



23 August 2013

Mick Logan
Secretary
National Electrical and Communications Association - Queensland Chapter
Suite 1.5,
Ian Barclay Building
460 - 492 Beaudesert Road
Salisbury QLD 4107

Dear Mr Logan

National Electrical and Communications Association Queensland Chapter Financial Report for the year ended 30 June 2012 - FR2012/284

I acknowledge receipt of the financial report of the National Electrical and Communications Association Queensland Chapter (NECA QLD). The documents were lodged with Fair Work Commission (FWC) on 13 March 2013. I acknowledge receipt of supplementary information including a copy of the revised financial report for NECA QLD on 21 May 2013. I also acknowledge the receipt of further supplementary information on the 19 June 2013, 16 July 2013 and at and following the meeting held between FWC and NECA QLD on 2 August 2013.

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

Changes to the legislation and reporting guidelines

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any queries regarding this letter, please contact me on (03) 8661 7886, or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		462,249	143,138
Receipts from other Chapters:			
- NSW Chapter		63,580	18,840
- VIC Chapter		59,400	19,800
- WA Chapter		31,416	9,240
- ACT Chapter		5,049	1,485
- National Office		-	350
Payments to suppliers and employees		(542,292)	(156,899)
Payments to other Chapters:			
- NSW Chapter		(4,954)	(1,446)
- VIC Chapter		(2,103)	(4,204)
- National Office		(81,756)	(72,307)
Interest Received		3,653	4,688
Net cash provided by /(used in) operating activities	12	(5,758)	(37,314)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(1,468)	(13,743)
Inter-Chapter Loans		-	49,225
Net cash provided by /(used in) investing activities		(1,468)	35,482
Net increase/(decrease) in cash held		(7,226)	(1,832)
Cash at beginning of financial year		121,444	123,276
Cash at end of financial year	3	114,218	121,444

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
QUEENSLAND CHAPTER**

**Revised Financial Report
For The Year Ended
30 June 2012**

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

TABLE OF CONTENTS

Operating Report by the Committee	1 - 2
Committee of Management Statement	3
Financial Report	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 21
Independent Audit Report	22 – 23

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

Revised Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association – Queensland Chapter (“the association”) for the financial year ended 30 June 2012.

Committee Members

The name of committee members of the association throughout the financial year and at the date of this report are:

P Babbage	J Blake
J Facer (ceased 22/05/12)	G Houghton
A Marini	D McInnes
R Thompson	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the Queensland Chapter of NECA is the provision of advice, service and representation of members in relation to workplace relations, health and safety, training, apprentices, and legal and contractual negotiations. In the reporting period each of those activities were maintained and expanded.

Significant Changes in financial affairs during the year

The operating profit of the Chapter for the financial year amounted to \$273,519 (2011: \$66,701 loss). This significant turnaround was achieved through a combination of factors including the forgiving of inter-Chapter debts, increased sales of NECA products, the delivery of the climate smart sustainability project, and enhanced NECA Group Training.

Operating Results

The profit of the association for the financial year amounted to \$273,519 (2011: \$66,701 loss).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Number of Members

The association had 146 (2011: 131) members at financial year end.

Number of Employees

The association had 3 (2011: 3) employees at financial year end.

Superannuation Trustees

The following committee member is an alternate director of New South Wales Electrical Superannuation Scheme Pty Ltd which is the trustee of the New South Wales Electrical Superannuation Scheme:

J Tinslay


NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

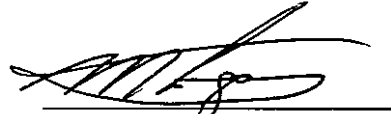
Revised Operating Report by the Committee (cont'd)

Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Committee:


DAVID MCINNES
President


MICHAEL LOGAN
Secretary

Dated this *14th* day of *May* 2013

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER


Revised Committee of Management Statement

On 14th of May 2013 the Committee of Management of the National Electrical Contractor Association – Queensland Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2012.

The Committee of Management declares in relation to the GPFR 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 Fair Work Australia;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organization 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 organization 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 Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:



MICHAEL LOGAN

Secretary

Dated this 14th day of May 2013

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue	2(a)	991,511	262,552
Affiliation Expenses		-	-
Apprentice/Excellence Awards		(72,028)	(62,233)
Courses		(15,575)	(9,143)
Employee Benefits		(438,098)	(127,362)
Golf Days		-	(16,068)
Legal Fees		-	-
Management Fees		-	(39,000)
Marketing Expenses (including Newsletter)			(17,114)
Project Expenses		(59,000)	-
Rent & Office Expenses (including Printing & Stationery)		(41,294)	(25,724)
Travel and accommodation expenses		(26,277)	(15,838)
Other expenses		(65,720)	(16,771)
Net Surplus/(Deficit)		<u>273,519</u>	<u>(66,701)</u>
Other Comprehensive Income		-	-
Total Comprehensive Surplus/(Deficit)		<u>273,519</u>	<u>(66,701)</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	3	114,218	121,444
Trade and Other Receivables	4	56,209	23,227
Prepayments	5	15,942	13,122
TOTAL CURRENT ASSETS		186,369	157,793
NON-CURRENT ASSETS			
Plant and equipment	6	10,888	12,396
TOTAL NON-CURRENT ASSETS		10,888	12,396
TOTAL ASSETS		197,257	170,189
CURRENT LIABILITIES			
Deferred Income	7	147,444	89,612
Trade and other payables	8	64,305	57,030
Short term provisions	9	23,963	6,490
TOTAL CURRENT LIABILITIES		235,712	153,132
NON- CURRENT LIABILITIES			
Trade and other payables	8	-	330,362
Long term provisions	9	1,511	180
TOTAL CURRENT LIABILITIES		1,511	330,542
TOTAL LIABILITIES		237,223	483,674
NET LIABILITIES		(39,966)	(313,485)
EQUITY			
Accumulated Losses		(39,966)	(313,485)
TOTAL DEFICIENCY OF ASSETS		(39,966)	(313,485)

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Accumulated Losses \$	Total \$
Balance at 1 July 2009	(246,784)	(246,784)
Deficit for the year	(66,701)	(66,701)
Balance at 30 June 2011	(313,485)	(313,485)
Surplus for the year	273,519	273,519
Balance at 30 June 2012	(39,966)	(39,966)

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		621,694	192,853
Payments to suppliers and employees		(631,105)	(234,855)
Interest Received		3,653	4,688
Net cash provided by / (used in) operating activities	12	(5,758)	(37,314)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(1,468)	(13,743)
Inter-Chapter Loans		-	49,225
Net cash provided by / (used in) investing activities		(1,468)	35,482
Net increase / (decrease) in cash held		(7,226)	(1,832)
Cash at beginning of financial year		121,444	123,276
Cash at end of financial year	3	114,218	121,444

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

The Queensland Chapter is a branch of the National Electrical Contractors Association (NECA), which comprises Chapters in each State and the ACT and the National Office, and as a consequence the members of the Queensland Chapter should be aware that the financial position of NECA as a whole is the relevant financial position that impacts membership. These financial statements should be read in conjunction with the consolidated financial statements of NECA which are presented on NECA's website.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern Assumption

The Statement of Financial Position of the Queensland Chapter recorded a working capital deficiency (current liabilities exceeded current assets) as at year ended 30th June 2012 of \$49,343. However it should be understood that the Chapter is a branch of a much larger Association (National Electrical Contractors Association) which at 30 June 2012 had a consolidated positive net working capital position of \$6.05million. The committee is therefore confident that the Chapter can access funding from within the wider Association to pay its debts as and when they fall due.

Basis of Preparation

Functional and presentation currency

The functional currency of the association is measured using the currency of the primary economic environment in which the association operates. The financial statements are presented in Australian dollars which is functional and presentation currency of the association.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

No provision for income tax is necessary for the State association as "Associations of Employers" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Plant and Equipment

Each class of plant and equipment are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and Equipment	10 - 33 %	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(c) Leases

Lease payments for operating leases, where substantially all the risks & benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the association is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(e) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Provisions

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

(g) Cash and Cash Equivalents

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

(h) Impairment of Assets

At each reporting date, the association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Membership subscription revenue is recognised on an accruals basis over the 12 month period of the paid membership.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Comparative Figures

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

(l) Critical accounting estimates and judgments

The association evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates — Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2012.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
NOTE 2: NET SURPLUS		
Surplus has been determined after:		
(a) Crediting as income		
Operating activities		
- Member subscriptions	125,010	101,583
- Courses	37,714	18,882
- Sales to Members	63,030	1,072
	225,754	121,537
Non-operating activities		
- Management Fees	96,000	36,000
- Inter-Chapter Grants		-
- NSW Chapter	57,800	-
- VIC Chapter	61,200	-
- WA Chapter	28,560	-
- ACT Chapter	4,590	-
- Insurance & Fuel Commissions	11,741	13,374
- Project Income	74,400	-
- Debt Forgiven for Inter-Chapter Loans		-
- NSW Chapter	148,700	-
- VIC Chapter	149,800	-
- WA Chapter	9,240	-
- ACT Chapter	1,485	-
- National Office	21,137	-
- Other (Apprentice Awards, Excellence Awards, Sundry)	101,104	91,641
	765,757	141,015
Total revenues	991,511	262,552
(b) Charging as an expense		
Auditors Remuneration:		
- Auditing the financial report	2,573	2,450
Affiliation Fees	-	-
Bank Charges	1,540	338
Courses Held	15,575	9,143
Depreciation	2,976	1,347
Employment Costs		
- Employee Benefits – office holders	217,170	94,468
- Employee Benefits -- employees	183,492	19,720
- Other Employment costs	37,436	13,174
Insurance	1,167	652

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
NOTE 2: NET SURPLUS (cont'd)		
(b) Charging as an expense (cont'd)		
Legal Fees	-	-
Management Fees	-	39,000
Marketing Expenses (including Newsletter)	16,654	17,114
Meeting Expenses	3,484	249
Miscellaneous	37,326	11,735
Project Expenses	59,000	-
Rent & Office Expenses		
- Minimum lease payments	17,102	12,117
- Other rental & office expenses (inc Printing & Stationery)	24,192	13,607
Sponsored Events		
- Apprentice/Excellence Awards	72,028	62,233
- Golf Day	-	16,068
Travel & Accommodation	<u>26,277</u>	<u>15,838</u>
 NOTE 3 : CASH AND CASH EQUIVALENTS		
Cash at bank	<u>114,218</u>	<u>121,444</u>
	<u>114,218</u>	<u>121,444</u>
 NOTE 4: TRADE & OTHER RECEIVABLES		
General membership	56,103	22,035
Insurance Commission	106	1,192
	<u>56,209</u>	<u>23,227</u>
 NOTE 5: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	<u>15,942</u>	<u>13,122</u>
	<u>15,942</u>	<u>13,122</u>
 NOTE 6: PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Plant & equipment		
At cost	15,210	13,743
Less accumulated depreciation	<u>(4,322)</u>	<u>(1,347)</u>
Total plant and equipment	<u>10,888</u>	<u>12,396</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

2012 2011
\$ \$

NOTE 6: PLANT AND EQUIPMENT (cont'd)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the year.

	Plant and Equipment \$	Total \$
Balance at the beginning of the year	12,396	-
Additions	1,468	13,743
Disposals	-	-
Depreciation expense	(2,976)	(1,347)
Carrying amount at end of year	10,888	12,396

NOTE 7: DEFERRED INCOME

Income Received in Advance	147,444	89,612
	147,444	89,612

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade and other payables	44,972	51,550
Goods & Services Tax	19,333	5,480
	64,305	57,030

NON-CURRENT

Loans due to related entities	-	330,362
	-	330,362

NOTE 9: PROVISIONS

	Employee Entitlements \$	Total \$
Opening balance at 1 July 2011	6,670	6,670
Additional provisions raised during the year	34,327	34,327
Amounts used	(15,523)	(15,523)
Balance at 30 June 2012	25,474	25,474

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 9: PROVISIONS (cont'd)		
Analysis of Total Provisions		
Current		
- Annual Leave - Officeholders	14,592	4,644
- Annual Leave - Employees	9,371	1,846
Total Current	23,963	6,490
Non-Current		
- Long Service Leave - Officeholders	1,151	147
- Long Service Leave - Employees	360	33
Total Non-Current	1,511	180
Total Provisions	25,474	6,670
Number of employees at year end	3	3

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 10 : RELATED PARTY AND OTHER REPORTING UNIT TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

(a) Committee members, directors and their related entities are able to use the services provided by the National Electrical Contractors Association. Such services are made available on terms and conditions no more favourable than those available to all other members.

Transactions with other reporting units

(b) Payable to other reporting units of NECA at year end – included in Note 8 Trade & Other Payables

- Victorian Chapter	323	149,800
- NSW Chapter	157	149,180
- National Office	11,210	38,131
- ACT Chapter	-	1,485
- WA Chapter	-	9,240
	11,690	347,836

Owing from other reporting units of NECA at year end – included in Note 4 Trade & Other Receivables

– Victorian Chapter	11,010	-
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(c) The association had the following transactions with NECA - National Office.

- Management fee charged by National Office	-	39,000
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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

2012 2011
\$ \$

NOTE 11: KEY MANAGEMENT PERSONNEL

The following committee members were key management personnel of the association:

P Babbage	J Blake
J Facer (ceased 22/05/12)	G Houghton
A Marini	D McInnes
R Thompson	

No remuneration was paid or payable to key management personnel except for the Chapter Secretary.

Compensation paid to the Secretary:

- Short-term Benefits	199,238	86,668
- Post Employment Benefits	17,932	7,800

NOTE 12: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus/deficit

Surplus/(Deficit) from ordinary activities	273,519	(66,701)
Depreciation	2,976	1,347
Debt Forgiven for Inter-Chapter Loans	(330,362)	-
	(53,867)	(65,354)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(32,982)	(11,682)
(Increase)/decrease in other current assets	(2,820)	(4,104)
Increase/(decrease) in trade and other payables	7,275	21,747
Increase/(decrease) in deferred income	57,832	15,409
Increase/(decrease) in provisions	18,804	6,670
Cash flows from operations	(5,758)	(37,314)

NOTE 13: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for the association's operations. The association does not have any derivative instruments at 30 June 2012.

i. Treasury Risk Management

Committee members of the association meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 13: FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management (cont'd)

ii. Financial Risks

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

Interest rate risk

The association has no interest bearing liabilities and consequently is not exposed to fluctuations in debt interest rates. For further details on interest rate risk refer to Note 13(b).

Foreign Currency risk

The association is not exposed to fluctuations in foreign currencies.

Liquidity risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capitals are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

Price risk

The association is not exposed to any material commodity price risk.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average		Effective Interest Floating Interest Rate		Within 1 Year	
	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	3.0	4.5	114,218	121,444	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			114,218	121,444	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Loans from Related Entities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Instrument Composition and Maturity Analysis (cont'd)

	Weighted Average		1 to 5 Years		Over 5 Years	
	Effective Interest Rate		2012 \$	2011 \$	2012 \$	2011 \$
	2012 %	2011 %				
Financial Assets:						
Cash and cash equivalents	3.0	4.5	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Loans from Related Entities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		Non-Interest Bearing		Total	
	Effective Interest Rate		2012 \$	2011 \$	2012 \$	2011 \$
	2012 %	2011 %				
Financial Assets:						
Cash and cash equivalents	3.0	4.5	-	-	114,218	121,444
Trade & other receivables	-	-	56,209	23,227	56,209	23,227
Total Financial Assets:			56,209	23,227	170,427	144,671
Financial Liabilities:						
Deferred Income	-	-	147,444	89,612	147,444	89,612
Loans from related entities	-	-	-	330,362	-	330,362
Trade and other payables	-	-	64,305	57,030	64,305	57,030
Total Financial Liabilities:			211,749	477,004	211,749	477,004

Trade and sundry payables are expected to be paid as follows:

	2012 \$	2011 \$
Less than 6 months	64,305	57,030
	<u>64,305</u>	<u>57,030</u>

(c) Net Fair Value

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to and forming part of the financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Value (cont'd)

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2012		2011	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade & other receivables	56,209	56,209	23,227	23,227
Total financial assets	56,209	56,209	23,227	23,227
Financial liabilities				
Deferred Income	147,444	147,444	89,612	89,612
Loans from Related Entities	-	-	330,362	330,362
Trade and other payables	64,305	64,305	57,030	57,030
Total financial liabilities	211,749	211,749	477,004	477,004

Sensitivity analysis

Interest Rate risk

No interest rate sensitivity analysis has been performed as the association's only exposure to interest rate risk is in relation to cash and cash equivalents. There has been minimal movement in cash interest rates for the past 12 months and a 2% increase or decrease in these rates would have a negligible effect on profit and equity.

Foreign Currency risk

No sensitivity analysis has been performed on foreign currency risk as the association is not exposed to foreign currency fluctuations.

NOTE 14: SEGMENT REPORTING

The association operates predominantly in one business and geographical segment, being in the electrical and communication industry providing benefits to the professional advisory services in Australia.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the association.

NOTE 16: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30th June 2012.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
REVISED FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 17: ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association – Queensland Chapter
Suite 2.5 Ian Barclay Building
460-492 Beaudesert Road
Salisbury QLD 4107

**NOTE 18: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER - FAIR
WORK AUSTRALIA**

- (1) A member of a reporting unit, or the General Manager - FWA, 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).

Independent Auditor's Report to the Members of National Electrical Contractors Association – Queensland Chapter

Report on the financial report

The financial report comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the statement by members of the committee for the National Executive of the National Electrical Contractors Association - Queensland Chapter (the Association), for the year ended 30 June 2012.

Committee's responsibility for the financial report

The 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 and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 from 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 judgment, 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 and fair presentation of the financial report 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Fair Work (Registered Organisations) Act 2009*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 have complied with the independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's opinion

In our opinion, the general purpose report of the National Electrical Contractors Association - Queensland Chapter for the year ended 30 June 2012 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

CROWE HORWATH MELBOURNE



Peter Sexton
Partner
Melbourne, Victoria

Dated this 14^h day of May 2013