



13 December 2017

Mr Oliver Judd
Secretary, Australian Capital Territory Chapter
National Electrical Contractors' Association

Sent via email

Dear Mr Judd

Re: – National Electrical Contractors Association, Australian Capital Territory Chapter - financial report for year ending 30 June 2017 (FR2017/233)

I refer to the financial report of the Australian Capital Territory Chapter of the National Electrical Contractors Association ('the reporting unit'). The documents were lodged with the Registered Organisations Commission ('the ROC') on 27 November 2017. Advice clarifying grants expense disclosure was received on 12 December 2017.

The financial report has been filed. You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when preparing next year's report.

Activities under Reporting Guidelines not disclosed

Items 13, 15, 17, 19, 21, 23, and 25 of the Reporting Guidelines (RGs) state that if any activities identified in items 10, 11, 12, 14, 16, 18, 20, 22 and 34 respectively have not occurred in the reporting period, a statement to this effect (or an itemised nil balance) must be included in the notes to the financial report. I note that for the following RG items no such disclosure was made:

- 11 – whether there is an agreement to provide financial support to another reporting unit to enable that reporting unit to continue as a going concern
- 12 – whether an asset or liability was acquired due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- 14(c) – compulsory levies revenue received¹
- 14(d) - donations or grants received
- 16(a) - fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 16(c) - affiliation fees paid to each entity
- 16(d) – compulsory levies expense imposed¹
- 16(e)(iii) - the total amount paid in donations that were \$1,000 or less
- 16(e)(iv) - the total amount paid in donations that exceeded \$1,000
- 16(f) – employee expenses in relation to office-holders
- 16(g) – employee expenses in relation to non-office-holders

¹ Note 13 disclosed nil activity in relation to Reporting guideline 22(a) – i.e. stating there was no separate fund or account operated in respect of voluntary contributions or compulsory levies, but this did not amount to a disclosure that there was no compulsory levy income [RG14(c)] or expense [RG16(d)]

- 16(h) - fees or allowances paid to persons to attend conferences or meetings as a representative of the reporting unit
- 16(j)(i) – litigation expenses incurred
- 16(j)(ii) - other legal matters expenses incurred
- 16(k) - penalties imposed under RO Act
- 20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions
- 20(c) – employee provisions/liabilities in relation to office-holders
- 20(d) – employee provisions/liabilities in relation to non-office-holders
- 22(c) – name and balance of any other fund or account operated required by rules
- 22(d) - details of any transfer or withdrawal to a fund, account or controlled entity

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: Pamela Renneberg [<mailto:pamela.renneberg@neca.asn.au>]

Sent: Monday, 27 November 2017 3:27 PM

To: ROC - Registered Org Commission

Subject: HPRM: ON CMS FR2017/234 & FR2017-233 - NECA NSW CHAPTER AND NECA ACT CHAPTER

[FR2017/234](#)

[FR2017/233](#)

Please see attached information for NECA NSW and NECA ACT.

Regards

Pamela

Pamela Renneberg



001.ROC Docs +
Financial Report.ACT.



001. Ltr +
statements + NSW Fi



national
electrical and
communications
association

ACT CHAPTER

1/2 Yallourn Street,
Fyshwick ACT 2609
PO Box 298,
Fyshwick ACT 2609

T +61 2 6280 5580
F +61 2 6280 4662
E act@neca.asn.au
W www.neca.asn.au
ABN 86 870 297 399

27 November 2017

Registered Organisations Commission
MELBOURNE VIC 3000

Email: regorgs@roc.gov.au

Dear Sir

I enclose the following documents for your consideration:

- Designated Officer's Certificate pursuant to the Fair Work Act 2009.
- Financial statements of the National Electrical Contractors Association ACT Chapter for the year ending on 30 June 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read "Oliver Judd", is written over a light blue, wavy background graphic.

Oliver Judd
Secretary - ACT Chapter
NECA





national
electrical and
communications
association

ACT CHAPTER

1/2 Yallourn Street,
Fyshwick ACT 2609
PO Box 298,
Fyshwick ACT 2609

T +61 2 6280 5580
F +61 2 6280 4662
E act@neca.asn.au
W www.neca.asn.au
ABN 86 670 297 399

Designated Officer's Certificate
s.268 of the Fair Work Act 2009

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

- That the documents lodged herewith are copies of the full report referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 24 October 2017, and
- That the full report was presented to a general meeting of members of the reporting unit on 16 November 2017, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:

A handwritten signature in black ink, appearing to read 'O. Judd', is written over a horizontal dotted line. The signature is fluid and cursive.

Date:

27 November 2017



AGENDA

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the National Electrical Contractors Association ACT Chapter will be held at
**4.00 pm on Thursday 16 November 2017 at
NECA ACT Office, 1/2 Yallourn Street, Fyshwick**

1. Apologies.
2. Confirmation of Minutes of the Annual General Meeting held on 24 November 2016.
3. Presentation of the audited Financial Report and Balance Sheet for the twelve months ended 30 June 2017.
4. General Business.

**OLIVER JUDD
SECRETARY**

**THE NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017**

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

Contents

	Page no:
Independent Auditor's Report	2
Designated Officer's Certificate	4
Operating Report	5
Committee of Management Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cashflows	11
Notes to and Forming Part of the Financial Statements	12
Certificate by Members of the Executive Committee	34

Independent Audit Report to the Members of NECA ACT Chapter

Opinion

I have audited the financial report of NECA ACT Chapter (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of NECA ACT Chapter as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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 Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional 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 Committee of Management.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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 the 24th day of October 2017
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/37

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

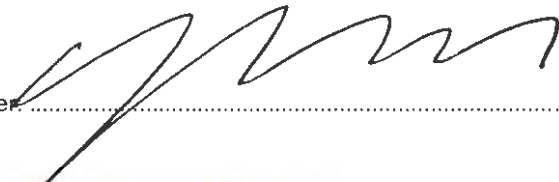
s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the Year Ended 30 June 2017

I, Oliver Judd being the secretary of the National Electrical Contractors Association – ACT Chapter certify:

- that the documents lodged herewith are copies of the full report for the National Electrical Contractors Association – ACT Chapter for the Year Ended 30 June 2017 referred to in s.268 of *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24.11.2017; and
- that the full report was presented to a general meeting of members of the reporting unit on 16.11.2017 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: 16.11.2017

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

**OPERATING REPORT
For the Year Ended 30 June 2017**

The committee presents its report on the reporting unit for the financial year ended *30 June 2017*.

The report was prepared by the following officer:

Oliver Judd (Secretary)

Review of principal activities, the results 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 the member in the electro technology industry.

These activities included Industrial Relations advice, representation in bargaining, WHS advice, lobbying and membership, benefits such as training, events and discounted services. There was no significant change with these activities; the operating result of the entity was a profit amounting to \$10,000.

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 our 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 the 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 in accordance with Rule 11, Resignation from Membership, of the Federal Rules of National Electrical Contractors Association - ACT Chapter. Rule 11 conforms to Section 174, Resignation from Membership of the *Fair Work (Registered Organisation Act 2009)*.

Officers & members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of NECA, is;

(i) A trustee of a superannuation entity or an exempt public-sector superannuation scheme; or

(ii) A director of a company that is the trustee of a superannuation entity or an exempt public-sector superannuation scheme; where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Number of members

As at 30 June 2017 there were 119 members of the National Electrical Contractors Association - ACT Chapter.

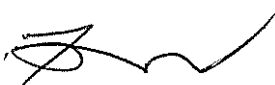
**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

Number of employees

As at 30 June 2017 there were no full-time employees, part time employees or contractors under the National Electrical Contractors Association - ACT Chapter.

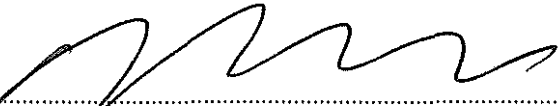
Names of Committees of Management members and period positions held during the financial year

Name	Position	Period position held during the financial year
Barry Skinner	President	1 July 2016 - 30 June 2017
Peter Hart	Vice President	1 July 2016 - 30 June 2017
Stephen Buckley	Treasurer	1 July 2016 - 30 June 2017
Grant Bawden	Committee Member	1 July 2016 - 30 June 2017
Robert Donnelly	Committee Member	1 July 2016 - 30 June 2017
Jade Coleman	Committee Member	1 July 2016 - 30 June 2017
Oliver Judd	Secretary	1 July 2016 - 30 June 2017

Signature of designated officer: 

Name and title of designated officer: BARRY SKINNER / PRESIDENT

Dated: 12/10/17

Signature of designated officer: 

Name and title of designated officer: OLIVER JUDD / Secretary

Dated: 12.10.2017

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

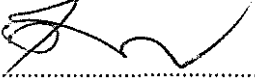
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

On the ~~12/11/17~~ 12/10/2017 the Committee of Management of the National Electrical Contractors Association - ACT Chapter passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2017:

The Committee of Management declares that in their 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 GPRF relates and since the end of that year:
 - I. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - II. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - III. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - IV. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - V. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - VI. 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 period

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

Signature of designated officer: 

Name and title of designated officer: BARRY SKINNER / PRESIDENT

Dated: 12/10/17

Signature of designated officer: 

Name and title of designated officer: OLIVER JUDD / SECRETARY

Dated: 12.10.2017

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Membership Subscription		123,894	125,055
Interest	3A	5,075	5,153
Other Revenue	3B	94,901	102,688
Total Revenue		223,870	232,896
Total Income			
		223,870	232,896
Expenses			
Capitation Fees	4A	28,137	28,088
Administration Expenses	4B	16,116	18,705
Audit Fees	9	2,300	7,200
Support to NECA QLD	4C	-	3,000
Other Expenses	4D	167,317	165,903
Total Expenses		213,870	222,896
Profit for the Year			
		10,000	10,000
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total Comprehensive Income for the Year		10,000	10,000

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

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	258,687	265,276
Trade and Other Receivables	5B	104,291	84,538
Other Assets	5C	5,921	9,888
TOTAL CURRENT ASSETS		<u>368,899</u>	<u>359,702</u>
TOTAL ASSETS		<u>368,899</u>	<u>359,702</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	6A	10,140	14,946
Other Payables	6B	150,352	146,349
TOTAL CURRENT LIABILITIES		<u>160,492</u>	<u>161,295</u>
TOTAL LIABILITIES		<u>160,492</u>	<u>161,295</u>
NET ASSETS		<u>208,407</u>	<u>198,407</u>
EQUITY			
General Funds		-	-
Retained Earnings (accumulated deficit)		208,407	198,407
TOTAL EQUITY		<u>208,407</u>	<u>198,407</u>

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

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained earnings	Total
		\$	\$
Balance at 1 July 2015		188,407	188,407
Profit for the Year		10,000	10,000
Other Comprehensive Income for the Year		-	-
Balance at 30 June 2016		198,407	198,407
Balance at 1 July 2016		198,407	198,407
Profit for the Year		10,000	10,000
Other Comprehensive Income for the Year		-	-
Balance at 30 June 2017		208,407	208,407

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

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received			
Receipts from other Reporting units/Controlled entity(s)	7B	46,122	54,739
Interest		5,075	5,153
Receipts from Members		165,502	183,275
		<u>216,699</u>	<u>243,167</u>
Cash Used			
Suppliers		(76,082)	(64,925)
Payment to other Reporting units/Controlled entity(s)	7B	(147,206)	(156,657)
		<u>(223,288)</u>	<u>(221,582)</u>
NET CASH (USED BY) / FROM OPERATING ACTIVITIES	7A	<u>(6,589)</u>	<u>21,585</u>
NET (DECREASE) / INCREASE IN CASH HELD		<u>(6,589)</u>	<u>21,585</u>
Cash and Cash Equivalents at the beginning of the Reporting Period		<u>265,276</u>	<u>243,691</u>
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	<u>258,687</u>	<u>265,276</u>

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

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the National Electrical Contractors Association ACT Chapter (NECA – ACT 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 period.

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 period that are expected to have a future financial impact on National Electrical Contractors Association ACT 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 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 period. Allowances are made when collectability of the debt is no longer probable.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.5 Revenue

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.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the National Electrical Contractors Association ACT Chapter will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the National Electrical Contractors Association ACT 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 ACT 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 ACT Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 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.

1.8 Borrowing costs

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

1.9 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.10 Financial instruments

Financial assets and financial liabilities are recognised when a National Electrical Contractors Association ACT 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.

1.11 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.

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

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 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 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 period. 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.

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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 period. 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 period, 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 period. 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 period 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 periods.

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.

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 period.

For financial assets measured at amortised cost, if, in a subsequent period, 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

1.12 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.

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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

1.13 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.

1.14 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period 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 ACT Chapter were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.15 Taxation

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

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

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

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

Cash flows are included in the statement of cashflows 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.

1.16 Fair value measurement

The National Electrical Contractors Association ACT 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 15A.

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 ACT 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 ACT 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significantly to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the National Electrical Contractors Association – ACT Chapter determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the National Electrical Association – ACT Chapter has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.17 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.

National Electrical Contractors Association ACT Chapter operations are administered by National Electrical Contractors Association NSW Chapter. There is no agreement in place and a monthly fee of \$5,000 is charged. It does not rely on its support to continue on a going concern basis.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Electrical Contractors Association – ACT Chapter.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: INCOME	2017	2016
	\$	\$
Note 3A: Interest		
Interest	7	7
Interest from investment	5,068	5,146
TOTAL INTEREST	<u>5,075</u>	<u>5,153</u>
Note 3B: Other Revenue		
Events	92,772	93,673
Referral fees	569	7,735
Miscellaneous income	1,560	1,280
TOTAL OTHER REVENUE	<u>94,901</u>	<u>102,688</u>

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: EXPENSES	2017	2016
	\$	\$
Note 4A: Capitation fees		
NECA - National	28,137	28,088
TOTAL CAPITATION FEE	<u>28,137</u>	<u>28,088</u>
Note 4B: Administration expenses		
Consultancy	2,197	320
Bank fees	1,042	1,201
Advertising	4,258	4,305
Meetings	7,852	4,419
Subscription - membership	767	733
Printing and stationery	-	7,727
TOTAL ADMINISTRATION EXPENSES	<u>16,116</u>	<u>18,705</u>
Note 4C: Support levy to NECA QLD Chapter		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	3,000
	<u>-</u>	<u>3,000</u>
Note 4D: Other expenses		
Excellence/apprentice awards	95,824	90,483
Insurance	337	273
Administration fee to NECA NSW Chapter	68,311	73,100
Bad debts	1,575	1,400
NECA National	1,270	115
Miscellaneous costs	-	532
TOTAL OTHER EXPENSES	<u>167,317</u>	<u>165,903</u>

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: CURRENT ASSETS	2017	2016
	\$	\$
Note 5A: Cash and Cash Equivalents		
Cash at Bank	57,707	69,547
Cash Management Account	200,980	195,729
TOTAL CASH AND CASH EQUIVALENTS	<u>258,687</u>	<u>265,276</u>
Note 5B: Trade and Other Receivables		
Trade Receivables	103,037	83,101
Other Debtors	1,254	1,437
TOTAL TRADE AND OTHER RECEIVABLES (NET)	<u>104,291</u>	<u>84,538</u>
There are no balances receivable from any other reporting unit at year end.		
Note 5C: Other Current Assets		
Prepayments	193	188
Deferred Costs	5,728	9,700
TOTAL OTHER CURRENT ASSETS	<u>5,921</u>	<u>9,888</u>
NOTE 6: CURRENT LIABILITIES		
Note 6A: Trade Payables		
Trade Creditors and Accruals	-	-
SUBTOTAL TRADE CREDITORS	<u>-</u>	<u>-</u>
Payable to other Reporting Unit(s)		
NECA National	-	-
NECA NSW Chapter	10,140	14,946
SUBTOTAL PAYABLES TO TOHER REPORTING UNIT(S)	<u>10,140</u>	<u>14,946</u>
TOTAL TRADE PAYABLES	<u>10,140</u>	<u>14,946</u>
Note 6B: Other Payables		
Prepayments received/unearned revenue	135,575	128,401
GST Payable	9,189	7,748
Other	5,588	10,200
TOTAL OTHER PAYABLES	<u>150,352</u>	<u>146,349</u>
There are no payables in respect of legal costs / litigation matters at year end.		

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: CASH FLOW	2017	2016
	\$	\$
Note 7A: 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	258,687	265,276
Statement of Financial Position	258,687	265,276
DIFFERENCE	<u>-</u>	<u>-</u>
Reconciliation of profit to net cash from operating activities:		
Profit for the year	10,000	10,000
Changes in Assets/Liabilities		
(Increase) / decrease in net receivables	(19,753)	8,519
Decrease in prepayments	3,967	1,752
(Increase) / decrease in supplier payables	(4,806)	259
Increase in other payables	4,003	1,055
Increase / (decrease) in employee provisions	-	-
Increase / (decrease) in other provisions	-	-
NET CASH (USED BY) / FROM OPERATING ACTIVITIES	<u>(6,589)</u>	<u>21,585</u>
Note 7B: Cash Flow Information		
Cash Inflows		
NECA – National	-	4,000
NECA – NSW Chapter (other reporting unit)	45,579	50,304
NECA Training Ltd (related party)	543	-
ECA Training Ltd (related party)	-	435
TOTAL CASH INFLOWS	<u>46,122</u>	<u>54,739</u>
Cash Outflows		
NECA – National (other reporting units)	56,133	55,516
NECA – VIC Chapter (other reporting unit)	150	-
NECA – QLD Chapter (other reporting unit)	-	3,300
NECA – NSW Chapter (other reporting unit)	88,517	97,841
ECA Training (related party)	-	-
NECA Legal (related party)	2,406	-
NECA TAS	-	-
TOTAL CASH OUTFLOWS	<u>147,206</u>	<u>156,657</u>

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: RELATED PARTY DISCLOSURES	2017	2016
	\$	\$
Note 8A: Related party transactions for the reporting period		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Revenue received from NECA – NSW Chapter includes the following:		
Sponsorship	39,875	45,731
Other	1,560	-
Revenue received from NECA Training Ltd includes the following:		
Other	493	-
Revenue received from ECA Training Pty Ltd includes the following:		
Events	-	395
Expenses paid to NECA – NSW Chapter includes the following:		
Administration fee	60,000	60,000
Advertisement	-	7,727
Other	16,511	21,046
Expenses paid to NECA National includes the following:		
Capitation fee	28,137	28,088
Other	1,766	388
Event	21,130	20,177
Loan	-	-
Expenses paid to NECA – VIC Chapter includes the following:		
Events	-	136
Other	-	-
Expenses paid to NECA – QLD Chapter includes the following:		
QLD Grant – total paid that were \$1,000 or less	-	-
QLD Grant – total paid that exceeded \$1,000	-	3,000
Expenses paid to NECA Legal Pty Ltd includes the following:		
Training Seminar	2,188	-

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Terms and Conditions of transactions with related parties

The sales to and purchases 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 settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended 30 June 2017, the National Electrical Contractors Association – ACT Chapter has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 8B: Key Management Personnel Remuneration for the Reporting Period

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
Total short-term employee benefits	-	-
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	-	-

Note 8C: 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

	2017	2016
NOTE 9: REMUNERATION OF AUDITORS		
	\$	\$
Value of the services provided		
Financial statement audit services	2,300	7,200
Other Services	-	-
Total remuneration of auditors	2,300	7,200

No other services were provided by the auditors of the financial statements.

NOTE 10: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Name of Entity providing service:	National Electrical Contractors Associations – NSW Chapter (NECA – NSW)
Terms and Conditions:	NECA – NSW will manage all NECA – ACT Chapters operations for which it will charge an administration fee of \$5,000 per month. If at the end of the financial year NECA – ACT has in excess of \$10,000 in profits, NECA – NSW will appropriate the excess.
Nature of expenses/consultancy service:	Administration and Membership Services

Detailed breakdown of revenues collected and/or expenses incurred

	2017	2016
	\$	\$
EXPENSES		
Administration expenses	68,311	73,101
TOTAL EXPENSES	68,311	73,101

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements for the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (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 for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 12: BUSINESS COMBINATION

No business combination occurred during the financial year.

NOTE 13: GENERAL FUNDS

There are no funds or accounts operated in respect of voluntary contributions or compulsory levies.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2017

NOTE 14: 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.

	2017	2016
	\$	\$
14A: Categories of financial instruments		
Financial Assets		
Fair Value through profit or loss:		
Cash and Cash Equivalents	258,687	265,276
Total	258,687	265,276
Loans and Receivables:		
Trade Receivables	103,037	83,101
Total	103,037	83,101
Carrying Amount of Financial Assets	361,724	348,377
Loans and Payables:		
GST Payable	9,189	7,748
NECA NSW Chapter	10,140	14,946
Total	19,329	22,694
Carrying Amount of Financial Liabilities	19,329	22,694

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2017

Note 14B: Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the fair value or future cash flows of the Company's financial instruments.

The reporting unit exposure to interest rate risk is in relation to cash and cash equivalents

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest Rate Risk	Interest Rate Increase	+2%	5,173	5,173
Interest Rate Risk	Interest Rate Decrease	- 2%	(5,173)	(5,173)

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest Rate Risk	Interest Rate Increase	+2%	5,305	5,305
Interest Rate Risk	Interest Rate Decrease	- 2%	(5,305)	(5,305)

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2017

NOTE 15: FAIR VALUE MEASUREMENT

15A: 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 2017 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 entity 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 2017 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 ACT Chapter financial assets and liabilities:

	Carrying amount 2017 \$	Fair Value 2017 \$	Carrying amount 2016 \$	Fair Value 2016 \$
Financial Assets				
Cash at Bank/on Hand	258,687	258,687	265,276	265,276
Trade Receivables	103,037	103,037	83,101	83,101
Total	361,724	361,724	348,377	348,377
Financial Liabilities				
GST Payable	9,189	9,189	7,748	7,748
NECA NSW Chapter	10,140	10,140	14,946	14,946
Total	19,329	19,329	22,694	22,694

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 2017

Note 15B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2017

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Cash at Bank/on Hand	258,687	-	-
Trade Receivables	103,037	-	-
Total	361,724	-	-
Liabilities measured at fair value			
GST Payable	9,189	-	-
NECA NSW Chapter	10,140	-	-
Total	19,329	-	-

Fair value hierarchy – 30 June 2016

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Cash at Bank/on Hand	265,276	-	-
Trade Receivables	83,101	-	-
Total	348,377	-	-
Liabilities measured at fair value			
GST Payable	7,748	-	-
NECA NSW Chapter	14,946	-	-
Total	22,694	-	-

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE

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

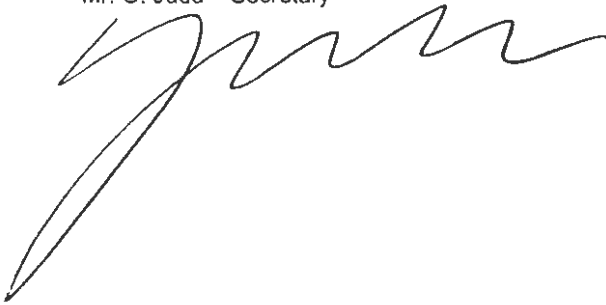
- a) We are members of the Executive Committee of the Association
- b) We attended the annual general meeting of the Association
- c) We are authorised by the attached resolution of the Executive Committee to sign this certificate
- d) The annual statement was submitted to the members of the Association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

Dated: 16.11.2017

Mr. B. Skinner – President



Mr. O. Judd – Secretary



**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTER

To Moore Stephens NSW,

In connection with your examination of the financial statements of National Electrical Contractors Association ACT Chapter as at 30 June 2017 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 (Urgent Issues Group Consensus Views) so as to present a view which is consistent with your understanding of National Electrical Contractors Association ACT financial position, 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

There have been no commitments into for capital expenditure as at the above date.

5. Pledged assets

At the above date no assets 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 Happenings

Since the above date there have been no happenings 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399
STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTER**

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. Skinner
President

Dated:


12/10/17

Mr. O. Judd
Secretary

Dated:


12.10.2017