



13 November 2019

Mr Carl Copeland  
Chapter Secretary  
National Electrical Contractors Association, Western Australia Chapter

By e-mail: [necawa@necawa.asn.au](mailto:necawa@necawa.asn.au)

Dear Mr Copeland

**National Electrical Contractors Association, Western Australia Chapter  
Financial Report for the year ended 30 June 2019 - FR2019/93**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the National Electrical Contractors Association, Western Australia Chapter (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 31 October 2019.

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

Whilst the 2019 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report (GPFR)**

Notice setting out sections 272(1), (2) & (3)

There should be included in the accounts a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

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

This information should be set out in the Notes to the GPFR.

### Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

### Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS includes the following items for which there was already a disclosure in the body of the notes.

- Item 13(a) – receive periodic or membership subscriptions - is disclosed in both the officer's declaration statement and Statement of Comprehensive Income
- Item 13(b) – receive capitation fees from another reporting unit or any other revenue from another reporting unit - is disclosed in both the officer's declaration statement and Statement of Comprehensive Income
- Item 14(e)(i) – pay a grant that was \$1,000 or less - is disclosed in both the officer's declaration statement and Note 3(d)
- Item 14(e)(ii) – pay a grant that exceeded \$1,000 - is disclosed in both the officer's declaration statement and Note 3(d)
- Item 14(e)(iii) – pay a donation that was \$1,000 or less - is disclosed in both the officer's declaration statement and Note 3(d)
- Item 14(e)(iv) – pay a donation that exceeded \$1,000 - is disclosed in both the officer's declaration statement and Note 3(d)
- Item 14(j)(i) – pay legal costs relating to litigation - is disclosed in both the officer's declaration statement and Note 3(e)
- Item 14(j)(ii) – pay legal costs relating to other legal matters - is disclosed in both the officer's declaration statement and Note 3(e)

## **2. Auditor's Report**

### Auditor's qualifications

Item 29(b) of the reporting guidelines states that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully



**KEN MORGAN**

**Financial Reporting Specialist**

**Registered Organisations Commission**



national  
electrical and  
communications  
association

31 October, 2019

Registered Organisations Commission  
MELBOURNE VIC 3000

Email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

Dear Sir/Madam

**Lodgement of Financial Documents for year ended 30 June 2019  
Fair Work (Registered Organisations) Act 2009**

Please find attached the certificate and full report required for NECA WA in accordance with the Fair Work Act 2009 for the year ended 30 June 2019.

The full report for the year ended 30 June 2019 was forwarded to members on 7 October, 2019. The Annual General Meeting of members was held on 29 October 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Copeland', with a stylized flourish at the end.

**Carl Copeland**  
Secretary  
NECA WA Chapter

Att.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER**

**ABN 39 647 348 820**

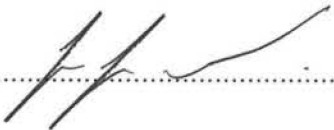
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2019

I *Carl Copeland* being the Chapter Secretary of the National Electrical Contractors Association - WA Chapter certify:

- that the documents lodged herewith are copies of the full report for the National Electrical Contractors Association - WA Chapter for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 7 October, 2019; and
- that the full report was presented to a *general meeting of members* of the reporting unit on 29 October 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

  
.....

Name of prescribed designated officer: Carl Copeland

Title of prescribed designated officer: Chapter Secretary

Dated: 31 October, 2019

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

ABN 39 647 348 820



**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION - WA CHAPTER**

**ABN: 39 647 348 820**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 June 2019**

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

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**EXPENDITURE INCURRED REPORT FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the Expenditure Incurred Report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019

<b>Categories of expenditure</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
Remuneration and other employment-related costs and expenses - employees	182,437	-
Advertising	21,598	-
Operating costs	1,094,446	-
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer: .....

Name and title of designated officer: .....

  
PETER BEVERIDGE (PRESIDENT - WA CHAPTER)

Dated: 24 September, 2019

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

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## Principal Activities

The principal activities of the Western Australia Chapter during the reporting period were to provide services and representation to the members, consistent with the objects of the Association.

The Western Australia Chapter's principal activities result in improving the business environment for the membership, particularly with respect to negotiated and arbitrated employee wages outcomes.

There were no significant changes in the nature of the Western Australia Chapter's principal activities during the reporting period.

## Significant Financial Changes

From 1 July 2018, membership subscriptions are invoiced through the Western Australia Chapter, previously the financial affairs of the Western Australia Chapter were encompassed by the financial affairs of the associated State body.

There were no other significant changes in the financial affairs of the Western Australia Chapter during the reporting period.

## Manner of Resignation

Members may resign from the Western Australia Chapter in accordance with Rule 11 of the registered rules of The National Electrical Contractors Association, which reads as follows:

- (a) A member may resign from membership by written notice addressed and delivered to the Secretary of the Chapter to which such member belongs.
- (b) A notice of resignation from membership takes effect:
  - (i) where the member ceases to be eligible to become a member:-
    - (1) on the day on which the notice is received by the Organisation; or
    - (2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member, whichever is later; or
  - (ii) In any other case at the end of two weeks after the notice is received by the Organisation or on the day specified in the notice whichever is later.
- (c) Any dues payable but not paid by a former member in relation to a period before the member's resignation from the Organisation took effect may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction as a debt due to the Organisation.
- (d) A notice delivered to a Chapter Secretary shall be taken to have been received by the Organisation when it was delivered.
- (e) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered in accordance with sub-rule (a).



# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

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- (f) A resignation from membership of the Organisation is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

## Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme

No officers of the Western Australia Chapter held positions of Trustee or director of a Trustee Company of a superannuation entity or exempt public sector superannuation scheme.

## Number of Members

The number of members recorded on the register of members of the Western Australia Chapter as at the end of the reporting period was 1,373.

## Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Western Australia Chapter was three (3).

## Members of Western Australia Chapter Council

The persons who held office as members of the Western Australia Chapter Council during the reporting period were:

- P. Beveridge (Western Australia Chapter Executive) – Vice-President until 26 June 2019, Appointed as President 26 June 2019
- Z. Grego (Western Australia Chapter) President until 26 June 2019, Appointed Acting Chapter Secretary 16 April 2018 until 19 February 2019
- K. Bonomi (Western Australia Chapter Executive) – Treasurer until 14 June 2019, Resigned 14 June 2019
- A. Charlton (Western Australia Chapter Executive) – Resigned 26 March 2019
- C. Sweeting (Western Australia Chapter Executive) - Appointed as Vice-President 26 June 2019)
- G. Warren (Western Australia Chapter Executive) - Appointed as Treasurer 26 June 2019)
- D. Wellington (Western Australia Chapter Executive)
- G. Baudains (Western Australia Chapter Executive) - Resigned 14 June 2019
- G. Itzstein (Western Australia Chapter Executive) - Appointed 14 June 2019
- B. Allen (Western Australia Chapter Executive) - Appointed 14 June 2019
- C. Terranova (Western Australia Chapter Executive) - Appointed 14 June 2019
- F. Dorkhom (Acting Western Australia Chapter Executive) - Appointed 26 March 2019 until 14 June 2019
- C. Copeland (Western Australia Chapter Secretary) - Appointed 19 February 2019

Signed 

**Carl Copeland**

**Western Australia Chapter Secretary**

Date: 24 September, 2019

**COMMITTEE OF MANAGEMENT STATEMENT**

On the 24/09/2019 the Committee Of Management of the National Electrical Contractors Association – WA Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Committee of Management declares that in its opinion:


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

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

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....

  
PETER BEVERIDGE (PRESIDENT - WA CHAPTER)

24/09/19

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Membership subscription		1,192,207	-
Membership services		3,282	-
Interest		1,422	-
Capitation fees & levies		-	-
Other Revenue	2 (a)	4,651	-
<b>Total Revenue</b>		<b>1,201,562</b>	<b>-</b>
<b>Other Income</b>			
Other income	2 (b)	11,500	-
<b>Total other Income</b>		<b>11,500</b>	<b>-</b>
<b>Total Income</b>		<b>1,213,062</b>	<b>-</b>
<b>Expenses</b>			
Employee expenses	3 (a)	182,437	-
Capitation fees	3 (b)	251,224	-
Administration expenses	3 (c)	797,456	-
Grants or donations	3 (d)	-	-
Depreciation		-	-
Legal costs	3 (e)	-	-
Audit fees	3 (f)	4,000	-
Member services		30,678	-
Loss provision on trade receivables		2,169	-
Other expenses	3 (g)	30,517	-
<b>Total Expenses</b>		<b>1,298,481</b>	<b>-</b>
<b>Loss for the year</b>		<b>(85,419)</b>	<b>-</b>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER  
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**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	350,820	-
Trade and other receivables	5	969,547	-
Other current assets	6	433,860	-
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,754,227</b></u>	<u>-</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets		-	-
Property, plant and equipment		-	-
Investment properties		-	-
Intangible assets		-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><b>1,754,227</b></u>	<u>-</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	7	72,997	-
Other payables	7	1,724,232	-
Employee provisions	8	33,141	-
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,830,370</b></u>	<u>-</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	8	9,276	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>9,276</b></u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,839,646</b></u>	<u>-</u>
<b>NET ASSETS</b>		<u><b>(85,419)</b></u>	<u>-</u>
<b>EQUITY</b>			
Retained loss		(85,419)	-
<b>TOTAL EQUITY</b>		<u><b>(85,419)</b></u>	<u>-</u>

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

	Retained Earnings	Total Equity
	\$	\$
<b>Balance at 1 July 2018</b>	-	-
Loss for the year	(85,419)	(85,419)
<b>Balance at 30 June 2019</b>	<b>(85,419)</b>	<b>(85,419)</b>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts in the course of operations:			
Receipts from membership income		863,359	-
Receipts from events income		462,518	-
Other operating receipts		38,499	-
Receipts from other reporting units	9	29,280	-
Receipts from director related parties		57,754	-
Interest received		1,422	-
Payments to suppliers and employees		(820,822)	-
Payments to other reporting units	9	(281,190)	-
<b>Net cash from / (used by) operating activities</b>		<b>350,820</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>-</b>
Net increase in cash held		350,820	-
Cash at the beginning of the financial year		-	-
Cash at the end of the financial year	4	<b>350,820</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

**Basis of preparation**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, National Electrical Contractors Association – WA Chapter (NECA WA Chapter) is a not-for-profit entity.

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

**a. Significant accounting judgements and estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**b. Revenue and Other Income**

Revenue from subscriptions are accounted for on an accruals basis over the period to which they relate.

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers and members.

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

Commission on sales made to members is recognised when the right to receive a commission has been established.

Promotional and member activities revenue, which includes sponsorship, excellence awards, and other events, is recognised upon commencement of said activities.

**c. Government Grants**

Government grants are not recognised until there is reasonable assurance that NECA WA Chapter will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which NECA WA Chapter recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the NECA WA Chapter should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the NECA WA Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

**d. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**e. Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**f. Income in Advance**

Where income has been received but relates to services that will be provided in subsequent financial periods, then these amounts are carried forward as 'Income received in advance'. Any amounts received in excess of expenditure, but for services relating to the current reporting period, are treated as income or profits in the current period.

**g. Provisions**

Provisions are recognised when NECA WA Chapter has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**h. Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by NECA WA Chapter in respect of services provided by employees up to reporting date.

**i. Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

**j. New Accounting Standards**

NECA WA Chapter has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of NECA WA Chapter.

The following Accounting Standards and Interpretations adopted are most relevant to NECA WA Chapter:

*AASB 9 Financial Instruments*

NECA WA Chapter has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The expected impact on the financial statements of the Accounting Standards that have been issued but are not yet effective is detailed below:

*AASB 15 Revenue from Contracts with Customers*

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Committee of Management anticipates that the adoption of AASB 15 will not materially impact the entity's financial statements.

*AASB 16 Leases*

The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet. The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the net result.

The Committee of Management anticipates that the adoption of AASB 16 will not materially impact the entity's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

**k. Income Tax**

NECA WA Chapter is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

<b>NOTE 2: REVENUE AND INCOME</b>	<b>2019</b> \$	<b>2018</b> \$
<b>2 (a) Other revenue</b>		
Insurance commissions	4,502	-
Other commissions	149	-
	<b>4,651</b>	-
<b>2 (b) Other income</b>		
Publications Income	11,500	-
Sundry Income	-	-
	<b>11,500</b>	-
<b>Total Income</b>	<b>16,151</b>	-
 <b>NOTE 3: EXPENSES</b>		
<b>3 (a) Employee expenses</b>		
Holders of Office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and Redundancies	-	-
Other employee expenses	-	-
	-	-
Employees other than Office Holders:		
Wages and Salaries	152,296	-
Superannuation	14,528	-
Leave and other entitlements	12,806	-
Separation and Redundancies	-	-
Other employee expenses	2,807	-
	<b>182,437</b>	-
<b>Total Employee expenses</b>	<b>182,437</b>	-
<b>3 (b) Capitation fees</b>		
NECA National	251,224	-
	251,224	-
<b>3 (c) Administration expenses</b>		
Support Services fee *	708,643	-
Consultants	16,584	-
Information communications technology	248	-
Office expenses	8,132	-
Travel and accommodation	41,557	-
Publications expense	15,480	-
Other administration expenses	6,812	-
<b>Total Administration expenses</b>	<b>797,456</b>	-

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

ABN 39 647 348 820

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

On 1 July 2018 the NECA WA Chapter entered into an agreement with The Electrical and Communications Association of Western Australia Inc (“Consultant”) whereby the Consultant provides administration and other support services to NECA WA Chapter and its members. The agreement will continue indefinitely (subject to termination clauses in the agreement) or for such other period as the parties agree in writing. As consideration for the administration and other support services, NECA WA Chapter pays a monthly support fee to the Consultant, totaling \$708,643 as disclosed in note 3 (c). The nature of the administration and support services provided by the Consultant are:

- Financial record keeping and the preparation of reports in compliance with NECA WA Chapter obligations under the Fair Work (Registered Organisations) Act 2009 and other applicable legislation
- Arranging the issuing of invoices relating to the renewal of the membership of NECA WA Chapter members
- Providing, or arranging third parties to provide, information, Occupational Health and Safety, legal, or other support services to NECA WA Chapter members
- Providing, or arranging third parties to provide, accommodation services (including offices, equipment and utilities), HR and other administrative support services to NECA WA Chapter
- Marketing services to NECA WA Chapter.

	2019	2018
<b>3 (d) Grants or Donations</b>		
Grants:	\$	\$
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total Grants or Donations</b>	<u>-</u>	<u>-</u>
<b>3 (e) Legal costs</b>		
Litigation	-	-
Other legal costs	-	-
<b>Total legal costs</b>	<u>-</u>	<u>-</u>
<b>3 (f) Audit fees</b>		
Financial statement audit services	4,000	-
Other services	-	-
<b>Total Audit fees</b>	<u>4,000</u>	<u>-</u>
<b>3 (g) Other expenses</b>		
Bad debts written off	3,583	-
Insurance	2,746	-
Motor vehicle	2,590	-
Advertising expenses	21,598	-
<b>Total Administration expenses</b>	<u>30,517</u>	<u>-</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	350,820	-
Cash on deposit	-	-
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	<b>350,820</b>	-
 <b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
Receivables from other reporting units		
NECA NSW	246,400	-
NECA South Australia	2,100	-
NECA Trade Services Pty Ltd	2,100	-
<b>Total receivable from other reporting units</b>	<b>250,600</b>	-
Other receivables		
Other trade receivables	721,024	-
Other receivables	92	-
<b>Total other receivables</b>	<b>721,116</b>	-
<b>Total Trade and other receivables</b>	<b>971,716</b>	-
Loss provision for loss allowance	2,169	-
<b>Total Trade and other receivables (net)</b>	<b>969,547</b>	-
 <b>NOTE 6: OTHER CURRENT ASSETS</b>		
Prepayments	433,310	-
Other current assets	550	-
<b>Total Other current assets</b>	<b>433,860</b>	-

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 7: TRADE AND OTHER PAYABLES</b>		
Payables to other reporting units		
NECA National	4,538	-
<b>Total payables to other reporting units</b>	<b>4,538</b>	-
Trade creditors and accruals	68,459	-
<b>Total trade creditors</b>	<b>68,459</b>	-
<b>Total trade payables</b>	<b>72,997</b>	-
GST payable	78,924	-
Income in advance	1,634,637	-
Wages and salaries	6,092	-
Superannuation	2,947	-
Other payables	1,632	-
<b>Total other payables</b>	<b>1,724,232</b>	-
Total other payables are expected to be settled in:		
No more than 12 months	1,724,232	-
More than 12 months	-	-
<b>Total other payables</b>	<b>1,724,232</b>	-
<b>NOTE 8: EMPLOYEE PROVISIONS</b>		
Holders of Office:		
Annual leave	-	-
Long service leave	-	-
Separation and Redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – office holders</b>	-	-
Employees other than office holders:		
Annual leave	33,141	-
Long service leave	9,276	-
Separation and Redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – Employees other than office holders</b>	<b>42,417</b>	-
Current	33,141	-
Non-current	9,276	-
<b>Total employee provisions</b>	<b>42,417</b>	-

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 9: CASH FLOW INFORMATION</b>		
<b>Reconciliation of profit/(loss) to net cash from operating activities</b>		
Surplus/(Loss) for the year	(85,419)	-
Adjustments for non-cash items:		
Depreciation	-	-
Amortisation	-	-
(Profit)/Loss on sale of non-current assets	-	-
Loss provision on trade receivables	2,169	-
Change in assets and liabilities		
Decrease/(increase) in receivables	(662,263)	-
Decrease/(increase) in other current assets	(390,589)	-
Increase/(decrease) in trade and other payables	162,592	-
Increase/(decrease) in income in advance	1,281,913	-
Increase/(decrease) in provisions	42,417	-
Net cash from (used by) operating activities	<b>350,820</b>	-
<b>Cash flow information</b>		
Cash inflows		
NECA Queensland Chapter (other reporting unit)	17,600	-
NECA Training Ltd (other reporting unit)	11,680	-
Total cash inflows	<b>29,280</b>	-
Cash outflows		
NECA National (other reporting unit)	280,884	-
NECA South Australia Chapter (other reporting unit)	306	-
Total cash outflows	<b>281,190</b>	-

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

ABN 39 647 348 820

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>NOTE 10: RELATED PARTY DISCLOSURES</b>		
<b>Terms and Conditions of transactions with related parties</b>		
<p>The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Committee members, directors and their related entities are able to use the services provided by NECA WA Chapter. Such services are made available on terms and conditions no more favourable than those available to all other members. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, NECA WA Chapter has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.</p>		
<p>The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.</p>		
<b>Revenue received from other reporting units</b>		
Revenue received from NECA Queensland Chapter includes the following:		
Sponsorship	16,000	-
Revenue received from NECA New South Wales Chapter includes the following:		
Sponsorship	224,000	-
Revenue received from NECA Training Ltd includes the following:		
Sponsorship	8,000	-
Events	2,618	-
Revenue received from NECA South Australia Chapter includes the following:		
Events	1,909	-
Revenue received from NECA Trade Services Pty Ltd includes the following:		
Events	1,909	-
<b>Expenses paid to other reporting units</b>		
Expenses paid to NECA National includes the following:		
Capitation fees	251,224	-
Events	8,250	-
Expenses paid to NECA South Australia Chapter includes the following:		
Advertising	279	-
<b>Amounts owing from other reporting units</b>		
NECA New South Wales Chapter	246,400	-
NECA South Australia Chapter	2,100	-
NECA Trade Services Pty Ltd	2,100	-
<b>Amounts owing to other reporting units</b>		
NECA National	4,538	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER**  
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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue received from director related parties</b>		
Membership income received from:		
Williams Electrical Service	18,109	-
Apollo Electrotech	3,327	-
Bon Electrics	2,171	-
Mizco Electrics	18,109	-
Westwide Electrical Services	6,829	-
Global Cabling	5,858	-
Wellington Electrical	1,772	-
Team Electrical	3,851	-
Downer EDI Engineering Power Pty Ltd	9,055	-
EC & M Limited	9,055	-
Barry Allen Electrical Services	2,247	-
Cam Electrical Services	1,691	-
EJ Electrical Engineering Contractors	2,247	-
Events income received from:		
Williams Electrical Service	1,000	-
<b>Amounts owing from director related parties</b>		
Williams Electrical Service	9,960	-
Apollo Electrotech	1,860	-
Bon Electrics	2,472	-
Mizco Electrics	9,960	-
Global Cabling	3,276	-
Team Electrical	4,392	-
Downer EDI Engineering Power Pty Ltd	9,960	-
EC & M Limited	9,960	-

**NOTE 11: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD**

No disclosure has been made as there are no employees who meet the definition of key management personnel.

**NOTE 12: EVENTS AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the operations of NECA WA Chapter.

**NOTE 13: CONTINGENT LIABILITIES AND ASSETS**

NECA WA Chapter did not have any contingent liabilities or assets as at 30 June 2019.

**OFFICER DECLARATION STATEMENT**

I, Mr. Carl Copeland - Chapter Secretary of the National Electrical Contractors Association – WA Chapter, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

*(Note: delete items that appear elsewhere in the audited report)*

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: 24 September 2019



**Crowe Perth**

ABN 96 844 819 235

Level 5 45 St Georges Terrace  
Perth WA 6000  
PO Box P1213  
Perth WA 6844  
Australia

Main +61 (8) 9481 1448

Fax +61 (8) 9481 0152

[www.crowe.com.au](http://www.crowe.com.au)**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER****Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of the National Electrical Contractors Association – WA Chapter (“the Chapter”), which comprises the statement of financial position as at 30 June 2019, the statement of profit and loss and other comprehensive income, the statement of changes in accumulated funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the statement by the committee of management, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the National Electrical Contractors Association – WA Chapter as at 30 June 2019, and its performance and its cash flows for the year ended on that date in accordance with:

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

*Basis for Opinion*

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

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

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Perth, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.*

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 my 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 Committee of Management for the Financial Report*

The committee of management of the Chapter is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the Chapter's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Chapter or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant

doubt on the Association'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 Association 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 statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that the lead audit partner is an auditor registered under the RO Act

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Section 257(7) of the RO Act, I confirm that there are no matters to report relating to any deficiency, failure or shortcoming in respect to matters referred to in section 257(7) and 257(2) of the RO Act.



**Crowe Perth**



**Sean McGurk**  
Partner

Signed at Perth, 24 September 2019