



9 December 2014

Mr Oliver Judd  
Secretary  
New South Wales Chapter  
National Electrical Contractors Association,  
[oliver.judd@neca.asn.au](mailto:oliver.judd@neca.asn.au)

CC: Wearne & Co Audit, Attn: Peter Woodhead by email: [graeme@wearne.com.au](mailto:graeme@wearne.com.au)

Dear Mr Judd,

**National Electrical Contractors Association, New South Wales Chapter  
Financial Report for the year ended 30 June 2014 - [FR2014/126]**

I acknowledge receipt of the financial report of the National Electrical Contractors Association, The New South Wales Chapter. The documents were lodged with the Fair Work Commission on 24 November 2014. Further information was received on 9 December 2014.

The financial report has now been filed. Thank you for incorporating last year's comments. You are not required to take any further action in respect of the report lodged.

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.

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

**Designated Officer's Certificate**

The financial report of the NSW Chapter was accompanied by two designated officer's certificates:

- The first designated officer's certificate, signed 29 October 2014, stated that the report was provided to members on 28 October 2014 and then presented to a 'general meeting of members' on 29 October 2014.
- The second designated officer's certificate, signed 24 November 2014, stated that the report was provided to members on 29 October 2014 and presented to a 'general meeting of members' on 19 November 2014.

A subsequent email from the designated officer confirmed that the first certificate is not correct and refers to when the report was presented to the Executive.

Please ensure that the next report is accompanied by one designated officer's certificate and that it correctly cites the dates that the full report was provided to members and the general meeting of members occurred.

## **Provision of full report to members 21 days before the general meeting**

If the full report is being presented to a general meeting of members, the full report must be provided to members between the end of the financial year and the date 21 days before the meeting. The second designated officer's certificate would indicate that the report was provided to members on 29 October 2014 and then presented to a general meeting of members on 19 November 2014.

This is only 20 clear days.

Please note that the calculation of 21 days *does not* include part days and therefore does not include the date that the documents are provided or the date of the meeting itself. I hope this assists with calculating the 21 days for next year's report.

The financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

### **FAIR WORK COMMISSION**

Tel: 03 8661 7974

Fax: 03 9655 0410

[catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au)

11 Exhibition Street, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

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**From:** [Oliver Judd](#)  
**To:** [BEBBINGTON, Catherine](#)  
**Subject:** FINANCIAL RETURN - NECA NSW  
**Date:** Tuesday, 9 December 2014 12:40:11 PM  
**Attachments:** [image001.jpg](#)  
[image002.jpg](#)  
[image003.jpg](#)  
[image004.gif](#)  
[image005.png](#)

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Catherine

In connection with the lodgement of the financial return for NECA NSW, I wish to advise that the certificate signed and dated 24 November 2014 stating:

- That the full report was provided to members on 29 October 2014 and
- That the full report was presented to a general meeting of members of the reporting unit on 19 November 2014; ...

Is correct.

The certificate signed on 29 October 2014 stating

- That the full report was provided to members of the reporting unit on 28 October 2014; is incorrect. This refers to the date it was presented to the Executive Committee.

Thank you for your assistance.

Regards

**Oliver Judd**  
Executive Director



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**NEW SOUTH WALES CHAPTER**

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ABN: 27 056 174 413

24 September 2014

Organisations, Research & Advice  
Fair Work Commission  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Sir/Madam

**Lodgement of Financial Documents for year ended 30 June 2014  
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 2014.

The financial statements for the year ended 30 June 2014 were forwarded to members on 29 October 2014. The Annual General Meeting of members was held on 19 November 2014. A copy of the Notice of the Annual General Meeting sent to members is also attached.

Yours sincerely

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

Oliver Judd  
**SECRETARY**



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**NEW SOUTH WALES CHAPTER**

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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
SECRETARY'S STATEMENT**

I, Oliver Rupert Judd, being the Secretary of the National Electrical Contractors Association New South Wales Chapter, do hereby certify that the documents lodged herewith are true copies of the documents forwarded to members on 29 October 2014 and presented to the Annual General Meeting of members of the Chapter held on 19 November 2014.

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

**OLIVER RUPERT JUDD  
SECRETARY**

Date: 20 December 2013



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NEW SOUTH WALES CHAPTER

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ABN: 27 056 174 413

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 2014 and
- that the full report was presented to a general meeting of members of the reporting unit on 19 November 2014; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:  .....

Date: 24 November 2014

## **AGENDA**

### **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the National Electrical Contractors Association New South Wales Chapter will be held at **10.20 am** on **Wednesday 19 November 2014** at **NHP Sydney Conference Room, 30-34 Day Street, Silverwater**

1. Apologies.
2. Confirmation of Minutes of the 20th Annual General Meeting held on 11 December 2013.
3. Presentation of the audited Financial Report and Balance Sheet for the twelve months ended 30 June 2014.
4. General Business.

OLIVER JUDD  
**SECRETARY**

**NOTE: THE AGM FOR ECA WILL BE HELD AT 10.30 am**

**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413****INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS  
OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION NEW SOUTH WALES CHAPTER****Report on the Financial Report**

We have audited the accompanying financial report of National Electrical Contractors Association New South Wales Chapter (the association) which comprises the statement of financial position as at 30 June 2014 and the income statement, statement of comprehensive income, 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 and the statement by members of the committee.

**Executive Committee's Responsibility for the Financial Report**

The executive committee of the Association 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we complied with the independence requirements of Australian professional ethical pronouncements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413****INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS  
OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION NEW SOUTH WALES CHAPTER****Declaration by Auditor**

Peter Woodhead (Registered Auditor 4223) is a member of the audit firm Wearne & Co Audit Pty Limited (Registered Auditor 338571). Peter Woodhead is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

**Auditor's Opinion**

In our opinion, the financial report of National Electrical Contractors Association New South Wales Chapter is in accordance with Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009 including:

- (i) presents fairly in all material aspects, the Association's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complies with Australian Accounting Standards and all the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- (iii) there is no recovery of wages activity; and
- (iv) the management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.



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Peter Douglas Woodhead  
Principal – Wearne & Co Audit Pty Limited  
Chartered Accountants  
Authorised Audit Company No 338571

Dated: 29-10-2014.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413

s.268 Fair Work (Registered Organisations) Act 2009

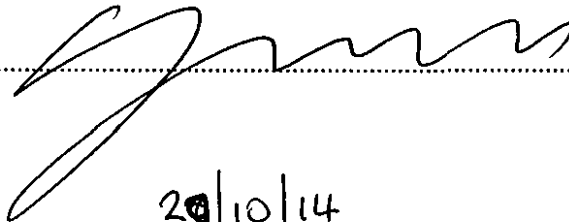
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2014

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 period ended 30 June 2014 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 28/10/2014; and
- that the full report was presented to a general meeting of members of the reporting unit on 29/10/14, in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Mr O Judd – Secretary: .....



Dated: .....

29/10/14

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**OPERATING REPORT  
FOR THE PERIOD ENDED 30 JUNE 2014**

The committee presents its report on the reporting unit for the financial year ended 30 June 2014.

**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 members in the electro technology industry. The main activities were providing industrial advice, WHS advice, training and discounted goods and services.

There was no significant change with these activities, the operating result of the entity was a profit amounting to \$10,539.

**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 Organisation Act 2009).

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

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 NES5 Super	Yes

**Number of members**

As at 30 June 2014, there were 1,361 members of the National Electrical Contractors Association - New South Wales Chapter.

**Number of employees**

As at 30 June 2014 there were 20 full time employees and 0.25 part time employee of the National Electrical Contractors Association - New South Wales Chapter.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413

OPERATING REPORT  
FOR THE PERIOD ENDED 30 JUNE 2014

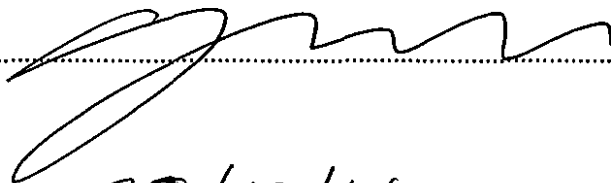
Names of Committee of Management members and period positions held during the financial year

A Brown – President	1 July 2013 – 30 June 2014
B Duff – Vice President	1 August 2013 – 30 June 2014
– Treasurer	1 July 2013 – 31 July 2013
C Madson – Member	1 July 2013 – 30 June 2014
– Treasurer	1 August 2013 – 30 June 2014
O Judd – Secretary	1 July 2013 – 30 June 2014
G Chappelow	1 July 2013 – 30 June 2014
S Kerfoot	1 July 2013 – 30 June 2014
F Marrone	1 July 2013 – 30 June 2014
D Orr	1 July 2013 – 30 June 2014

Mr B Duff – President: .....



Mr O Judd – Secretary: .....



Dated: ..... 28/10/14 .....

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2014**

On the ~~20/10/~~ 2014 the Committee of Management of the National Electrical Contractors Association New South Wales Chapter passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

The Committee of Management declare that in its opinion:

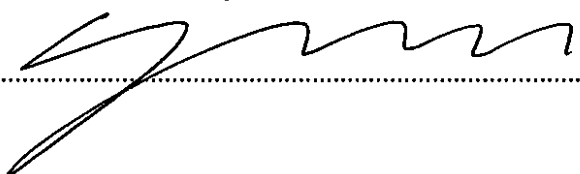
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; 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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2014

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

Mr B Duff – President: ..... 

Mr O Judd - Secretary: ..... 

Dated: ..... 28/10/14



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>Revenue</b>			
Sales - Products		376,242	298,856
Sales – Training Revenue		34,566	31,196
Membership subscription*		1,435,448	1,324,468
Membership services		423,793	312,484
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	376,672	178,921
Rental revenue	3D	56,113	55,514
Other revenue		158,457	117,270
<b>Total revenue</b>		<b>2,861,291</b>	<b>2,318,709</b>
<b>Other Income</b>			
Grants or donations	3E	996,916	784,823
Contributions from other entities		427,594	277,102
Conference		196,837	227,893
Management fees		-	2
Net gains from sale of assets		-	-
<b>Total other income</b>		<b>1,621,347</b>	<b>1,289,820</b>
<b>Total income</b>		<b>4,482,638</b>	<b>3,608,529</b>
<b>Expenses</b>			
Purchases		277,766	121,473
Employee expenses	4A	2,075,306	1,808,722
Capitation fees	4B	298,005	297,055
Affiliation fees	4C	-	-
Administration expenses	4D	649,401	680,601
Grants – to other reporting units of organisation	4E	46,874	57,800
Grants – to related parties	4E	-	100,000
Depreciation and amortisation	4F	207,035	227,061
Legal costs – Other	4G	21,066	524
Audit fees	11	36,850	50,779
Member Services		246,571	305,744
Net losses from sale of assets	4H	13	-
Other expenses	4I	613,212	440,922
<b>Total expenses</b>		<b>4,472,099</b>	<b>4,090,681</b>
<b>Profit (loss) for the year</b>		<b>10,539</b>	<b>(482,152)</b>

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2014

<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified to profit or loss	-	-
Gain on revaluation of land & buildings	960,404	-
<b>Total comprehensive income for the year</b>	<b>970,943</b>	<b>(482,152)</b>

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	1,089,734	658,719
Trade and other receivables	5B	1,321,708	1,514,103
Other current assets	5C	5,393,146	4,822,698
<b>Total current assets</b>		<u>7,804,588</u>	<u>6,995,520</u>
<b>Non-Current Assets</b>			
Land and buildings	6A	2,959,254	2,070,280
Plant and equipment	6B	192,134	281,425
Investment Property		-	-
Intangibles		-	-
Investments in associates		-	-
Other investments		-	-
Other non-current assets	6C	3	3
<b>Total non-financial assets</b>		<u>3,151,391</u>	<u>2,351,708</u>
<b>Total assets</b>		<u>10,955,979</u>	<u>9,347,228</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	2,679,718	2,432,274
Other payables	7B	3,570,773	3,226,116
Employee provisions	8A	139,475	123,546
<b>Total current liabilities</b>		<u>6,389,966</u>	<u>5,781,936</u>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	69,689	39,911
Other non-current liabilities	9A	-	-
<b>Total non-current liabilities</b>		<u>69,689</u>	<u>39,911</u>
<b>Total liabilities</b>		<u>6,459,655</u>	<u>5,821,847</u>
<b>Net assets</b>		<u>4,496,324</u>	<u>3,525,381</u>
<b>EQUITY</b>			
General funds		-	-
Reserves		960,404	-
Retained earnings		3,535,920	3,525,381
<b>Total equity</b>		<u>4,496,324</u>	<u>3,525,381</u>

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Notes	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2012</b>		-	4,007,533	4,007,533
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	(482,152)	(482,152)
Other comprehensive income for the year		-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 June 2013</b>		-	<b>3,525,381</b>	<b>3,525,381</b>
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	10,539	10,539
Other comprehensive income for the year		960,404	-	960,404
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 June 2014</b>		<b>960,404</b>	<b>3,535,920</b>	<b>4,496,324</b>

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	9B	1,611,532	866,273
Interest		204,062	178,921
Other		2,365,750	2,783,311
<b>Cash used</b>			
Payments to Suppliers and Employees		(2,490,071)	(2,649,115)
Payment to other reporting units/controlled entity(s)	9B	(849,239)	(593,908)
<b>Net cash from (used by) operating activities</b>	9A	<b>842,034</b>	<b>602,613</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(46,327)	(159,511)
Purchase of land and buildings		-	-
Other		(364,692)	(278,704)
<b>Net cash from (used by) investing activities</b>		<b>(411,019)</b>	<b>(438,215)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>431,015</b>	<b>164,398</b>
Cash & cash equivalents at the beginning of the reporting period		658,719	494,321
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>1,089,734</b>	<b>658,719</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**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 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 amounts**

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 New South Wales Chapter* include:

AASB 9: Future Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial

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instruments, revised recognition and de-recognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of ASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

### **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.

### **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

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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 General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009*/ a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.



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**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 period. 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 periods 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 period 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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**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 period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by 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 period 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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*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 \$52,500 p.a. and pays for all outgoings.

**1.14 Borrowing costs**

All borrowing costs are recognised in profit and loss in the period 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 consolidated 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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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 remeasurement 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 reserve 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.

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***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.

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

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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.

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 remeasurement 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.

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***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.

**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.

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***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 periods, as appropriate.

Class of Fixed Asset:	Depreciation Rate
Leasehold improvements- at cost	2.5 - 4%
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.

**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 period 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 period in which the property is derecognised.

**1.23 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 New South Wales Chapter* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.



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**1.24 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.

**1.25 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.

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.

**1.26 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.

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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, maximising 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 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 significant 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 New South Wales 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 Contractors Association New South Wales 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.

#### **1.27 Going concern**

*National Electrical Contractors Association New South Wales Chapter* has agreed to provide NECA Training Limited and NECA Legal Pty Ltd with financial support to ensure they can continue on a going concern basis. This agreed financial support is to continue until further notice. This is an interest free agreement with repayments to be made on an ad hoc basis.

Grants to NECA QLD do not require repayments.

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

#### **1.28 Business Combinations**

No business combinations occurred during the financial year.

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**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2014, 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*.

	<b>2014</b>	<b>2013</b>
	\$	\$

**Note 3 Income**

**Note 3A: Capitation fees \***

-	-	-
<b>Total capitation fees</b>	-	-

**Note 3B: Levies\***

-	-	-
<b>Total levies</b>	-	-

**Note 3C: Interest**

Deposits	204,062	178,921
Loans	172,610	-
<b>Total interest</b>	376,672	178,921

**Note 3D: Rental revenue**

Properties	56,113	55,514
Other	-	-
<b>Total rental revenue</b>	56,113	55,514

**Note 3E: Grants or donations \***

Grants Income – Government	621,916	281,125
Grants Income – MERT Grant	375,000	503,698
<b>Total grants or donations</b>	996,916	784,823

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2014                      2013  
\$                              \$

**Note 4     Expenses**

**Note 4A: Employee expenses\***

**Holders of office:**

Wages and salaries	318,512	323,949
Superannuation	38,463	30,856
Leave and other entitlements	17,777	27,987
Separation and redundancies	-	-
Other employee expenses	12,053	15,188
<b>Subtotal employee expenses holders of office</b>	<b>386,805</b>	<b>397,980</b>

**Employees other than office holders:**

Wages and salaries	1,246,023	1,032,988
Superannuation	143,310	127,553
Leave and other entitlements	27,930	60,595
Separation and redundancies	-	115,214
Other employee expenses	271,238	74,392
<b>Subtotal employee expenses employees other than office holders</b>	<b>1,688,501</b>	<b>1,410,742</b>
<b>Total employee expenses</b>	<b>2,075,306</b>	<b>1,808,722</b>

**Note 4B: Capitation fees\***

<i>NECA National</i>	298,055	297,055
<b>Total capitation fees</b>	<b>298,055</b>	<b>297,055</b>

**Note 4C: Affiliation fees\***

-	-	-
<b>Total affiliation fees/subscriptions</b>	<b>-</b>	<b>-</b>

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	2014	2013
	\$	\$
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	192,802	270,366
Contractors/consultants	118,173	45,379
Computer expenses	73,163	82,094
Occupancy expenses	114,535	119,488
Office expenses	55,465	55,724
Subscriptions	11,012	9,048
Information communications technology	70,056	81,981
Other – bank fees	14,195	16,521
<b>Subtotal administration expense</b>	<b>649,401</b>	<b>680,601</b>
 Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>-</b>	<b>-</b>

**Note 4E: Grants or donations\***

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	46,874	157,800
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>46,874</b>	<b>157,800</b>

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	71,430	64,262
Property, plant and equipment	135,605	162,799
<b>Total depreciation</b>	<b>207,035</b>	<b>227,061</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>207,035</b>	<b>227,061</b>

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	2014	2013
	\$	\$
<b>Note 4G: Legal costs*</b>		
Litigation	-	-
Other legal matters	21,066	524
<b>Total legal costs</b>	<u>21,066</u>	<u>524</u>

**Note 4H: Net losses from sale of assets**

Land and buildings	-	-
Plant and equipment	13	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<u>13</u>	<u>-</u>

**Note 4I: Other expenses**

Insurance	30,755	20,906
Motor vehicle expenses	80,263	38,978
Travelling expenses	40,259	33,185
Other expenses	86,935	1,955
Fund transferred to Provision	375,000	345,898
Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<u>613,212</u>	<u>440,922</u>

**Note 5 Current assets**

**Note 5A: Cash and cash equivalents**

Cash at bank	1,089,332	658,669
Cash on hand	402	50
<b>Total cash and cash equivalents</b>	<u>1,089,734</u>	<u>658,719</u>

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	2014	2013
	\$	\$
<b>Note 5B: Trade and other receivables</b>		
<b>Receivables from other reporting unit[s]/related parties</b>		
NECA Training Limited (related parties)	13,824	2,378
NECA Legal Pty Ltd (related parties)	57,120	5,608
ECA Training Pty Ltd (related parties)	3,544	14,541
NECA ACT Chapter (other reporting unit)	6,033	14,034
NECA National (other reporting unit)	1,178	154,387
NECA WA Chapter (other reporting unit)	1,570	-
NECA VIC Chapter (other reporting unit)	3,702	1,050
NECA QLD Chapter (other reporting unit)	7,908	-
<b>Total receivables from other reporting unit(s)/related parties</b>	<b>94,879</b>	<b>191,998</b>
<b>Less provision for doubtful debts*</b>	-	-
<b>Total provision for doubtful debts</b>	-	-
<b>Receivable from other reporting unit[s] (net)</b>	<b>94,879</b>	<b>191,998</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	-	-
Sundry debtors	2,589	100,000
Other trade receivables	1,224,240	1,222,105
<b>Total other receivables</b>	<b>1,226,829</b>	<b>1,322,105</b>
<b>Total trade and other receivables (net)</b>	<b>1,321,708</b>	<b>1,514,103</b>
<b>Note 5C: Other current assets</b>		
Financial investments	5,280,922	4,736,349
Inventory – finished goods at cost	44,132	35,291
Deferred costs	52,630	24,120
Prepayments	15,462	26,938
Intercompany loan – NECA Legal Pty Ltd	687,458	687,458
Less Provision for impairment of loan	(687,458)	(687,458)
<b>Total other current assets</b>	<b>5,393,146</b>	<b>4,822,698</b>

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	2014	2013
	\$	\$
<b>Note 6</b>		
<b>Non-current assets</b>		
<b>Note 6A: Land and buildings</b>		
Land and buildings:		
fair value	2,967,040	2,857,180
accumulated depreciation	(7,786)	(786,900)
<b>Total land and buildings</b>	<b>2,959,254</b>	<b>2,070,280</b>

*Reconciliation of the opening and closing balances of land and buildings*

<hr/>		
<b>As at 1 July</b>		
Gross book value	2,857,180	2,857,180
Accumulated depreciation and impairment	(786,900)	(715,471)
<b>Net book value 1 July</b>	<b>2,070,280</b>	<b>2,141,709</b>
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	960,404	-
Impairments	-	-
Depreciation expense	(71,430)	(71,429)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 30 June</b>	<b>2,959,254</b>	<b>2,070,280</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	2,967,040	2,857,180
Accumulated depreciation and impairment	(7,786)	(786,900)
<b>Net book value 30 June</b>	<b>2,959,254</b>	<b>2,070,280</b>



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**Note 6A: Land and buildings (continued)**

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 23 June 2014 for Atchison Street and 3 July 2014 for Burwood Road, the properties' fair values are based on valuations performed by Herrod Todd White, an accredited independent valuer.

	2014	2013
	\$	\$

**Note 6B: Plant and equipment**

Plant and equipment:

at cost	676,398	1,122,159
accumulated depreciation	(484,264)	(840,734)
<b>Total plant and equipment</b>	<b>192,134</b>	<b>281,425</b>

***Reconciliation of the opening and closing balances of plant and equipment***

<b>As at 1 July</b>		
Gross book value	1,122,159	962,648
Accumulated depreciation and impairment	(840,734)	(685,102)
<b>Net book value 1 July</b>	<b>281,425</b>	<b>277,546</b>
Additions:		
By purchase	46,656	159,511
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(135,605)	(155,632)
Other movement <i>[give details below]</i>	-	-
Disposals:		
Write back accumulated depreciation of Equipment Write Off	492,075	-
Equipment Write Off	(492,417)	-
<b>Net book value 30 June</b>	<b>192,134</b>	<b>281,425</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	676,398	1,122,159
Accumulated depreciation and impairment	(484,264)	(840,734)
<b>Net book value 30 June</b>	<b>192,134</b>	<b>281,425</b>

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	2014	2013
	\$	\$
<b>Note 6C: Other non-current assets</b>		
Prepayments	-	-
Other	3	3
<b>Total other non-financial assets</b>	3	3

**Note 7 Current liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	613,412	549,393
Other creditors	305,196	291,154
<b>Subtotal trade creditors</b>	918,608	840,547

**Payables to other reporting unit[s]/related parties**

Fund held on behalf of ECA Training Pty Limited	1,743,932	1,564,051
NECA National (other reporting unit)	13,534	27,676
NECA Training Limited (related party)	968	-
NECA Legal Pty Ltd (related party)	2,676	-
<b>Subtotal payables to other reporting unit[s]/related parties</b>	1,761,110	1,591,727

**Total trade payables**

Settlement is usually made within 30 days.

	2,679,718	2,432,274
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**Note 7B: Other payables**

Provision for unspent grant monies	1,863,877	1,490,248
Income in advance	1,706,896	1,735,868
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
<b>Total other payables</b>	3,570,773	3,226,116

Total other payables are expected to be settled in:

No more than 12 months	3,570,773	3,226,116
More than 12 months	-	-
<b>Total other payables</b>	3,570,773	3,226,116

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	2014	2013
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee provisions*</b>		
<b>Office Holders:</b>		
Annual leave	25,313	28,451
Long service leave	37,709	16,796
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—office holders</i></b>	<b>63,022</b>	<b>45,247</b>
<b>Employees other than office holders:</b>		
Annual leave	72,698	55,224
Long service leave	73,444	62,986
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>146,142</b>	<b>118,210</b>
<b>Total employee provisions</b>	<b>209,164</b>	<b>163,457</b>
Current	139,475	123,546
Non-Current	69,689	39,911
<b>Total employee provisions</b>	<b>209,164</b>	<b>163,457</b>

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	2014	2013
	\$	\$

**Note 9 Cash flow**

**Note 9A: Cash flow reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

**Cash and cash equivalents as per:**

Cash flow statement	1,089,734	658,719
Balance sheet	1,089,734	658,719
<i>Difference</i>	-	-

**Reconciliation of profit/(deficit) to net cash from operating activities:**

Profit/(deficit) for the year	10,539	(482,153)
-------------------------------	--------	-----------

**Adjustments for non-cash items**

Depreciation/amortisation	207,035	227,061
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	13	-

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	163,885	(172,848)
(Increase)/decrease in prepayments	11,476	5,075
Increase/(decrease) in supplier payables	53,520	22,245
Increase/(decrease) in other payables	(14,930)	437,331
(Increase)/decrease in inventories	(8,840)	24,200
Increase/(decrease) in employee provisions	45,707	26,416
Increase/(decrease) in other provisions	373,629	515,286
<b>Net cash from (used by) operating activities</b>	<b>842,034</b>	<b>602,613</b>

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**Note 9B: Cash flow information\***

Cash inflows		
<i>NECA Training Limited (related party)</i>	<b>102,679</b>	32,063
<i>NECA Legal Pty Ltd (related party)</i>	<b>49,839</b>	68,694
<i>ECA Training Pty Ltd (related party)</i>	<b>436,782</b>	113,361
<i>NECA ACT Chapter (other reporting unit)</i>	<b>92,466</b>	79,124
<i>NECA National (other reporting unit)</i>	<b>878,794</b>	536,084
<i>NECA WA Chapter (other reporting unit)</i>	<b>1,378</b>	1,683
<i>NECA VIC Chapter (other reporting unit)</i>	<b>19,016</b>	20,280
<i>NECA QLD Chapter (other reporting unit)</i>	<b>29,674</b>	14,324
<i>NECA TAS Chapter (other reporting unit)</i>	<b>904</b>	-
<i>NECA SA Chapter (other reporting unit)</i>	<b>-</b>	660
<b>Total cash inflows</b>	<b>1,611,532</b>	<b>866,273</b>
Cash outflows		
<i>NECA Training Limited (related party)</i>	<b>178,758</b>	101,907
<i>NECA Legal Pty Ltd (related party)</i>	<b>43,864</b>	16,245
<i>ECA Training Pty Ltd (related party)</i>	<b>23,224</b>	12,813
<i>NECA ACT Chapter (other reporting unit)</i>	<b>40,615</b>	-
<i>NECA National (other reporting unit)</i>	<b>499,028</b>	377,710
<i>NECA WA Chapter (other reporting unit)</i>	<b>8,751</b>	-
<i>NECA VIC Chapter (other reporting unit)</i>	<b>2,128</b>	6,859
<i>NECA QLD Chapter (other reporting unit)</i>	<b>51,561</b>	63,767
<i>Australian Cabler Registration Services (related party)</i>	<b>1,310</b>	14,607
<b>Total cash outflows</b>	<b>849,239</b>	<b>593,908</b>

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	2014	2013
	\$	\$
<b>Note 10 Related party disclosures</b>		
<b>Note 10A: Related party transactions for the reporting period</b>		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
<b><u>Revenue</u></b>		
<b>Revenue received from NECA Training Limited includes the following:</b>		
<i>Management fee</i>	97,062	30,557
<i>Other</i>	6,688	-
<b>Revenue received from NECA ACT Chapter includes the following:</b>		
<i>Management fee</i>	60,000	60,000
<i>Advertising revenue</i>	12,274	-
<i>Other</i>	4,512	24,689
<b>Revenue received from ECA Training Pty Ltd includes the following:</b>		
<i>Spansarship</i>	118,182	92,493
<i>Management fee</i>	80,230	-
<i>Events</i>	20,852	-
<i>Fuel</i>	34,576	-
<i>Uniform revenue</i>	31,160	-
<i>Other</i>	2,077	-
<b>Revenue received from NECA National includes the following:</b>		
<i>Mailmarshall – email service revenue</i>	5,834	6,747
<i>Map – E-Oz project</i>	596,338	564,893
<i>Rental</i>	55,489	55,514
<i>Other</i>	2,074	-
<b>Revenue received from NECA WA Chapter includes the following:</b>		
<i>Stock sale</i>	2,680	1,421
<b>Revenue received from NECA SA Chapter includes the following:</b>		
<i>Other</i>	-	600
<b>Revenue received from NECA VIC Chapter includes the following:</b>		
<i>Stock sale</i>	7,109	10,677
<i>Mailmarshall – email service revenue</i>	12,589	6,530

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**Revenue received from NECA Legal Pty Ltd**

**Include the following:**

<i>Management fee</i>	<b>24,000</b>	24,000
<i>Consulting fee</i>	<b>58,550</b>	43,126
<i>Other</i>	<b>9,613</b>	-

**Revenue received from NECA QLD Chapter**

**includes the following:**

<i>Advertising revenue</i>	<b>26,941</b>	10,900
<i>Stack sale</i>	<b>7,224</b>	995

**Revenue received from NECA TAS Chapter**

**includes the following:**

<i>Stock sale</i>	<b>822</b>	-
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**Expenses**

**Expenses paid to NECA Training Limited includes the following:**

<i>Management fee</i>	<b>177,940</b>	-
<i>Other</i>	<b>1,300</b>	1,734
<i>Grant</i>	<b>-</b>	100,000

**Expenses paid to NECA Legal Pty Ltd includes the following:**

<i>Legal secretary consulting fee</i>	<b>23,021</b>	14,768
<i>Legal service</i>	<b>14,860</b>	-
<i>Other</i>	<b>4,437</b>	-

**Expenses paid to ECA Training Pty Ltd includes the following:**

<i>Administration fee far MAP project</i>	<b>14,588</b>	786
<i>Administration fee far NECA ACT</i>	<b>6,379</b>	-
<i>Other</i>	<b>146</b>	-

**Expenses paid to NECA ACT Chapter includes the following:**

<i>Spansarship</i>	<b>36,923</b>	-
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**Expenses paid to NECA National includes the following:**

<i>Share of CEO termination cast</i>	<b>50,048</b>	-
<i>Event</i>	<b>2,837</b>	-
<i>Capitation fee</i>	<b>298,005</b>	297,055

**Expenses paid to NECA VIC Chapter includes the following:**

<i>Event</i>	<b>1,439</b>	1,725
<i>Stack purchase</i>	<b>496</b>	-
<i>Marketing</i>	<b>-</b>	4,511

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Expenses paid to *NECA QLD Chapter* includes the following:

<i>NECA QLD Grant</i>	46,874	57,800
<i>Stock</i>	-	136

Expenses paid to *NECA WA Chapter* includes the following:

<i>Marketing expense</i>	7,955	6,016
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Expenses paid to *Australian Cabler Registration Services* includes the following:

<i>Administration fee</i>	1,310	-
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**Amounts owing**

Amounts owed by the related entities includes the following:

<i>NECA Training Limited</i>	13,824	2,378
<i>NECA Legal Pty Ltd</i>	57,120	5,608
<i>ECA Training Pty Ltd</i>	3,544	14,541
<i>NECA ACT Chapter</i>	6,033	14,034
<i>NECA National</i>	1,178	154,387
<i>NECA WA Chapter</i>	1,570	-
<i>NECA VIC Chapter</i>	3,702	1,050
<i>NECA QLD Chapter</i>	7,908	-

Amounts owing to the related entities includes the following:

<i>NECA National</i>	13,534	27,676
<i>NECA Training Limited</i>	968	-
<i>NECA Legal Pty Ltd</i>	2,676	-

Loans to *NECA Legal Pty Ltd* includes the following:

<i>Loan</i>	678,458	678,458
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Investment balance in *ECA Training Pty Ltd*:

<i>Fund held on behalf of ECA Training Pty Ltd</i>	1,743,932	1,564,051
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**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 year end 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 2014, NECA NSW Chapter has an impairment of receivables of \$678,458 of a loan to NECA Legal Pty Ltd (2013: \$678,458). 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.



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	2014	2013
	\$	\$

**Note 10B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

Salary (including annual leave taken)	322,255	314,722
Compensation paid to the secretary	190,435	188,263
<b>Total short-term employee benefits</b>	<b>512,690</b>	<b>502,985</b>

**Post-employment benefits:**

Superannuation	38,808	30,855
<b>Total post-employment benefits</b>	<b>38,808</b>	<b>30,855</b>

**Termination benefits**

<b>Total</b>	<b>551,498</b>	<b>533,840</b>
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**Note 10C: Transactions with key management personnel and their close family members**

**Loans to/from key management personnel**

	-	-
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**Other transactions with key management personnel**

S Kerfoot – allowance for NECA Conference USA	8,772	-
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**Note 11 Remuneration of auditors**

**Value of the services provided**

Financial statement audit services	36,850	50,779
Other services	-	-
<b>Total remuneration of auditors</b>	<b>36,850</b>	<b>50,779</b>

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

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2014            2013  
\$                    \$

**Note 12    Financial instruments**

The association's Finance Director is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Finance Director 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 bi-monthly and minuted by the committee of management.

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

**Note 12A: Categories of financial instruments**

***Financial assets***

Fair value through profit or loss:

*Cash and cash equivalents*

1,089,734      658,719

**Total**

1,089,734      658,719

Held-to-maturity investments:

-                    -

**Total**

-                    -

Available-for-sale assets:

*Shares in associated entities*

3                    3

*Asgard Managed Investment*

5,280,922      4,736,349

**Total**

5,280,925      4,736,352

Loans and receivables:

*NECA Legal Pty Ltd – Intercompany*

687,458            687,458

*Less impairment of loan*

(687,458)      (687,458)

**Total**

-                    -

***Carrying amount of financial assets***

6,370,659      5,395,071

***Financial liabilities***

Fair value through profit or loss:

-                    -

**Total**

-                    -

Other financial liabilities:

*Fund held on behalf of ECA Training Pty Ltd*

1,743,932      1,564,051

**Total**

1,743,932      1,564,051

***Carrying amount of financial liabilities***

1,743,932      1,564,051

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
NEW SOUTH WALES CHAPTER  
ABN 27 056 174 413**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Note 12B: Net income and expense from financial assets</b>		
<b>Held-to-maturity</b>		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) held-to-maturity</b>	<b>-</b>	<b>-</b>
<b>Loans and receivables</b>		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>-</b>	<b>-</b>
<b>Available for sale</b>		
Interest revenue	<b>376,672</b>	178,921
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	-	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from available for sale</b>	<b>-</b>	<b>-</b>
<b>Fair value through profit and loss</b>		
<b>Held for trading:</b>		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
<b>Total held for trading</b>	<b>-</b>	<b>-</b>
<b>Designated as fair value through profit and loss:</b>		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
<b>Total designated as fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial assets</b>	<b>-</b>	<b>-</b>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
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	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Note 12C: Net income and expense from financial liabilities</b>		
<b>At amortised cost</b>		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>-</b>	<b>-</b>
<b>Fair value through profit and loss</b>		
<b>Held for trading:</b>		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/(loss)	-	-
<b>Total held for trading</b>	<b>-</b>	<b>-</b>
<b>Designated as fair value through profit and loss:</b>		
Change in fair value	-	-
Interest expense	-	-
<b>Total designated as fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>-</b>	<b>-</b>

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2014            2013  
\$                    \$

**Note 12D: 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.

**Financial assets**

Cash at bank/on hand	1,089,734	658,719
Investment Portfolio – market value	5,280,922	4,736,349
NECA Legal Pty Ltd – loan receivable	687,458	687,458
Less: impairment of loan	(687,458)	(687,458)
<b>Total</b>	<b>6,370,656</b>	<b>5,396,068</b>

**Financial liabilities**

Payables held on behalf of ECA Training Pty Ltd	1,743,932	1,564,051
<b>Total</b>	<b>1,743,932</b>	<b>1,564,051</b>

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

	Not past due nor impaired 2014 \$	Past due or impaired 2014 \$	Not past due nor impaired 2013 \$	Past due or impaired 2013 \$
Cash at bank/on hand	1,089,734	-	658,719	-
Investment Portfolio – market value	5,280,922	-	4,736,349	-
NECA Legal Pty Ltd – loan receivable	-	687,458	-	687,458
<b>Total</b>	<b>6,370,656</b>	<b>687,458</b>	<b>5,396,068</b>	<b>687,458</b>

The chapter has provided a letter of support for NECA Legal Pty Ltd to support the entity. The commitment of \$687,458 has been impaired.

**Ageing of financial assets that were past due but not impaired for 2014**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Nil	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Ageing of financial assets that were past due but not impaired for 2013**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Nil	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
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**Note 13 Fair value measurement**

**Note 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 period. The own performance risk as at 30 June 2014 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 2014 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 National Electrical Contractors Association New South Wales Chapter financial assets and liabilities:

	Carrying amount 2014 \$	Fair value 2014 \$	Carrying amount 2013 \$	Fair value 2013 \$
<b>Financial Assets</b>				
Cash at bank/on hand	1,089,734	1,089,734	658,719	658,719
Investment Portfolio – market value	5,280,922	5,280,922	4,736,349	4,736,349
NECA Legal Pty Ltd – loan receivable	687,458	687,458	687,458	687,458
Less: impairment of loan	(687,458)	(687,458)	(687,458)	(687,458)
<b>Total</b>	<b>6,370,656</b>	<b>6,370,656</b>	<b>5,396,068</b>	<b>5,396,068</b>
<b>Financial Liabilities</b>				
Payables held on behalf of ECA Training Pty Ltd	1,743,932	1,743,932	1,564,051	1,564,051
<b>Total</b>	<b>1,743,932</b>	<b>1,743,932</b>	<b>1,564,051</b>	<b>1,564,051</b>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
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**Note 14: 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 subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
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CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE

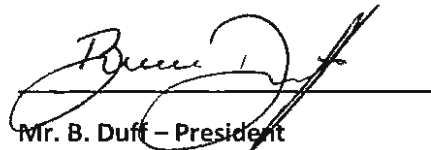
I, Mr. B. Duff – President of and I, Mr. O. Judd – Secretary of, certify that:

- 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 members of the Association at its annual general meeting.

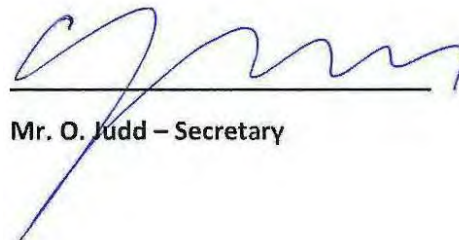
Dated:

19/11/14

Committee Member

  
Mr. B. Duff – President

Committee Member

  
Mr. O. Judd – Secretary



**STATEMENT CONCERNING LIABILITIES  
AND CERTAIN OTHER MATTER**

To Messrs Weame & Co Audit Pty Limited

In connection with your examination of the financial statements of National Electrical Contractors Association NSW as at 30 June 2014 and for the period 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 NSW 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 balances 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**

Commitments have been entered into for the purchase of Buildings, Plant, Machinery and other facilities as at the above date, as follows:

**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 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 aforementioned financial statements.

**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 the entity.

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 meetings has been made available to you.

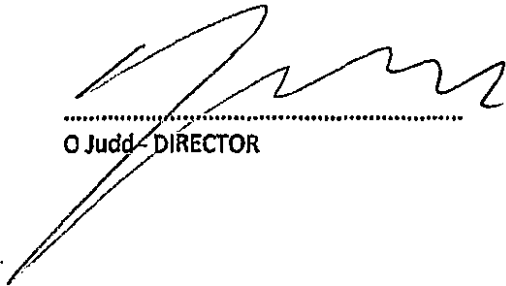
**12. Inventory**

We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

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

  
.....  
B Duff - PRESIDENT

DATE: 28/10/14

  
.....  
O Judd - DIRECTOR

DATE: 28/10/14

1 October 2014

Wearne & Co Audit Pty Limited  
PO Box 593  
NORTH SYDNEY NSW 2059

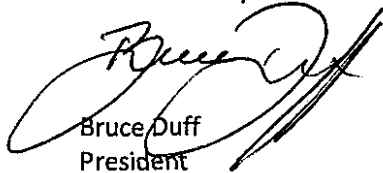
Dear Sirs

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

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

On behalf of the Executive Committees

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bruce Duff', with a large, sweeping flourish extending to the left.

Bruce Duff  
President

National Electrical Contractors Association – New South Wales Chapter

1 October 2014

Wearne & Co Audit Pty Limited  
PO Box 593  
NORTH SYDNEY NSW 2059

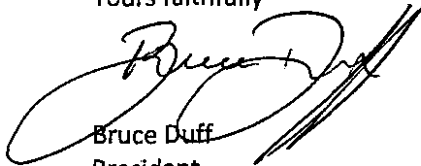
Dear Sirs

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

The Executive Committee of the National Electrical Contractors Association – New South Wales Chapter, hereby confirm their support for NECA Training Limited and agree to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet it's present and future liabilities.

On behalf of the Executive Committees

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bruce Duff', with a large, stylized flourish extending from the end of the signature.

Bruce Duff  
President

National Electrical Contractors Association – New South Wales Chapter