	94,500
Cash Flow Boost	-	50,000
Total Revenue	**2,737,799**	**2,893,375**
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
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	5,667
	35,000	5,667
b. Auditor's Remuneration		
Auditor's remuneration – Audit of Financial Statements	9,450	9,000
(other services - $nil)	-	-
	9,450	9,000
c. Operating Leases		
Rent	19,259	15,789
	19,259	15,789
d. Depreciation and Amortisation		
Plant and equipment and Website	28,860	30,791
Motor vehicles	40,501	43,177
	69,361	73,968

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	30 June 2021 $	30 June 2020 $
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
e. Levy		
National office levy	117,003	117,296
The levy is imposed by the CCF National to assist in funding the operations.		
f. Employee related		
Wages & Salaries	1,023,047	955,675
Superannuation	102,998	72,335
Employee benefits (leave and other entitlements)	(1,104)	42,409
	1,124,941	1,070,419

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	30 June 2021 $	30 June 2020 $
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	500	500
Cash at bank	1,332,753	828,599
Short-term bank deposits	1,100,000	1,000,000
	2,433,253	1,829,099

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current

	30 June 2021 $	30 June 2020 $
Trade debtors	972,374	1,620,075
Less: Provision for doubtful debts	(47,932)	(12,932)
	924,442	1,607,143

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.

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 $35,000 this year.

	30 June 2021 $	30 June 2020 $
NOTE 6: OTHER CURRENT ASSETS		
Current		
Prepayments and Security Deposits	96,953	116,823
	96,953	116,823
NOTE 7: FINANCIAL ASSETS		
a. Non-Current		
Shares in unlisted company – at Branch Board valuation (i)	5,000	5,000
The National Training Resources Unit (NTRU) (ii)	23,347	23,850
	28,347	28,850

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.

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	30 June 2021 $	30 June 2020 $
NOTE 8: OTHER NON CURRENT ASSETS		
Cert & GoldPO System	108,245	118,244
Professional Development Programs	1,343,190	747,997
	1,451,435	866,241
NOTE 9: PLANT AND EQUIPMENT		
Motor vehicles – at cost	278,530	278,530
Less: Accumulated depreciation	(97,165)	(56,664)
	181,365	221,866
Furniture and equipment – at cost	300,545	283,927
Less: Accumulated depreciation	(251,477)	(225,137)
	49,068	58,790
Total plant and equipment – net book value	230,433	280,656
Reconciliation of movements in plant and equipment		
Motor vehicle – at cost		
Carrying amount at beginning of the year	221,866	125,561
Additions	-	162,366
Disposals (net)	-	(22,884)
Depreciation expense	(40,501)	(43,177)
Carrying amount at end of the year	181,365	221,866
Furniture and equipment		
Carrying amount at beginning of the year	58,790	51,637
Additions	16,618	33,967
Disposals (net)	-	
Depreciation expense	(26,340)	(26,814)
Carrying amount at end of the year	49,068	58,790
Total carrying amount at end of the year	230,433	280,656
NOTE 10: WEBSITE DEVELOPMENT COSTS		
Carrying amount at beginning of the year	2,520	6,497
Depreciation	(2,520)	(3,977)
	-	2,520

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

NOTE 11: INTANGIBLES

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

	2021 $	2020 $
Right-of-use asset		
Right-of-use asset recognised	320,413	411,959
Additions/Adjustments to right-of-use assets	28,528	-
Amortisation Charge for right-of-use asset	(76,973)	(91,546)
Carrying amount of right -of-use assets	271,968	320,413
Lease liability		
Lease liability recognised	333,326	411,959
Additions/Adjustments to lease liability	28,528	-
Add interest expense	16,475	18,828
Less lease payments	(83,655)	(97,461)
Carrying amount of lease liability	294,674	333,326
Maturity		
Within 1 Year	82,424	85,647
More than 1 Year but less than 5 Years	212,250	247,679
More than 5 years	-	-
	294,674	333,326

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	2,318,179	2,184,939
Creditors and accruals	533,367	601,038
	2,851,546	2,785,977

Notes to the Financial Statements
for the Year Ended 30 June 2021 (cont'd)

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 2021 $	30 June 2020 $
NOTE 13: PROVISIONS		
a. Current		
Provisions for annual leave	148,999	146,284
Provisions for long service leave	67,159	75,674
	216,158	221,958
c. Aggregate employee entitlement liability	216,158	221,958

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)

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

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 2021 $	30 June 2020 $
Short-term employee benefits	290,455	290,455
Post-employment benefits	26,276	21,003
Other long-term benefits	5,584	5,578
	322,315	317,036

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 2021 $	30 June 2020 $
NOTE 15: BORROWINGS		
a. Current		
Hire Purchase Liability	19,800	54,121
b. Non-Current		
Hire Purchase Liability	-	-

c. Terms and Conditions
Hire Purchase facilities are secured by the assets they are financing.

NOTE 16: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies
The Company's financial instruments consisted mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company.
The Company did not have any derivative instruments at 30 June 2021.

i. Terms, Conditions and Accounting Policies
The Company'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 Board Members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

NOTE 16: FINANCIAL RISK MANAGEMENT (cont'd)

iii. Financial Risk Exposures and Management

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

Liquidity risk

The Company managed this risk by monitoring its credit terms on trade debtors.

Interest rate risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2021, 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:

	30 June 2021 $	30 June 2020 $
Change in profit/(loss)		
Increase in interest rate by 1%	13,328	8,285
Decrease in interest rate by 1%	(13,328)	(8,285)
Change in equity		
Increase in interest rate by 1%	13,328	8,285
Decrease in interest rate by 1%	(13,328)	(8,285)

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 Company 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 Company is not materially exposed to any individual credit risk.

Interest Rate Risk

The Company'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 $	Fixed Interest Rate Maturities 1 year or less $	1 to 5 years $	Over 5 years $	Non Interest Bearing $	Total $
30 June 2020							
Assets:							
Cash	0.5%	828,599	1,000,000	-	-	500	1,829,099
Trade and Sundry Debtors		-	-	-	-	1,607,143	1,607,143
		828,599	1,000,000	-	-	1,607,643	3,436,242
Liabilities:							
Sundry Creditors & Other Liabilities	-	-	-	-	-	2,785,977	2,785,977
Borrowings	0.5%	-	54,121	-	-	-	54,121
		-	54,121	-	-	2,785,977	2,840,098
Net financial assets		828,599	945,879	-	-	(1,178,334)	596,144

Notes to the Financial Statements for the Year Ended 30 June 2021 (cont'd)

NOTE 16: FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities				
			1 year or less	1 to 5 years	Over 5 years	Non Interest Bearing	Total
	%	$	$	$	$	$	$
30 June 2021							
Assets:							
Cash	0.5%	1,332,753	1,100,000	-	-	500	2,433,253
Trade and Sundry Debtors		-	-	-	-	924,442	924,442
		1,332,753	1,100,000	-	-	924,942	3,357,695
Liabilities:							
Liabilities	0.5%	-	-	-	-	2,851,546	2,851,546
Borrowings		-	19,800	-	-	-	19,800
		-	19,800		-	2,851,546	2,871,346
Net financial assets		1,332,753	1,080,200		-	(1,926,604)	486,349

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 Company 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 Year Ended 30 June 2021 (cont'd)

NOTE 17: CASH FLOW INFORMATION

	30 June 2021 $	30 June 2020 $
a. Reconciliation of Cash		
Cash on hand	500	500
Cash at bank	1,332,753	828,599
Call deposit	1,100,000	1,000,000
	2,433,253	1,829,099
b. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating profit after income tax	396,738	20,873
Non-cash flows in profit/(loss) from ordinary activities		
- Depreciation and amortisation	69,361	73,968
- Amortisation and finance charges – AASB 16	93,448	110,374
Changes in operating assets and liabilities		
Decrease/(Increase) in receivables	682,701	523,077
Decrease/(Increase) in other assets	(564,821)	(270,259)
Decrease/(Increase) in inventory	1,552	2,760
(Decrease)/Increase in trade & other payables	65,569	(312,033)
(Decrease)/Increase in provisions	(5,800)	47,127
Net cash provided by operating activities	738,748	195,887

c. Credit Facility

The Company had a business card credit facility of $50,000. At 30 June 2021, the utilised facility was $nil.

Notes to the Financial Statements
for the Year Ended 30 June 2021 (cont'd)

NOTE 19: CAPITAL COMMITMENTS

At 30 June 2021, the entity has no capital commitments.

NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

At 30 June 2021, there are no subsequent events to report.

NOTE 21: FAIR VALUE MEASUREMENT

The Company 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 Company 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 Year Ended 30 June 2021 (cont'd)

NOTE 21: 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 Company 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 Company 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 Year Ended 30 June 2021 (cont'd)

NOTE 21: FAIR VALUE MEASUREMENT (cont'd)

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

			30 June 2021		
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Available for sales assets		-	-	-	-
Total financial assets recognised at fair value		-	-	-	-
Non-financial assets					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

			30 June 2020		
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Available for sales assets		-	-	-	-
Total financial assets recognised at fair value		-	-	-	-
Non-financial assets					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

NOTE 22: ECONOMIC DEPENDENCY

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

NOTE 23: 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 24: 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 – Reduced Disclosure Requirements applicable to the entity; and
    b. give a true and fair view of the financial position of the entity as at 30 June 2021 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 25th day of August 2021

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ACCOUNTANTS and ADVISORS

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 2021, 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:

(i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 2021, 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 – Reduced Disclosure Requirements 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.

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ACCOUNTANTS and ADVISORS

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 & Advisors

Stannards Accountants and Advisors

Michael B Shulman
Partner

Melbourne, VIC
Dated: 25 August 2021

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CIVIL CONTRACTORS FEDERATION

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David Castledine | CEO Civil Contractors Federation NSW