



11 December 2018

Mr Oliver Judd
Secretary
National Electrical Contractors Association, New South Wales Chapter

By e-mail: oliver.judd@neca.asn.au
CC: nsw@moorestephens.com.au

Dear Mr Judd,

**National Electrical Contractors Association, New South Wales Chapter
Financial Report for the year ended 30 June 2018 - [FR2018/230]**

I acknowledge receipt of the financial report of the National Electrical Contractors Association, New South Wales Chapter. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 27 November 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

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

General Purpose Financial Report

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The officer's declaration statement contained nil activity information for all prescribed RG categories except the following:

- Paying to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit;
- Having a liability for separation and redundancy for holders of offices;
- Having a liability for other employment provisions for holders of offices;
- Having a liability for separation and redundancy for employees (other than holders of offices);

- Having a liability for other employment provisions for employees (other than holders of offices); and
- Making a payment to a former related party of the reporting unit.

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Nil agreement to receive financial support from another reporting unit to continue as a going concern" is disclosed in both Note 1.26 and the officer's declaration statement;
- "Acquiring an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission" is disclosed in both Note 1.7 and the officer's declaration statement;
- "Receiving capitation fees from another reporting unit" and "receiving revenue via compulsory levies" are disclosed in both the Statement of Comprehensive Income and the officer's declaration statement;
- "Receiving revenue from undertaking recovery of wages activity" is disclosed in the Committee of Management statement, the Statement of Comprehensive Income and the officer's declaration statement;
- "Incurring fees as consideration for employers making payroll deductions of membership subscription", "paying compulsory levies" and "paying a penalty imposed under the RO Act or the Fair Work Act 2009" are disclosed in both Note 4C and the officer's declaration statement;
- "Paying affiliation fees" is disclosed in the Statement of Comprehensive Income, Note 4I and the officer's declaration statement;
- "Paying legal costs relating to other legal matter" is disclosed in both Note 4F and the officer's declaration statement; and
- "Having a payable in respect of legal costs relating to litigation" and "having a payable in respect of legal costs relating to other legal matters" are disclosed in both Note 7B and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name of Domenic Macchia appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Domenic Macchia had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Auditor's statement

Registered auditor's details

Item 29(b) of the RGs state 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.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

Reporting Requirements

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

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

Yours sincerely,



Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission

27 November 2018

Registered Organisations Commission
MELBOURNE VIC 3000

Email: regorgs@roc.gov.au

Dear Sir/Madam

**Lodgement of Financial Documents for year ended 30 June 2018
Fair Work (Registered Organisations) Act 2009**

Please find attached the reports and accounts required for NECA NSW in accordance with the Fair Work Act 2009 for the year ended 30 June 2018.

The financial statements for the year ended 30 June 2018 were forwarded to members on 29 October 2018. The Annual General Meeting of members was held on 20 November 2018. A copy of the Notice of the Annual General Meeting sent to members is also attached.

Yours sincerely



Oliver Judd
**Secretary – NSW Chapter
NECA**

I, Oliver Rupert Judd, being the Secretary of the National Electrical Contractors Association, NSW Chapter, certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 29 October 2018 and
- that the full report was presented to a general meeting of members of the reporting unit on 20 November 2018; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature:

Date: 27 November 2018





AGENDA

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the National Electrical Contractors Association New South Wales Chapter will be held at **11.00 am on Tuesday 20 November 2018 at NECA NSW Boardroom, L 3, 28 Burwood Road, Burwood**

1. Apologies.
2. Confirmation of Minutes of the 24th Annual General Meeting held on 15 November 2017.
3. Presentation of the audited Financial Report and Balance Sheet for the twelve months ended 30 June 2018.
4. General Business.

OLIVER JUDD
SECRETARY

NOTE: THE AGM FOR ECA WILL BE HELD AT 11.20 am

**THE NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION NSW CHAPTER
ABN 27 056 174 413**

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NECA - NSW CHAPTER

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of NECA - NSW Chapter (the reporting unit) which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Expenditure Incurred Report – Subsection 225(2A) Report, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management Statement and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of NECA NSW Chapter as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- I. The Australian Accounting Standards and;
- II. the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate. There was no recovery of wages activity in the financial year. Therefore, there is no requirement to express an audit opinion in respect of recovery of wages activity for the financial year.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Association 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the executive committee determines is necessary to enable the preparation of the financial report that is free of material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NECA – NSW CHAPTER

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I 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 I identify during my audit. I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

Moore Stephens NSW
Chartered Accountants



Charles Oosthuizen
Partner

Signed at Level 7, 9 Castlereagh Street, SYDNEY NSW 2000 on 18th Day of October 2018
Registration number (as registered by the RO Commissioner under the RO Act): AA2017

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

S.268 *Fair Work (Registered Organisations) Act 2009*
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

CERTIFICATE FOR THE YEAR ENDED 30 JUNE 2018

I Oliver Judd being the Secretary of the *National Electrical Contractors Association New South Wales Chapter* certify:

- That the documents lodged herewith are copies of the full report for the *National Electrical Contractors Association New South Wales Chapter* for the year ended 30 June 2018 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 ~~29.11.2018~~ ^{29.11.2018} and
- That the full report was presented to a second general meeting of members of the reporting unit on ~~20.11.2018~~ ^{20.11.2018} in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*

Signature of prescribed designated officer: 

Name of prescribed designated officer: OLIVER JUDD

Title of prescribed designated officer: Secretary

Dated: 20 November 2018

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

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

The committee presents its report on the reporting unit for the financial year ended 30 June 2018.

The operating report was prepared by the following officer:

Mr. Oliver Judd (Secretary)

Review of Principal Activities, the result of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Association during the financial year were to represent the interests of its members in the electro technology industry. The main activities were providing industrial relations advice, Work, Health and Safety advice and technical advice.

Non-Financial Results

NECA's policy function advocates on behalf of NECA's members to government, the media and other relevant opinion makers to try to create and maintain a conducive business and regulatory environment for its members. This is principally accomplished through submissions to government inquiries, media releases and directly liaising with politicians, regulators and public servants.

The entity also disseminates information to members regarding political and regulatory developments, in order to assist them in complying with government regulations and to take advantage of and mitigate risks relating to issues affecting their businesses

Significant changes in financial affairs

No significant change in financial affairs of the reporting unit.

Right of members to resign

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purposes in the rules of the organisation or a branch of the organisation in accordance with Rule 11, Resignation from Membership, of the Federal Rules of National Electrical Contractors Association – New South Wales Chapter. Rule 11 conforms with Section 174, Resignation from Membership of the Fair Work (Registered Organisations Act 2009).

Officers & members/directors of companies who are superannuation fund trustees

Name of officer/member	Position details	Is the position held because they are an officer/member of NECA or were nominated by NECA?
Reg Young	Director of NESS Super	Yes
Tony Glossop	Director of NESS Super	Yes
Chris Madson	Alternate Director of NESS Super	Yes

Number of Members

As at 30 June 2018, there were 1,845 (2017: 1,791) members of the National Electrical Contractors Association – New South Wales Chapter.

Number of Employees


As at 30 June 2018 there were 15.6 full time employees (2017:15 full time employees) of the National Electrical Contractors Association – New South Wales Chapter.

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2018

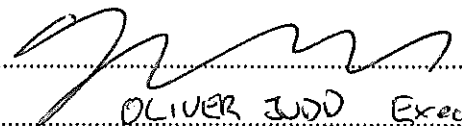
Name of Committee of Management members and year positions held during the financial year

Name	Position	Year
Bruce Duff	President	1 July 2017-30 June 2018
Alan Brown	Vice President	1 July 2017-30 June 2018
Chris Madson	Treasurer	1 July 2017-30 June 2018
Jeffrey Brown	Committee Member	1 July 2017-30 June 2018
Garrie Chappelow	Committee Member	1 July 2017-30 June 2018
Stephen Kerfoot	Committee Member	1 July 2017-30 June 2018
James Pahis	Committee Member	1 July 2017-30 June 2018
David Orr	Committee Member	1 July 2017-30 June 2018
Oliver Judd	Secretary	1 July 2017-30 June 2018

Signature of designated officer: 

Name and title of designated officer: 17/10/18 BRUCE DUFF President

Dated: 17/10/18

Signature of designated officer: 

Name and title of designated officer: OLIVER JUDD Executive Director

Dated: 17/10/18

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

On the 17/10/18, the Committee of Management of the NECA NSW Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The Committee of Management declare that in its opinion:


- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Commissioner;
- (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:
 - a. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - b. 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
 - c. The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. 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 organisations; and
 - e. 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, this has been provided to the member or Commissioner; and
 - f. Where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

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

Signature of designated officer: 

Name and title of designated officer: BRUCE DUFF

Dated: 17/10/18

Signature of designated officer: 

Name and title of designated officer: OLIVER JUDD

Dated: 17/10/17

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
Revenue			
Sales – Product		296,851	329,117
Membership Subscription		1,787,846	1,731,693
Membership Services		332,926	482,836
Interest	3A	170,439	247,630
Capitation Fee & Levies		-	-
Rental Revenue	3B	59,069	56,693
Other Revenue	3C	121,034	213,812
Total Revenue		<u>2,768,165</u>	<u>3,061,781</u>
Other Income			
Grants or Donations	3D	401,382	0
Contributions from other entities		789,490	737,406
Net gain from sale of assets	4G	-	200
Revenue from recovery of wages activity		-	-
Conference		1,293,390	318,169
Total Other Income		<u>2,484,262</u>	<u>1,055,775</u>
Total Income		<u>5,252,427</u>	<u>4,117,556</u>
Expenses			
Purchases		108,220	113,746
Employee Expenses	4A	1,795,169	1,736,345
Capitation Fees	4B	371,906	360,762
Administration Expenses	4C	1,468,883	650,723
Grants – to other reporting units of organisation	4D	-	100,000
Depreciation and Amortisation	4E	159,598	180,053
Legal Costs – Other	4F	-	-
Audit Fees	11	22,000	17,595
Member Services		300,744	299,479
Affiliation Fee	4I	-	474
Other Expenses	4H	689,391	222,494
Total Expenses		<u>4,915,911</u>	<u>3,681,197</u>
Profit for the year		<u>336,516</u>	<u>436,359</u>
Other Comprehensive Income			
Revaluation of Properties		1,992,636	-
Total Comprehensive Income for the year		<u>2,329,152</u>	<u>436,359</u>

The above statement should be read in conjunction with the notes.

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5A	980,455	1,008,549
Trade and Other Receivables	5B	1,782,878	1,414,650
Other Assets	5C	6,576,450	7,917,522
Total Current Assets		<u>9,339,783</u>	<u>10,340,721</u>
Non-Current Assets			
Land and Buildings	6A	4,592,798	2,682,060
Plant and Equipment	6B	265,765	176,350
Other Non-Current Assets	6C	7	3
Intangible Assets	6D	-	-
Total Non-Financial Assets		<u>4,858,570</u>	<u>2,858,413</u>
Total Assets		<u>14,198,353</u>	<u>13,199,134</u>
LIABILITIES			
Current Liabilities			
Trade Payables	7A	952,148	2,918,425
Other Payables	7B	5,340,779	4,762,287
Employee Provisions	8A	165,897	121,288
Total Current Liabilities		<u>6,458,824</u>	<u>7,802,000</u>
Non-Current Liabilities			
Employee Provisions	8A	81,408	68,165
Total Non-Current Liabilities		<u>81,408</u>	<u>68,165</u>
Total Liabilities		<u>6,540,232</u>	<u>7,870,165</u>
Net Assets		<u>7,658,121</u>	<u>5,328,969</u>
EQUITY			
Reserves		2,953,040	960,404
Retained Earnings		4,705,081	4,368,565
Total Equity		<u>7,658,121</u>	<u>5,328,969</u>

The above statement should be read in conjunction with the notes.

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Revaluation Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2016	960,404	3,932,206	4,892,610
Profit for the year	-	436,359	436,359
Other comprehensive income for the year	-	-	-
Balance at 30 June 2017	960,404	4,368,565	5,328,969
Balance at 1 July 2017	960,404	4,368,565	5,328,969
Profit for the year	-	336,516	336,516
Other comprehensive income for the year	1,992,636	-	1,992,636
Balance at 30 June 2018	2,953,040	4,705,081	7,658,121

The above statement should be read in conjunction with the notes.

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from other reporting units/controlled entity(s)	9B	1,441,452	1,474,245
Interest		170,439	247,630
Other		2,233,015	1,147,356
Cash Used			
Payments to Suppliers and Employees		(2,315,597)	(1,104,108)
Payment to other reporting units/controlled entity(s)	9B	(1,390,281)	(1,343,404)
Net Cash from / (used by) Operating Activities	9A	<u>139,028</u>	<u>421,719</u>
INVESTING ACTIVITIES			
Cash received			
		-	-
Cash Used			
Purchase of Plant and Equipment		(167,115)	(115,085)
Net cash (used by) investing activities		<u>(167,115)</u>	<u>(115,085)</u>
Net increase (decrease) in cash held		(28,094)	306,634
Cash & Cash Equivalents at the beginning of the reporting year		1,008,549	701,915
Cash & Cash Equivalents at the end of the reporting year	5A	<u>980,455</u>	<u>1,008,549</u>

The above statement should be read in conjunction with the notes.

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

EXPENDITURE INCURRED REPORT – SUBSECTION 225(2A) REPORT FOR THE YEAR ENDED

	Note	2018	2017
		\$	\$
Remuneration and other employment-related costs and expenses - employees		1,795,169	1,736,344
Advertising		61,760	38,967
Operating costs		2,542,585	1,725,833
Donations to political parties		-	-
Legal costs		-	-

The above statement should be read in conjunction with the notes.

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting year and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the National Electrical Contractors Association New South Wales Chapter (NECA - NSW 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.

1.2 Comparative figures

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

1.3 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 year.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to the future reporting year that are expected to have a future financial impact on National Electrical Contractors Association New South Wales Chapter include:

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

This amends the measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attribute to changes in the entity's own credit risk are presented in other comprehensive income.

Although the Committee of Management anticipates that the adoption of AASB 9 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

New Australian Accounting Standards (continued)

- **AASB 15: Revenue from Contracts with Customers** (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15)

This standard introduces a five-step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled to in exchange for the goods or services.

It will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements.

Although the Committee of Management anticipate that the adoption of AASB 15 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

This will cause the majority of leases of an entity to be brought onto the statements of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain treated as is. The calculation of the lease liability will take into account the appropriate discount rates, assumptions about lease terms and increase in lease payments. A corresponding right-to-use-asset will be recognised on the statement of financial position and amortised over the term of the lease. Rent expenses will no longer be relevant or shown, the profit and loss impact of leases will be through amortisation and interest charges

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

1.5 Investment in associates

An associate is an entity over which the National Electrical Contractors Association New South Wales Chapter has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the National Electrical Contractors Association New South Wales Chapter discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate. Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the Fair Work Commissions reporting guidelines under item 12. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date, on an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non - controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the

Net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to National Electrical Contractors Association New South Wales Chapter for no consideration is used to account for;

- An amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009;
- A restructure of the branches of the National Electrical Contractors Association New South Wales Chapter;
- A determination by the Commissioner under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009; or
- A revocation by the Commissioner under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

The assets and liabilities are recognised as at the date of transfer. No assets or liabilities have been acquired during the year as part of an amalgamation, restructure, change in Reporting Unit, determination by the Commissioner or revocation by the Commissioner.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting year. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Grant income: From time to time NECA - NSW Chapter receives revenue from MERT as a dividend. These funds are to be used for the benefit of the industry and as such are quarantined in a provision and released when required.

1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the National Electrical Contractors Association New South Wales 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 years in which the National Electrical Contractors Association New South Wales Chapter recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the National Electrical Contractors Association New South Wales Chapter should purchase, construct 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 National Electrical Contractors Association New South Wales Chapter with no future related costs are recognised in profit or loss in the year in which they become receivable.

1.10 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.11 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.

1.12 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 year 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 the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the year of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.13 Leases

National Electrical Contractors Association New South Wales Chapter provides rental accommodation to NECA National on a month by month basis. Currently there is no contract signed by the parties. NECA National pays a rental of \$54,500 p.a. and pays for all outgoings.

1.14 Borrowing costs

All borrowing costs are recognised in profit and loss in the year in which they are incurred.

1.15 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.16 Financial instruments

Financial assets and financial liabilities are recognised when a National Electrical Contractors Association New South Wales Chapter entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.17 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.17 Financial assets (continued)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserves is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit's right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.17 Financial assets (continued)

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit year of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.17 Financial assets (continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.18 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.18 Financial liabilities (continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.19 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

There are no contingent liabilities or contingent assets. Refer to Note 14 in relation to operating lease commitments as a lessor.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.20 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations-land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting years, as appropriate.

Class of fixed asset:	Depreciation Rate:
Leasehold improvements – at cost	2.5% – 25%
Buildings – at independent valuation	2.5%
Motor Vehicles – at cost	20%
Office furniture and equipment – at cost	20%
Furniture and fittings – at cost	10-20%
Software – at cost	50%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.21 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

1.22 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting year to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the National Electrical Contractors Association New South Wales Chapter were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held - for - sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.24 Taxation

National Electrical Contractors Association New South Wales 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.

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1.24 Taxation (continued)

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.

1.25 Fair value measurement

The National Electrical Contractors Association New South Wales Chapter measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the National Electrical Contractors Association New South Wales Chapter. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The National Electrical Contractors Association New South Wales Chapter uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1.26 Going Concern

The financial report has been prepared on the going concern basis. The committee of management believe 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.

NECA NSW Chapter has provided financial support to related entities via loan accounts. Repayments are to be made on an ad hoc basis but interest on the loan is charged at 6.33% p.a. NECA Legal Pty Ltd started to pay interest on the loan from financial year 2016, while NECA Training Limited and NECA Trade Services Pty Ltd commenced interest payments in financial year 2017.

No financial support was received from other reporting units during the financial year.

1.27 Business Combinations

No business combinations occurred during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: EVENTS AFTER THE REPORTING YEAR

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Electrical Contractors Association New South Wales Chapter.

	2018	2017
	\$	\$
<u>NOTE 3: INCOME</u>		
3A: Interest		
Deposits	86,232	95,408
Loans	84,207	152,222
Total Interest	170,439	247,630
3B: Rental Revenue		
Property	59,069	56,693
3C: Other revenue		
Fuel Card – Revenue	5,825,205	5,184,190
Fuel Card – Costs	(5,760,703)	(5,119,388)
Fuel Card – Admin	-	(2,250)
Miscellaneous Income	56,563	151,260
Total Other Revenue	121,034	213,812
3D: Grants or Donations		
Grants Income – Government	44,583	-
Grants Income – MERT Grant	356,799	-
Total Grants or Donations	401,382	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 4: EXPENSES</u>		
4A: Employee Expenses		
Holders of Office:		
Wages and Salaries	251,622	262,331
Superannuation	23,904	24,922
Leave and Other Entitlements	16,386	12,015
Separation & Redundancies	-	-
Other Employee Expenses	-	590
Subtotal employee expenses holders of office	291,912	299,858
Employees other than office holders:		
Wages and Salaries	1,184,943	1,103,574
Superannuation	126,198	132,554
Leave and Other Entitlements	41,466	(8,788)
Separation & Redundancies	-	42,250
Other Employee Expenses	150,650	166,897
Subtotal employee expenses employees other than office holders	1,503,257	1,436,487
Total Employee Expenses	1,795,169	1,736,345
4B: Capitation Fees		
NECA National	371,906	360,762
4C: Administration Expenses		
Conference and Meeting Expenses	1,092,286	213,033
Contractors/Consultants	86,318	97,051
Computer Expenses	-	47,235
Occupancy Expenses	133,637	119,319
Office Expenses	49,565	67,769
Subscriptions	27,611	30,720
Information Communications Technology	68,425	61,644
Consideration to Employees for Payroll Deductions	-	-
Compulsory Levies	-	-
Penalties – via RO ACT or <i>Fair Work Act 2009</i>	-	-
Other – Bank Fees	11,041	13,952
Subtotal Administration Expense	1,468,883	650,723

**NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	Note	2018	2017
		\$	\$
4D: Grants or Donations			
Grants:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	100,000
Donations:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Total Grants or Donations		-	100,000
4E: Depreciation and Amortisation			
Depreciation			
Land & Buildings		73,624	95,926
Property, Plant and Equipment		85,974	84,127
Total Depreciation		159,598	180,053
Amortisation			
Intangibles		-	-
Total Amortisation		-	-
Total Depreciation and Amortisation		159,598	180,053
4F: Legal Costs			
Other Legal Matters		-	-
Total Legal Costs		-	-
4G: Net gain from sale of assets			
Plant and Equipment		-	200
Total Net Losses from Asset Sales		-	200

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
4H: Other Expenses		
Insurance	17,751	19,863
Motor Vehicle Expenses	22,405	22,839
Travelling Expenses	26,320	37,491
Penalties – via R.O. Act or the Fair Work Act 2009	-	-
Other Expenses	266,116	141,827
Fund Transferred to Provision	356,799	-
Total Other Expenses	689,391	222,020
4I: Affiliation Fees		
Affiliation Fees	-	474
Total Affiliation Fees	-	474

NOTE 5: CURRENT ASSETS

5A: Cash and Cash Equivalents

Cash at Bank	980,347	1,008,273
Cash on Hand	108	276
Total Cash and Cash Equivalents	980,455	1,008,549

5B: Trade and Other Receivables

Receivables from other reporting unit(s)/related parties		
NECA Training Limited (Related parties)	1,617	2,174
NECA Legal Pty Ltd (Related parties)	64,313	46,360
ECA Training Pty Ltd (Related parties)	5,582	24,386
NECA ACT Chapter (Other reporting unit)	30,075	10,141
NECA National (Other reporting unit)	-	503
NECA WA (Other reporting unit)	1,980	2,580
NECA VIC (Other reporting unit)	25,614	-
NECA Trade Services Pty Ltd (Other reporting unit)	-	-
Total Receivables from Other Reporting Unit(s)/Related Parties (carried forward)	129,181	86,144

There are no balances receivable from any other reporting unit at year end.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
Total Receivables from Other Reporting Unit(s) / Related Parties (brought forward)	129,181	86,144
Other Receivables:		
Sundry Debtors	-	-
Other Trade and Receivables	1,702,972	1,376,130
Total Other Receivables	<u>1,702,972</u>	<u>1,376,130</u>
Total Trade and Other Receivables	1,832,153	1,462,274
Less Provisions for doubtful debts	(49,275)	(47,624)
Total Trade and Other Receivables (net)	<u>1,782,878</u>	<u>1,414,650</u>
5C: Other Current Assets		
Financial Investments	4,764,229	6,634,196
Inventory – Finished Goods at Cost	14,868	10,504
Deferred costs	378,990	425,185
Prepayments	24,235	15,873
Intercompany loan – NECA Legal Pty Ltd	507,458	507,458
Intercompany loan – NECA Training Pty Ltd	343,613	324,305
Intercompany loan – NECA National Pty Ltd	-	-
Intercompany loan – NECA Trade Services Pty Ltd	876,659	533,602
Intercompany loan – NECA SA	200,000	-
Less Provision for Impairment of Loan	(533,602)	(533,602)
Total Other Current Assets	<u>6,576,450</u>	<u>7,917,522</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 6: NON – CURRENT ASSETS</u>		
6A: Land and Buildings		
Land and Buildings:		
Fair Value – Land	2,412,300	957,030
Fair Value – Buildings	2,310,714	2,010,010
Accumulated Depreciation – Buildings	(130,216)	(284,980)
Total Land and Buildings	4,592,798	2,682,060

Reconciliation of the opening and closing balances of land and buildings

<hr/>		
As at 1 July		
Gross Book Value	2,873,912	2,873,912
Accumulated Depreciation and Impairment	(191,852)	(95,926)
Net Book Value 1 July	2,682,060	2,777,986
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	1,992,636	-
Impairments	-	-
Depreciation Expense relating to Revaluation of Properties	(15,836)	
Depreciation Expense	(66,062)	(95,926)
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net Book Value 30 June	4,592,798	2,682,060
Net book value as of 30 June represented by:		
Gross book value	6,379,174	2,873,912
Accumulated depreciation and impairment	(1,786,375)	(191,852)
Net Book Value 30 June	4,592,798	2,682,060

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the value are based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property. As at the date of revaluation 3 May 2018 for Atchison Street and for Burwood Road, the properties' fair values are based on valuations performed by Herrod Todd White, an accredited independent valuer.

NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
6B: Plant and Equipment		
Plant and Equipment		
At Cost	995,393	828,278
Accumulated Depreciation	(729,628)	(651,928)
Total Plant and Equipment	265,765	176,350

Reconciliation of the opening and closing balances

<hr/>		
As at 1 July		
Gross Book Value	828,278	739,466
Accumulated depreciation and impairment	(651,928)	(604,073)
Net Book Value 1 July	176,350	135,393
Additions:		
By purchase	167,115	125,083
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation Expense	(77,700)	(84,126)
Other movement (give details below)	-	-
Disposals:	-	-
Write back accumulated depreciation of equipment written off	-	36,272
Equipment Write Off	-	(36,272)
Net book value 30 June	265,765	176,350
Net book value as of 30 June represented by:		
Gross book value	995,393	828,278
Accumulated depreciation and impairment	(729,628)	(651,928)
Net Book Value 30 June	265,765	176,350

NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
6C: Other Non – Current Assets		
Other – Investment in Ness, MERT and NECA Trade Services	7	3
Total Other Non – Financial Assets	7	3
6D: Intangible Assets		
Development of Website	-	-
Accumulated Amortization	-	-
Total Other Non – Financial Assets	-	-

NOTE 7: CURRENT LIABILITIES

7A: Trade Payables		
Trade Creditors and Accruals	652,653	532,164
Other Creditors	267,812	327,467
Subtotal Trade Creditors	920,465	859,631

Payables to other Reporting Unit(s)/Related Parties		
Fund held on behalf of ECA Training Pty Ltd	-	2,023,569
ECA Training	8,176	4,607
NECA National	3,751	5,320
NECA VIC Chapter	3,770	7,120
NECA Trade Services Pty Ltd	3,898	2,136
NECA Legal Pty Ltd	6,728	6,483
ACRS	1,085	1,129
NECA Training Ltd	4,275	8,430
Subtotal Payables to Other Reporting Unit(s)/Related Parties	31,683	2,058,794
Total Trade Payables	952,148	2,918,425

Settlement is usually made within 30 days

There are no balances payable to any other reporting unit at year end.

7B: Other Payables

Provision for unspent grant money	2,870,676	2,513,877
Income in Advance	2,470,103	2,248,410
Total Other Payables	5,340,779	4,762,287

There are no payables in respect of legal costs / litigation matters at year end.

Total other payables are expected to be settled in:

No more than 12 months	5,340,779	4,762,287
More than 12 months	-	-
Total Other Payables	5,340,779	4,762,287

**NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 8: PROVISIONS</u>		
8A: Employee Provisions		
Office Holders:		
Annual Leave	13,288	15,027
Long Service Leave	39,413	48,750
Subtotal Employee Provisions – Office Holders	52,701	63,777
Employees other than office holders:		
Annual Leave	98,523	80,618
Long Service leave	96,081	45,059
Subtotal Employee Provisions – Employees Other than Office Holders	194,604	125,677
Total Employee Provisions	247,305	189,454
Current	165,897	121,288
Non-Current	81,408	68,165
Total Employee Provisions	247,305	189,454

**NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 9: CASH FLOW</u>		
9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cashflows:		
Cash and Cash Equivalents as per:		
Statement of Cashflows	980,455	1,008,549
Statement of Financial Position	980,455	1,008,549
Difference	-	-
Reconciliation of profit to net cash from operating activities:		
Profit for the year	336,516	436,359
Adjustment for Non – Cash Items		
Depreciation/Amortisation	159,598	180,053
Gain on Disposal of Assets	-	200
Changes in Assets/Liabilities		
(Increase) in net receivables	(368,227)	(818,190)
(Decrease) / increase in other assets	1,345,440	(346,655)
Increase in supplier payables	116,947	1,814
Increase in other payables & other provisions	1,504,732	962,146
(Increase) / decrease in inventories	(4,364)	16,321
Increase / (decrease) in employee provisions	57,851	(10,329)
Net Cash from Operating Activities	139,028	421,719

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 9: CASH FLOW</u>		
9B: Cash Flow Information		
Cash Inflows		
NECA Training Limited (related party)	21,924	77,905
NECA Legal Pty Ltd (related party)	146,909	174,381
ECA Training Pty Ltd (related party)	383,991	289,489
NECA ACT Chapter (other reporting unit)	75,930	88,517
NECA National (other reporting unit)	269,454	640,791
NECA WA Chapter (other reporting unit)	129,430	127,502
NECA VIC Chapter (other reporting unit)	159,611	40,445
NECA QLD Chapter (other reporting unit)	18,370	11,705
NECA TAS Chapter (other reporting unit)	310	3,250
NECA SA Chapter (other reporting unit)	3,650	4,400
NECA Trade Services Pty Ltd	215,000	5,750
NECA Education & Careers	2,000	2,500
ACRS	14,873	7,610
Total Cash Inflows	1,441,252	1,474,245
Cash Outflows		
NECA Training Limited (related party)	8,430	116,555
NECA Legal Pty Ltd (related party)	93,009	68,033
ECA Training Pty Ltd (related party)	19,607	23,706
NECA ACT Chapter (other reporting unit)	46,840	45,579
NECA National (other reporting unit)	567,565	1,007,619
NECA WA Chapter (other reporting unit)	52,439	27,842
NECA VIC Chapter (other reporting unit)	49,065	42,453
NECA QLD Chapter (other reporting unit)	9,026	-
NECA Trade Services Pty Ltd	343,087	4,919
Australian Cabler Registration Services (related party)	1,130	1,228
NECA SA Chapter	200,040	5,470
NECA TAS	43	-
Total Cash Outflows	1,390,281	1,343,404

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
10A: Related party transactions for the reporting year		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following table provides the total amount of transactions that have been entered into with related parties for the relevant year. NECA NSW Chapter and all related parties disclosed below form part of The National Electrical and Communications Association (NECA).		
Revenue		
Revenue received from NECA Training Limited includes the following:		
Management Fee	-	74,099
Other	15,820	18,562
Fuel	3,605	-
Revenue received from NECA ACT Chapter includes the following:		
Management Fee	60,000	60,000
Advertising Revenue	-	-
Other	12,285	8,200
Share of Profit	14,866	8,311
Revenue received from ECA Training Pty Ltd includes the following:		
Sponsorship	41,116	41,116
Management Fee	142,517	142,517
Events	11,550	-
Fuel	38,386	32,603
Other	7,603	20,602
Advertising	46,367	46,367
ISSMA Project	44,583	-
Revenue received from NECA National includes the following:		
Mailmarshall – email service revenue	4,608	4,612
Management Fee	105,972	-
Rental	54,718	56,065
Other	80,522	14,093

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
Revenue received from NECA WA Chapter includes the following:		
Stock Sale	-	2,345
Other	32,427	62,000
Event	84,975	-
Revenue received from NECA SA Chapter includes the following:		
Event	2,100	-
Other	1,420	-
Revenue received from NECA VIC Chapter includes the following:		
Stock	1,232	247
Mailmarshall – email service revenue	10,620	10,618
Event	5,731	-
Other	27,473	-
CRM Project	124,009	-
Revenue received from NECA Legal Pty Ltd includes the following:		
Management Fee	127,296	108,982
Consulting Fee	3,975	30,750
Other	20,528	32,979
Revenue received from NECA QLD Chapter includes the following:		
Stock Sale	505	1,777
Other	727	8,000
Event	15,920	-
Revenue received from NECA Education & Careers includes the following:		
Advertising	1,818	2,273
Revenue received from NECA TAS Chapter includes the following:		
Advertising	-	-
Other	284	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
Revenue received from ACRS		
Advertising	-	-
Other	13,676	1,145
Revenue received from NECA Trade Services Pty Limited		
Stock	2,200	-
Other	62,712	35,100
Management Fee	100,500	107,724
Expenses		
Expenses paid to NECA Training Limited includes the following:		
Other	4,275	11,805
Grants paid that exceeded \$1,000	-	100,000
Expenses paid to NECA Legal includes the following:		
Management Fee	54,000	48,488
Member Consulting Fee	28,166	11,255
Other	2,856	8,172
Expense paid to NECA TAS includes the following:		
Commission	39	-
Expenses paid to ECA Training Pty Ltd includes the following:		
Administration Fee for NECA ACT	7,433	10,706
Other	13,636	15,033
Expenses paid to NECA ACT Chapter includes the following:		
Sponsorship	42,582	39,875
Other	-	1,560
Expenses paid to NECA National includes the following:		
Event	124,048	32,206
Capitation fee	371,906	360,762
Other	18,928	18,461
Expenses paid to NECA SA includes the following:		
E-OZ annual conference on charge of Platinum sponsor	-	-
Other	36	3,746
NECA SA - Advertising	-	1,227

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
Expenses paid to NECA WA Chapter includes the following:		
Marketing Expense	150	9,334
Event	47,567	15,977
Expenses paid to Australian Cabler Registration Services includes the following:		
Administration Fee	1,085	2,357
Expenses paid to NECA Trade Services includes the following:		
Uniform	560	3,997
Other	8,561	2,399
Expenses paid to NECA VIC Chapter includes the following:		
Event	-	182
Stock Purchases	-	-
Call Centre Service	41,560	41,721
Other	-	2,291
Expenses paid to NECA QLD Chapter includes the following:		
Events	8,206	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
Amounts owing from the related entities include the following		
NECA Training Limited	1,617	2,174
NECA Legal Pty Ltd	64,313	46,360
ECA Training Pty Ltd	5,582	24,386
NECA ACT Chapter	30,075	10,141
NECA VIC Chapter	25,614	-
NECA National	-	503
NECA WA	1,980	2,580
NECA QLD Chapter	-	-
NECA TAS Chapter	-	-
NECA Trade Services Pty Limited	-	-
Amounts owing to the related entities include the following:		
NECA Training Limited	4,275	8,430
NECA Legal Pty Ltd	6,728	6,483
ECA Training Pty Ltd	8,176	4,607
NECA VIC Chapter	3,770	7,120
NECA Trade Services Pty Limited	3,898	2,136
NECA National	3,751	5,320
ACRS	1,085	1,129
Loans to Related Parties Ltd includes the following:		
Loan – NECA Legal Pty Ltd	507,458	507,458
NECA Training Pty Ltd	343,613	324,306
NECA Trade Services Pty Ltd	876,659	533,602
NECA SA	200,000	-
Other Specific Disclosures – Funds:		
Funds held on behalf of ECA Training Pty Ltd (Held in Asgard EWrap Account)	-	2,023,569
The fund was closed during the financial year and the balance held was transferred to ECA Training Pty Ltd directly by the fund manager.		

**NECA NEW SOUTH WALES CHAPTER
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NOTES TO THE STATEMENTS FOR THE YEAR 30 JUNE 2018

NOTE 10: RELATED PARTY DISCLOSURES

Terms and Conditions of transactions with related parties

The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the 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 2018, NECA NSW Chapter has an impairment of receivables of \$533,602 of a loan to NECA Trade Services Pty Ltd (2017: \$533,602). Assessments are undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

10B: Key Management personnel remuneration for the reporting year	2018	2017
Short – Term Employee Benefits:	\$	\$
Salary (including annual leave taken)	353,868	450,817
Annual Leave Accrued	22,082	14,234
Compensation Paid to the Secretary	251,628	156,852
Total Short-Term Employee Benefits	627,573	621,903
Post – Employment Benefits:		
Superannuation	57,522	57,729
Total Post – Employment Benefits	57,522	57,729
Other long-term benefits:		
Long-service Leave	28,768	3,379
Total Other Long-term Benefits	28,768	3,379
Total Remuneration	713,864	683,011

Note 10C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

There were no loans to / from key management personnel during the financial year.

Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year.

NOTE 10D: SEPARATIONS & REDUNDANCIES

Employees Termination Benefits	-	42,250
Total Termination Benefits	-	42,250

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

	2018	2017
<u>NOTE 11: REMUNERATION OF AUDITORS</u>	\$	\$
Value of Service provided:		
Financial Statement Audit Services	15,750	15,000
Other Services	6,250	2,595
Total Remuneration of Auditors	22,000	17,595

No other services other than above were provided by the auditor of the financial statements

NOTE 12: FINANCIAL INSTRUMENTS

The association's finance manager is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Finance manager monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The Finance Manager's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

	2018	2017
	\$	\$
12A: Categories of financial instruments		
Financial Assets		
Fair Value through profit or loss:		
Cash and Cash Equivalents	980,455	1,008,549
Total	980,455	1,008,549
Available – for – Sale Assets:		
Shares in Associated Entities	7	3
Macquarie Investments	4,764,229	-
Asgard Managed Investments	-	6,634,196
Total	4,764,336	6,634,199
Loans and Receivables:		
NECA Training Pty Ltd – Intercompany	343,613	324,306
NECA Trade Services Pty Ltd - Intercompany	876,659	533,602
NECA Legal Pty Ltd – Intercompany	507,458	507,458
Less Impairment of Loan	(533,602)	(533,602)
Total	1,194,128	831,764
Carrying Amount of Financial Assets	5,958,464	7,465,963

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

NOTE 12: FINANCIAL INSTRUMENTS

	2018	2017
Other Financial Liabilities:	\$	\$
Funds held on behalf of ECA Training Pty Ltd (Held in Asgard EWrap Account)	-	2,023,569
Total	-	2,023,569
Carrying Amount of Financial Liabilities	-	2,023,569

12B: Net Income and Expense from Financial Assets

Available for sale:

Interest revenue	330,838	247,630
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12C: Credit risk

The risk profiles for investments are determined by the executive committee. They are conservative, and the profile has a range between 30% - 70% between defensive and growth assets. The current risk profile is fifty-fifty. The committee takes advice from professional advisors whom manage the investment portfolio.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2018	2017
	\$	\$
Financial Assets		
Cash at Bank/on Hand	980,455	1,008,549
Investment Portfolio – Market Value	4,764,229	6,634,199
NECA Training Pty Ltd -- Loan Receivable	343,613	324,306
NECA Trade Services Pty Ltd – Loan Receivable	876,659	533,602
NECA Legal Pty Ltd – Loan Receivable	507,458	507,458
Less: Impairment of Loan	(533,602)	(533,602)
Total	6,938,812	8,474,512
Financial Liabilities		
Funds held on behalf of ECA Training Pty Ltd	-	2,023,569
Total	-	2,023,569

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

NOTE 12: FINANCIAL INSTRUMENTS

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past due nor impaired 2018 \$	Past due or impaired 2018 \$	Not past due nor impaired 2017 \$	Past due or impaired 2017 \$
Cash at Bank/on Hand	980,455		1,008,549	-
Investment Portfolio – Market Value	4,764,229		6,634,199	-
NECA Training Pty Ltd	343,613		324,306	-
NECA Trade Services Pty Ltd	-	876,659	-	533,602
NECA Legal Pty Ltd – Loan Receivable	507,458	-	507,458	-
Total	6,595,755	876,659	8,474,512	533,602

The receivable of \$876,659 From NECA Trade Services Pty Ltd has been impaired in the amount of \$533,602.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

NOTE 13: FAIR VALUE MEASUREMENT

13A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest – bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting year. Their own performance risk as at 30 June 2018 was assessed to be insignificant.
- Fair Value of available – for – sale financial assets is derived from quoted market prices in active markets.
- Long – term fixed – rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the NECA NSW Chapter financial assets and liabilities:

	Carrying amount 2018 \$	Fair Value 2018 \$	Carrying amount 2017 \$	Fair Value 2017 \$
Financial Assets				
Cash at Bank/on Hand	980,455	980,455	1,008,549	1,008,549
Investment Portfolio – Market Value	4,764,229	4,764,229	6,634,199	6,634,199
NECA Training Pty Ltd	343,616	343,616	324,306	324,306
NECA Trade Services Pty Ltd	876,659	876,659	533,602	533,602
NECA Legal Pty Ltd	507,458	507,458	507,458	507,458
Less Impairment	(533,602)	(533,602)	(533,602)	(533,602)
Total	6,938,815	6,938,815	8,474,512	8,474,512
Financial Liabilities				
Funds held on behalf of ECA Training Pty Ltd	-	-	2,023,569	2,023,569
Total	-	-	2,023,569	2,023,569

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2018

Note 13B: Fair Value of Financial Instruments

Fair value measurements categorised by fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments.

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy for financial assets

	Level 1		Level 2		Level 3	
	2018	2017	2018	2017	2018	2017
Available for sale						
Cash	420,437	685,768	-	-	-	-
Managed Investments	3,385,767	4,955,093	-	-	-	-
Equities	958,025	1,193,493	-	-	-	-
Total	4,764,229	6,634,194	-	-	-	-

NOTE 14: CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities or assets as at 30 June 2018 (2017: \$nil).

	2018	2017
	\$	\$
Operating lease commitments – as lessor		
Within one year	59,069	56,693
After one year but not more than five years	-	-
More than five years	-	-

	2018	2017
	\$	\$
Significant capital expenditure contracted at the end of reporting period but not recognised as liabilities is as follow		

Capital Commitments

	2018	2017
Within one year	4,000,000	-

NECA NSW Chapter has committed to provide funding to ECA Training Pty Ltd for purchase of a portion of a site located at 120 Hume Highway, Chullora, as a loan to the maximum of \$4M. This loan will attract interest to a maximum of market rate of ATO Division 7A Tax ruling, with actual final interest rate to be agreed.

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTE 15: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsection (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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 year within which, and the manner in which, the information is to be made available. The year 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 section (1).

NOTE 16: OTHER DISCLOSURES AS REQUIRED BY REPORTING GUIDELINES

	2018	2017
	\$	\$
The operation of any fund or account (other than a general fund) required by the rules of the organisation	-	-


NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE


I, Mr. B. Duff – President of and I, Mr. O. Judd – Secretary of, certify that:

- a) We are members of the Executive Committee of the Association
- b) We attended the annual general meeting of the Association
- c) We are authorised by the attached resolution of the Executive Committee to sign this certificate
- d) The annual statement was submitted to the member of the Association at its annual general meeting.

Mr B Duff
President
Dated:


20/11/18

Oliver Judd
Secretary
Date:


20/11/18

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTERS

To Moore Stephens NSW,

In connection with your examination of the financial statements of National Electrical Contractors Association New South Wales Chapter as at 30 June 2018 and for the year then ended, this representation letter is provided for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with your understanding of National Electrical Contractors Association *New South Wales Chapter*, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm that to the best of our knowledge and belief, the following representations made to you during your audit:

1. Liabilities

As at the above date all liabilities – including amounts payable or accrued for purchase, salaries and wages, taxed, expenses, and loans have been recorded in the accounts.

2. Contingent Liabilities and Other claims

The terms 'contingent liabilities' and 'claims' apply, but are not limited to such items as discounted or assigned debts; accommodation endorsements; guarantees; warranties; sureties; open balance on letters of credit; unsatisfied judgements; additional taxes of which there is present knowledge based upon either formal or informal advice; and pending or prospective claims for injuries, damages, defective goods, patent infringements, additional payments, refunds, and penalties, arising from alleged violation of laws or regulations of governmental agencies;

At the above date, there were no contingent liabilities or other claims.

3. Contractual obligations and other commitments

At the above date, there were no commitments to buy or sell securities; repurchase agreements, purchase commitments or sales commitments at prices involving prospective loss, bonus or profit – sharing arrangements, or other undertakings which were not in the ordinary course or business or which might have an adverse effect upon this company.

4. Capital expenditure

No commitments have been entered into for the purchase of Buildings, Plant, Machinery and other facilities as at the above date, except as disclosed at Note 14 to the financial statements.

5. Pledged assets

At the above date, no assets (including assets of other) were pledged or assigned as collateral to liabilities.

6. Ownership of Assets

As at the above date the company has the equitable interest in or beneficial ownership of all the assets, including land and investments, as shown in the financial statements and all assets that have been disposed of during the year have been properly recorded in the books of accounts.

7. Subsequent Events

Since the above date there have been no events which have had or may have an important effect upon the financial position or the results of operations as shown in the financial statements and all assets that have been disposed of during the year have been properly recorded in the books of accounts.

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTERS

8. Accounts Receivable

All accounts receivable (debtors) are fully collectable except for those covered by provision for doubtful accounts.

9. Fraud

There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected as a result of fraud.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

10. Related Parties

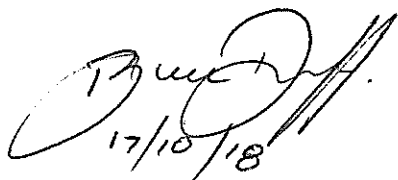
We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties.

11. Minutes

We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders, the board of directors and committees of directors. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meeting have been made available to you.

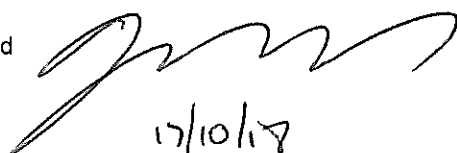
The financial statements are free of material misstatements, including omissions.

Mr B Duff
President
Dated:



17/10/18

Mr. O. Judd
Secretary
Dated:



17/10/18

**NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

OFFICER DECLARATION STATEMENT

I, Mr. B. Duff – President and O. Judd – Secretary, being the National Electrical Contractors Association – NSW Chapter, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The report unit did not:

- agree to receive financial support from another reporting unit to 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 revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to another entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- 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*

NECA NEW SOUTH WALES CHAPTER
ABN 27 056 174 413


OFFICER DECLARATION STATEMENT (Continued)

The report unit did not:

- have a payable to employers as consideration 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
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signed by the officer: 

Dated: 17/10/18

Signed by the officer: 

Dated: 17/10/17



national
electrical and
communications
association

NEW SOUTH WALES CHAPTER

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28 Burwood Road, F +61 2 9744 1830
Burwood NSW 2134 E necansw@neca.asn.au
PO Box 1106, W www.neca.asn.au
Burwood North NSW 2134 ABN: 27 056 174 413

17 October 2018

Moore Stephens
62 Burwood Road Burwood
NSW 2134

Dear Sirs

The Executive Committee of the National Electrical Contractors Association – New South Wales Chapter, notes that, NECA Trade Services PTY Limited might be unable, by itself, to meet its liabilities as they fall due without the continuing support of the National Electrical Contractors Association – New South Wales Chapter.

The Executive Committee of the National Electrical Contractors Association – New South Wales Chapter, hereby confirms its support for NECA Trade Services Pty Limited and agrees to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet its present and future liabilities.

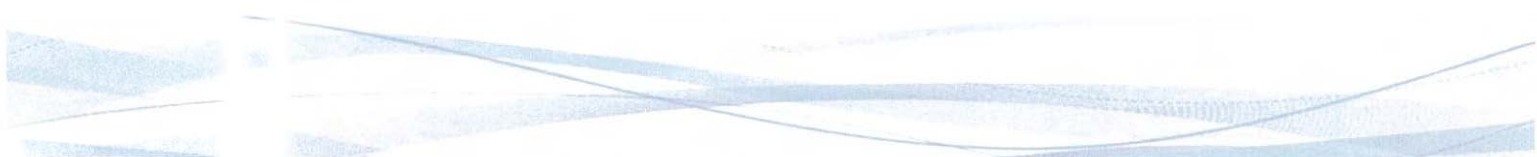
On behalf of the Executive Committee

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bruce Duff', is written over a faint, larger version of the signature. The signature is fluid and cursive.

**Bruce Duff
President**

National Electrical Contractors Association – New South Wales Chapter





national
electrical and
communications
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NEW SOUTH WALES CHAPTER

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PO Box 1106, W www.neca.asn.au
Burwood North NSW 2134 ABN: 27 066 174 413

17 October 2018

Moore Stephens
62 Burwood Road Burwood
NSW 2134

Dear Sirs

The Executive Committee of the National Electrical Contractors Association – New South Wales Chapter, notes that, NECA Legal Pty Limited might be unable, by itself, to meet its liabilities as they fall due without the continuing support of the National Electrical Contractors Association – New South Wales Chapter.

The Executive Committee of the National Electrical Contractors Association – New South Wales Chapter, hereby confirms its support for NECA Legal Pty Limited and agrees to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet its present and future liabilities.

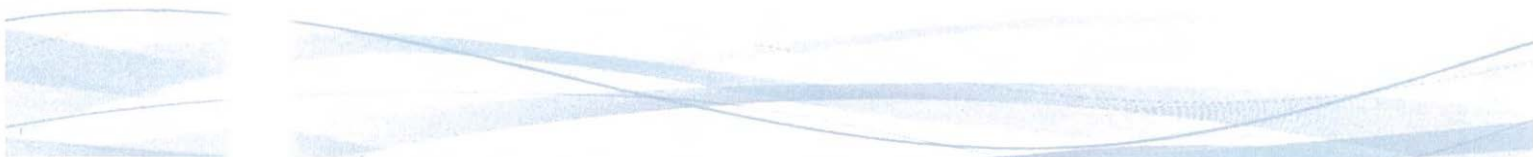
On behalf of the Executive Committee.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bruce Duff', is written over a white background. The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Bruce Duff
President

National Electrical Contractors Association – New South Wales Chapter





25 September 2018

Mr Oliver Judd
Secretary
National Electrical Contractors Association, New South Wales Chapter
By Email: oliver.judd@neca.asn.au

Dear Mr Judd,

**Re: Lodgement of Financial Report - [FR2018/230]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Electrical Contractors Association, New South Wales Chapter (the reporting unit) ended on 30 June 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

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

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

Financial report

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

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 December 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

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

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

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

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

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

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

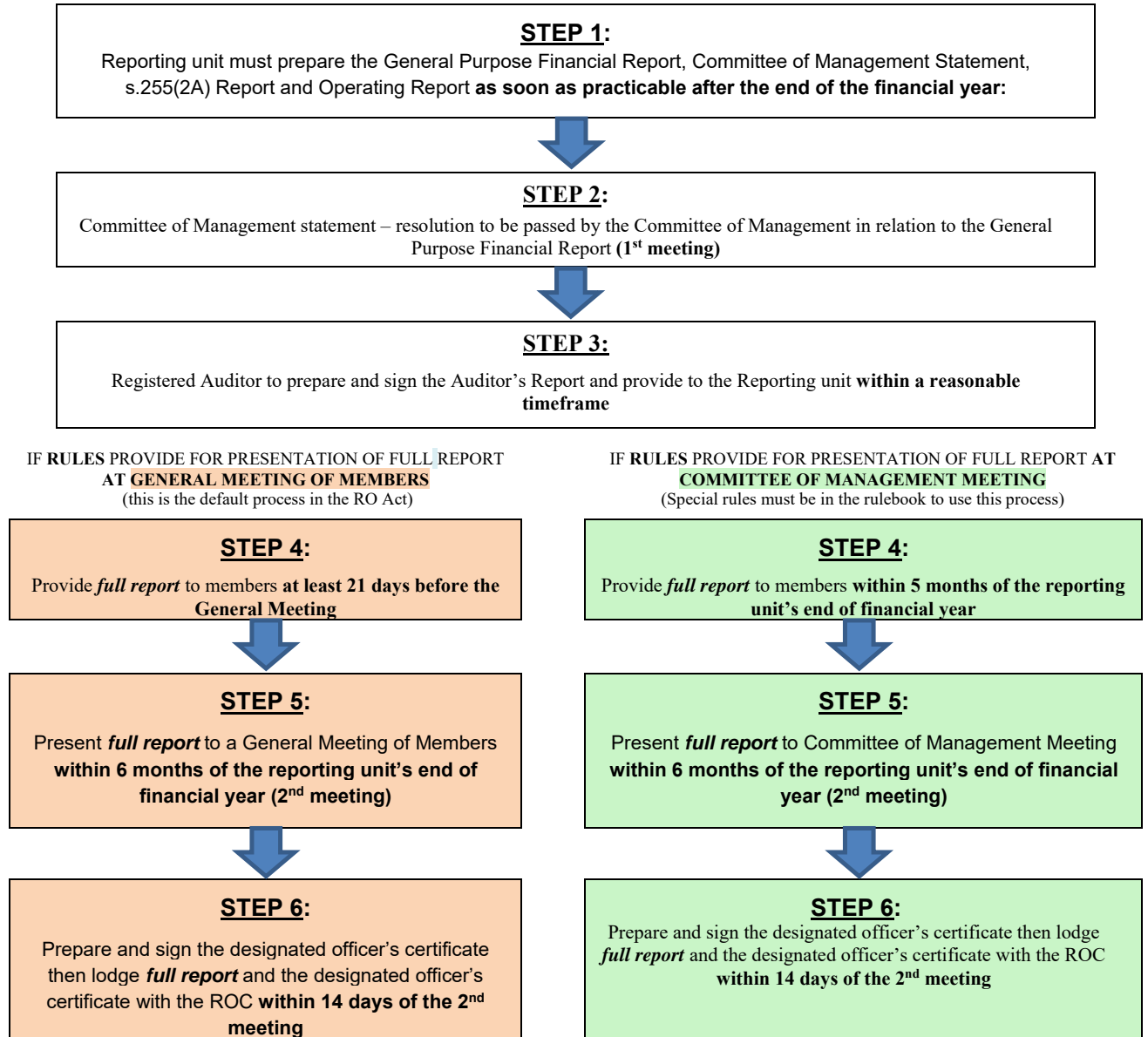
Joanne Fenwick
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

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



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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





The Loans, Grants & Donations Statement



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

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

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

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants OR donations*

Grants:	[Current year]	[Previous year]
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	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

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

Further information

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

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