



21 October 2014

Mr Michael Logan
Secretary
Queensland Chapter
National Electrical Contractors Association,
mick.logan@neca.asn.au

CC: Crowe Horwath, Attn: John Gavens, melbourne@crowehorwath.com.au

CC: Fiona Bunting by email: fbunts@optusnet.com.au

Dear Mr Logan,

**National Electrical Contractors Association, The Queensland Chapter
Financial Report for the year ended 30 June 2013 - [FR2013/187]**

I acknowledge receipt of further information from the National Electrical Contractors Association, The Queensland Chapter and Crowe Horwath. The documents were received by the Fair Work Commission on 25 September 2014.

Thank you for addressing, simply and clearly, all of the concerns raised in the earlier correspondence. Your patience in this matter is sincerely appreciated.

The financial report has now been filed based on an advanced compliance review.

I note that the correspondence acknowledges the issues raised for the 2014 financial report and undertakes to incorporate the corrections into the 2014 financial report.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at 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

GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au



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QUEENSLAND CHAPTER

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W www.neca.asn.au
ABN: 96 409 004 653

24 September 2014

Ms Catherine Bebbington
Regulatory Compliance Branch
Fair Work Commission
catherine.bebbington@fwc.gov.au

Dear Ms Bebbington,

**Re: National Electrical Contractors Association, The Queensland Chapter
Financial Report for the year ended 30 June 2013 – [FR2013/187]**

I write in response to your letter of 19th August 2014 in relation to the above.
Please find following explanations or additional information as requested in that
letter.

**ISSUES THAT MUST BE RESOLVED PRIOR TO FILING THE 2012-13
REPORT**

Auditor's Statement must be signed before full report provided to members

There was an inadvertent error in our Designated Officer's Certificate dated 6th
December 2013 - the date the full report was provided to members was
incorrectly listed as 7th November 2013 however it was in fact provided to
members on 14th November 2013, the day after the auditor's statement was
signed. Please refer to the attached amended Designated Officer's Certificate.

Auditor's Report

Please find following a letter from our auditors – Crowe Horwath – providing
information in relation to their qualifications and a declaration relating to
management use of the going concern basis of accounting.

Disclosure of employee expenses

Please find below a breakdown of the employee expenses as requested.

	2012-2013
Holders of office:	
Wages and salaries	189,922
Superannuation	17,093
Leave and other entitlements	(10,537)
Separation and redundancies	-

Other employee expenses	10,001
Subtotal employee expenses holders	<u>206,479</u>

Employees other than office holders:

Wages and salaries	176,720
Superannuation	15,905
Leave and other entitlements	5,320
Separation and redundancies	-
Other employee expenses	8,742
Subtotal employee expenses	<u>206,687</u>
Total employee expenses	<u>413,166</u>

Provisions for office holders and other employees

In relation to your query regarding 'separation and redundancies' and 'other employee benefits' I can confirm that both of these line items for holders of office and employees should have been reported as NIL in our 2012-2013 financial report.

Statement of Cash flows or the Notes

Please refer to the tables below, which set out the figures you had queried in your letter, which have now been agreed with the other reporting units. Where required the 2013 comparatives figures in our 2013-2014 financial report will reflect these corrected amounts.

Note 12: Cash in to Branch

QLD Chapter	Other Chapter & Amount	Correct Amount
\$63,767	NSW - \$0	\$63,767
\$5,049	ACT - \$0	\$5,049

Note 12: Cash out of Branch

QLD Chapter	Other Chapter & Amount	Correct Amount
\$9,461	VIC - \$8,384	\$8,384
\$14,324	NSW - \$1,239	\$14,324
\$0	ACT - \$1,485	\$0

Note 8: Payables

QLD Chapter	Other Chapter & Amount	Correct Amount
\$434	VIC - \$0	\$434

Note 4: Receivables

QLD Chapter	Other Chapter & Amount	Correct Amount
\$3,087	VIC - \$0	\$3,087



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ISSUES TO ASSIST WITH THE PREPARATION OF THE 2013-2014 REPORT

These issues have all been noted and we will aim to have them correct for our 2013-2014 financial report.

Should you have any further queries in relation to any of the above matters please don't hesitate to contact me on (07) 3276 7950 or via email at: mick.logan@neca.asn.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read "M Logan", written over a horizontal line.

Michael Logan
Secretary/Executive Director
Queensland Chapter

23 July 2014

Mr Suresh Manickham
National Secretary/CEO
National Electrical Contractors Association
necanat@neca.asn.au

Dear Suresh

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013 – [FR2013/190]**

In a letter to you dated 4 July 2014, the Fair Work Commission requested that we provide you with a signed letter addressing concerns in relation to Auditor qualifications and a declaration relating to going concern.

The purpose of this letter is to comply with this request. On receipt, a copy of the letter should be lodged with the Fair Work Commission.

Auditor qualifications

I declare that I am an approved auditor as defined in Regulation 4 of RO Regulations.

I am currently:

- A fellow of the Institute of Chartered Accountants in Australia (#26502)
- A registered Company Auditor (#7516), and
- Hold a Certificate of Public Practice with the ICAA dated 7 March 1989.

Declaration relating to management use of the going concern basis of accounting

Item 45 of the Reporting Guidelines requires that auditor's statement must include a declaration, that as part of the audit of the financial statements, the auditor has concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

I declare that, as part of the audit of the financial statements for the year ended 30 June 2013, I have concluded that the going concern basis of accounting in the preparation of the financial statements is appropriate.

Yours sincerely

CROWE HORWATH MELBOURNE



John J Gavens
Partner



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24th September 2014

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

cc. Mr S Manickam NECA National

Qld Financial Reports y/e 30 June 2013

Dear Sir/Madam,

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER – AMENDED

I, Michael Brian Logan, being the Secretary of the National Electrical Contractors Association – Queensland Chapter, certify:

1. That the documents being lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisation) Act 2009* and
2. That the full report was provided to members on 14th November 2013 via the NECA website; and
3. That the full financial report was presented to the committee of Management of the reporting unit on the 7th of November 2013 in accordance with s266 of the RP Act and accepted during a further meeting of that committee on the 6th December 2013.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M Logan', written over a light blue horizontal line.

Michael Brian Logan
Secretary
National Electrical Contractors Association – Queensland



19 August 2014

Mr Mick Logan
Secretary - Queensland chapter
National Electrical Contractors Association, The Queensland Chapter
mick.logan@neca.asn.au

CC: Crowe Horwath, Attn: John Gavens, melbourne@crowehorwath.com.au

Dear Mr Logan,

**National Electrical Contractors Association, The Queensland Chapter
Financial Report for the year ended 30 June 2013 - [FR2013/187]**

I acknowledge receipt of the financial report of the National Electrical Contractors Association, The Queensland Chapter. The documents were lodged with the Fair Work Commission (the Commission) on 11 December 2013.

The financial report has not been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed. Given the current timeframes, the reporting unit should ensure that this information is also included within the report that is being drafted for the next financial year.

The below information is set out into two categories, issues that are required to be explained or corrected prior to filing the 2012-2013 report, and those that are provided to assist you with the preparation of the next financial reports but will not prevent filing. The report cannot be filed until the first set of issues are addressed and the second set of concerns do not require further information at this stage but compliance will be confirmed prior to the filing of the 2013-2014 report.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A set of 'Model financial statements' are also available on the FWC website to assist organisations in preparing their returns.

ISSUES THAT MUST BE RESOLVED PRIOR TO FILING THE 2012-2013 REPORT

Auditor's Statement must be signed before full report provided to members

One of the key requirements of the RO Act is that a reporting unit must provide members with a full or concise report (section 265(1)). A full report must contain the signed Auditor's Statement.

The Designated Officer's Certificate states that the full report was provided to members on 7 November 2013, however the Auditor's Statement was signed on 13 November 2013. If the date on the Auditor's Statement is correct, it would appear that either the Auditor's Statement was not provided to members or that an unsigned report was provided.

Please confirm that the date is correct. If it is correct the Branch must re-circulate the full report to members, including the signed version of the Auditor's Statement. The report cannot be filed until this has been confirmed to the Commission, in writing.

AUDITOR'S REPORT

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 44 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Statement.

Declaration relating to management use of the going concern basis of accounting

Item 45 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Please have the auditor prepare a signed letter addressing these two concerns in relation to the report and lodge it with the Fair Work Commission.

Disclosure of employee expenses/provisions for office holders and other employees

Expenses

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 17(f)) and employee expenses to other employees (item 17(g)).

I note that while the Statement of Comprehensive Income does distinguish between employee expenses for office holders and other employees, it only provides a whole figure for each. Employee expenses for office holders and other employees should be separately disclosed by wages and salaries, superannuation, leave and other entitlements, separation and redundancies and other employee expenses (refer to items 17(f) and 17(g) in the Reporting Guidelines).

Please note that item 18 in the Reporting Guidelines requires that any activities identified in paragraph 17 have not occurred in the reporting period a statement to this effect must be included in the notes to the General Purpose Financial Report.

Please provide a breakdown of these figures to the Commission.

Provisions

Note 9 provides a separation in provisions for annual leave and long service leave between officers and employees, however it does not provide information on 'separation and redundancies' or 'other provisions'. The Reporting Guidelines require that all employee and office holder benefits be detailed separately (refer to items 21(c) and 21(d)).

Please confirm the figures for both employees and holders of office in relation to these final two categories.

Statement of Cash flows or the Notes

There appear to be minor discrepancies in the cash flows between the report of the Queensland chapter and other reporting units. Please find below a breakdown on the items which during a cross checking exercise between all NECA Chapters discrepancy were noted. Please provide evidence to support the figure that appears in the NECA Qld General Purpose Financial Report.

Note 12: Cash in to Branch

QLD Chapter	Chapters	
\$63,767	NSW	\$0
\$5,049	ACT	\$0

Note 12: Cash out of Branch

QLD Chapter	Chapters	
\$9,461	VIC	\$8,384
\$14,324	NSW	\$1,239
\$0	ACT	\$1,485

Note 8: Payables

QLD Chapter	VIC Chapter
\$434	\$0

Note 4: Receivables

QLD Chapter	VIC Chapter
\$3,087	\$0

ISSUES TO ASSIST WITH THE PREPARATION OF THE 2013-2014 REPORT

Presentation of documents to a Committee of Management meeting

It is noted that the financial documents were presented to a *Committee of Management Meeting* rather than a *General Meeting* of members. This is not in accordance with the RO Act.

Under the RO Act the standard obligation is for the full financial report to be presented to a General Meeting of members within 6 months of the end of the financial year. The documents may only be presented directly to a Committee of Management meeting where the rules of the organisation (or branch) contain a provision that allows up to 5% of members to call a general meeting to be held to consider the report - see subsection 266(3).

It would appear that the rules of the branch do not currently contain a provision to this effect. Therefore, if the branch wishes to present its financial documents in future financial years to a Committee of Management meeting (rather than a General Meeting of members) it will be necessary for the branch to amend its rules in accordance with the requirements of subsection 266(3).

References to Fair Work Australia

Fair Work Australia no longer exists. The organisation was renamed to the Fair Work Commission as part of alterations to the Fair Work Act 2009. The references to Fair Work Australia will need to be corrected to the Fair Work Commission.

Committee of Management Statement

I note that the Committee of Management statement has been altered from the one provided in the Reporting Guidelines to remove the original (e)(iv):

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 manner consistent with each of the other reporting units of the organisation; and

Please ensure that the Committee of Management Statement addresses this issue in next year's financial report by providing a declaration that accurately reflects the practice of the reporting unit.

Notes to the Financial Statements

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided and is required to be included in the next financial report.

New and Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 14 and 28 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided and is required to be included in the next financial report.

Disclosure of audit fees

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for audit fees and for non-audit services.

This information has not been provided.

Revenue Recognition

The reporting unit has not included policies for revenue recognition of each material revenue source. For instance, there are no revenue recognition policies for provision of courses (\$39,242), management fees (\$120,000) or grants (\$152,150).

Please ensure that future financial reports contain a revenue recognition policy for all material revenue streams.

Going concern

I note the existence of a going concern note within the accounts which acknowledges reliance upon the financial assistance and support of the other chapters. If this situation exists during the next financial report, please ensure that the position of the reporting unit and the financial support continues to be clearly outlined within the notes and that all cash flows are demonstrated.

Activities under Reporting Guideline not disclosed

Items 14, 20 and 22 of the Reporting Guidelines state that if the activities identified in items 10, 19 and 21 have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 14 Whether any business combinations occurred;
- 15 Donations received by the reporting unit;
- 15 Contributions received by the reporting unit;
- 17 Fees incurred by the reporting unit as consideration for payroll deductions of membership subscriptions;
- 22 Payables to employers as consideration for payroll deductions for member subscriptions;

- 22 Payables in respect of legal costs or litigation;

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:

<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at 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

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06th December 2013

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

cc: Mr J Tinslay NECA National

Attn: Ms J Fenwick FWC

Qld Financial Reports y/e 30 June 2013

Dear Sir/Madam,

CERTIFICATE OF SECRETARY

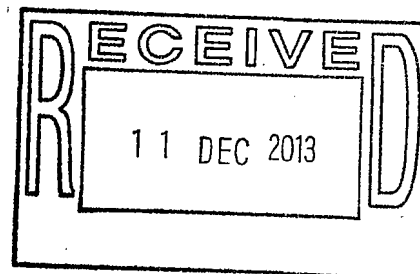
I, Michael Brian Logan, being the Secretary of the National Electrical Contractors Association - Queensland Chapter, certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisation) Act 2009 (RO Act)* and
2. that the full report was provided to members on 7th November 2013 via the NECA website; and
3. that the full financial report was presented to the Committee of Management of the reporting unit on 7th November 2013 in accordance with s266 of the RO Act and accepted during a further meeting of that committee on the 6th December 2013.

Yours faithfully,

Michael Brian Logan
Secretary
National Electrical Contractors Association - Queensland Chapter

Attach. 1 Financial Report
2 Independent Auditor Report



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

Report on the financial report

We have audited the accompanying financial report of National Electrical Contractors Association – Queensland Chapter (the Chapter), which comprises the statement of financial position as at 30 June 2013 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statements by members of the committee.

Committees' responsibility for the financial report

The committee of the Chapter are responsible for the preparation and fair presentation 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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In 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 (IFRS).

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 about 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 Chapter'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 2013 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

CROWE HORWATH MELBOURNE

A handwritten signature in black ink, appearing to read 'John Gavens', written in a cursive style.

John Gavens
Partner

Melbourne, Victoria
Dated this 13th day of November 2013

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
QUEENSLAND CHAPTER**

**Financial Report
For The Year Ended
30 June 2013**

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

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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 2013.

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
G Houghton (ceased 18/02/13)	M Logan (commenced 18/02/13)
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 \$9,450 (2012: \$273,519). This significant reduction in profit was the result of the forgiving of inter-Chapter debts (\$330,362) which occurred in 2012 only.

Operating Results

The profit of the association for the financial year amounted to \$9,450 (2012: \$273,519).

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 165 (2012: 146) members at financial year end.

Number of Employees

The association had 3 (2012: 3) employees at financial year end.

Officers and Employees who are superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee

Name of officer/employee	Is the position held because they are an officer/employee of NECA or were nominated by NECA?
[REDACTED]	No
[REDACTED]	No

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

Operating Report by the Committee (cont'd)

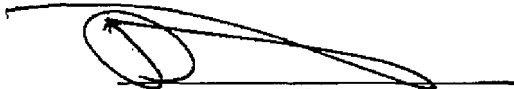
Officers and Employees who are directors of a company or members of a board

Name of officer/employee	Name of company/board	Principal activities of Company/Board	Is the position held because they are an officer/employee of NECA or were nominated by NECA?
Michael Brian Logan	Electrical Safety Board of Queensland	Advise Qld Govt on Electrical Safety	Yes Nominated employee
			No No No No No
			No No No No No
			No No No No No

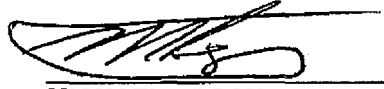
Members Right to Resign

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 *7th* day of *November* 2013

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

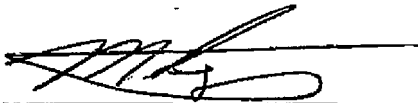
Committee of Management Statement

On 7th of November 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 2013.

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.
- (f) during the financial year to which the GPFR relates no recovery of wages activities were undertaken.

For the Committee of Management:



MICHAEL LOGAN
Secretary

Dated this 7th day of November 2013

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue	2(a)	700,931	991,511
Apprentice/Excellence Awards		(60,641)	(72,028)
Conference & Meeting Expenses		(26,676)	(3,484)
Courses		(13,752)	(15,575)
Employee Benefits		(413,166)	(438,098)
Golf Days		(13,758)	-
Marketing Expenses (including Newsletter)		(24,416)	(16,654)
Project Expenses		-	(59,000)
Rent & Office Expenses (including Printing & Stationery)		(51,008)	(41,294)
Travel and accommodation expenses		(32,801)	(26,277)
Other expenses		(55,263)	(45,582)
Net Surplus/(Deficit)		<u>9,450</u>	<u>273,519</u>
Other Comprehensive Income		-	-
Total Comprehensive Surplus/(Deficit)		<u>9,450</u>	<u>273,519</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	3	113,313	114,218
Trade and Other Receivables	4	89,993	56,209
Prepayments	5	20,184	15,942
TOTAL CURRENT ASSETS		<u>223,490</u>	<u>186,369</u>
NON-CURRENT ASSETS			
Plant and equipment	6	10,071	10,888
TOTAL NON-CURRENT ASSETS		<u>10,071</u>	<u>10,888</u>
TOTAL ASSETS		<u>233,561</u>	<u>197,257</u>
CURRENT LIABILITIES			
Deferred Income	7	169,486	147,444
Trade and other payables	8	74,334	64,305
Short term provisions	9	16,925	23,963
TOTAL CURRENT LIABILITIES		<u>260,745</u>	<u>235,712</u>
NON-CURRENT LIABILITIES			
Long term provisions	9	3,332	1,511
TOTAL CURRENT LIABILITIES		<u>3,332</u>	<u>1,511</u>
TOTAL LIABILITIES		<u>264,077</u>	<u>237,223</u>
NET LIABILITIES		<u>(30,516)</u>	<u>(39,966)</u>
EQUITY			
Accumulated Losses		<u>(30,516)</u>	<u>(39,966)</u>
TOTAL DEFICIENCY OF ASSETS		<u>(30,516)</u>	<u>(39,966)</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Accumulated Losses \$	Total \$
Balance at 1 July 2011	(313,485)	(313,485)
Surplus for the year	273,519	273,519
Balance at 30 June 2012	(39,966)	(39,966)
Surplus for the year	9,450	9,450
Balance at 30 June 2013	(30,516)	(30,516)

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		339,107	353,824
Receipts from other reporting units/controlled entities	12(b)	320,255	267,870
Payments to suppliers and employees		(509,414)	(542,292)
Payments to other reporting units/controlled entities	12(b)	(151,439)	(88,813)
Interest Received		3,543	3,653
Net cash provided by /(used in) operating activities	12(a)	<u>2,052</u>	<u>(5,758)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(3,504)	(1,468)
Proceeds on sale of plant and equipment		547	-
Inter-Chapter Loans		-	-
Net cash provided by /(used in) investing activities		<u>(2,957)</u>	<u>(1,468)</u>
Net increase/(decrease) in cash held		(905)	(7,226)
Cash at beginning of financial year		114,218	121,444
Cash at end of financial year	3	<u>113,313</u>	<u>114,218</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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.

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 2013 of \$30,516. The Chapter is reliant on the agreed financial support of the following Chapters to continue as a going concern: NSW Chapter, ACT Chapter, WA Chapter, VIC Chapter and National Office. This financial support is to continue until 30th June 2014.

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 the 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) Taxation

The association 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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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
FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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

(d) Financial Instruments (cont'd)

Derecognition

Financial assets are recognised d 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 recognised d 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 of 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 recognised 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
FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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
FINANCIAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 2013.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
NOTE 2: NET SURPLUS		
Surplus has been determined after:		
(a) Crediting as income		
Operating activities		
- Member subscriptions	144,517	125,010
- Capitation fees	-	-
- Levies	-	-
- Courses	39,242	37,714
- Sales to Members	95,272	63,030
	<u>279,031</u>	<u>225,754</u>
Non-operating activities		
- Management Fees	120,000	96,000
- Inter-Chapter Grants	152,150	152,150
- Insurance & Fuel Commissions	12,544	11,741
- Project Income	-	74,400
- Debt Forgiven for Inter-Chapter Loans	-	330,362
- Other (Apprentice Awards, Excellence Awards, Sundry)	133,663	101,104
	<u>421,900</u>	<u>765,757</u>
Total revenues	<u>700,931</u>	<u>991,511</u>
(b) Charging as an expense		
Auditors Remuneration:		
- Auditing the financial report	8,601	2,573
Affiliation Fees	-	-
Bank Charges	2,116	1,540
Capitation Fees	-	-
Courses Held	26,676	15,575
Depreciation	3,774	2,976
Employment Costs		
- Employee Benefits - office holders	226,400	217,170
- Employee Benefits - employees	173,240	183,492
- Other Employment costs	13,526	37,436
Fees/Allowances – meetings & conferences	-	-
Grants or Donations	-	-
Insurance	1,177	1,167
Legal Fees	-	-
Levies	-	-
Marketing Expenses (including Newsletter)	24,416	16,654

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
NOTE 2: NET SURPLUS (cont'd)		
(b) Charging as an expense (cont'd)		
Miscellaneous	39,595	37,326
Penalties - via RO Act or RO Regulations	-	-
Project Expenses	-	59,000
Rent & Office Expenses		
- Minimum lease payments	17,160	17,102
- Other rental & office expenses (inc Printing & Stationery)	33,848	24,192
Sponsored Events		
- Apprentice/Excellence Awards	60,641	72,028
- Golf Day	13,758	-
Travel & Accommodation	32,801	26,277
	<u>32,801</u>	<u>26,277</u>
 NOTE 3 : CASH AND CASH EQUIVALENTS		
Cash at bank	113,313	114,218
	<u>113,313</u>	<u>114,218</u>
 NOTE 4: TRADE & OTHER RECEIVABLES		
- Victorian Chapter	3,087	11,010
- NECA Group Training	11,000	-
Total receivables from other reporting unit(s)	<u>14,087</u>	<u>11,010</u>
Less provision for doubtful debts	-	-
Receivable from other reporting unit(s) (net)	<u>14,087</u>	<u>11,010</u>
 Other Receivables:		
General membership	75,251	45,093
Insurance Commission	655	106
Total Trade & Other Receivables	<u>89,993</u>	<u>56,209</u>
 NOTE 5: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	20,184	15,942
	<u>20,184</u>	<u>15,942</u>
 NOTE 6: PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Plant & equipment		
At cost	15,975	15,210
Less accumulated depreciation	(5,904)	(4,322)
Total plant and equipment	<u>10,071</u>	<u>10,888</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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	10,888	10,888
Additions	3,504	3,504
Disposals	(547)	(547)
Depreciation expense	<u>(3,774)</u>	<u>(3,774)</u>
Carrying amount at end of year	<u>10,071</u>	<u>10,071</u>
	2013	2012
	\$	\$

NOTE 7: DEFERRED INCOME

Income Received in Advance	<u>169,486</u>	<u>147,444</u>
	<u>169,486</u>	<u>147,444</u>

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Payable to other reporting unit(s)

- NECA Legal	550	-
- Victorian Chapter	434	323
- NSW Chapter	-	157
- National Office	<u>10,266</u>	<u>11,210</u>
Sub-total payables to other reporting unit(s)	11,250	11,690
Trade and other payables	46,925	33,282
Goods & Services Tax	<u>16,159</u>	<u>19,333</u>
	<u>74,334</u>	<u>64,305</u>

NOTE 9: PROVISIONS

	Employee Entitlements	Total
	\$	\$
Opening balance at 1 July 2012	25,474	25,474
Additional provisions raised during the year	32,348	32,348
Amounts used	<u>(37,565)</u>	<u>(37,565)</u>
Balance at 30 June 2013	<u>20,257</u>	<u>20,257</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
NOTE 9: PROVISIONS (cont'd)		
Analysis of Total Provisions		
Current		
- Annual Leave - Officeholders	4,867	14,592
- Annual Leave - Employees	12,058	9,371
Total Current	16,925	23,963
Non-Current		
- Long Service Leave - Officeholders	340	1,151
- Long Service Leave - Employees	2,992	360
Total Non-Current	3,332	1,511
Total Provisions	20,257	25,474
 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

(a) Related Parties

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.

(b) Transactions with other reporting units

The following table provides the total amount of transactions that have been entered into with other reporting units for the relevant year.

<i>i) Grants Income received</i>		
- NSW Chapter	57,800	57,800
- VIC Chapter	61,200	61,200
- WA Chapter	28,560	28,560
- ACT Chapter	4,590	4,590
 <i>ii) Debt Forgiven for Inter-Chapter Loans</i>		
- NSW Chapter	-	148,700
- VIC Chapter	-	149,800
- WA Chapter	-	9,240
- ACT Chapter	-	1,485

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
NOTE 10 : RELATED PARTY AND OTHER REPORTING UNIT TRANSACTIONS (cont'd)		
(b) Transactions with other reporting units (cont'd)		
<i>ii) Debt Forgiven for Inter-Chapter Loans (cont'd)</i>		
- National Office	-	21,137
<i>iii) Management Fee Income Received</i>		
- NECA Group Training	120,000	96,000
<i>iv) Other Income</i>		
- NSW Chapter	136	409
- VIC Chapter	8,383	2,809
- WA Chapter	6,903	-
- NECA Group Training	1,827	1,318
- National Office	545	-
<i>v) Other Expenses</i>		
- NSW Chapter	11,743	3,341
- VIC Chapter	8,186	2,206
- WA Chapter	50,000	-

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 2013, the association has not recorded any impairment of receivables relating to amounts owed by related parties and declared persons or bodies (2012: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 11: KEY MANAGEMENT PERSONNEL

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

P Babbage	J Blake
G Houghton (ceased 18/02/13)	M Logan (commenced 18/02/13)
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	189,922	199,238
- Post Employment Benefits	17,093	17,932

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
NOTE 12: CASH FLOW INFORMATION		
(a) Cash Flow Reconciliation		
Reconciliation of cash flow from operations with surplus/deficit		
Surplus/(Deficit) from ordinary activities	9,450	273,519
Depreciation	3,774	2,976
Debt Forgiven for Inter-Chapter Loans	-	(330,362)
	13,224	(53,867)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(33,784)	(32,982)
(Increase)/decrease in other current assets	(4,242)	(2,820)
Increase/(decrease) in trade and other payables	10,029	7,275
Increase/(decrease) in deferred income	22,042	57,832
Increase/(decrease) in provisions	(5,217)	18,804
Cash flows from operations	2,052	(5,758)
 (b) Cash Flow Information		
Cash Inflows		
- NSW Chapter	63,767	63,580
- VIC Chapter	84,748	59,400
- WA Chapter	39,267	31,416
- ACT Chapter	5,049	5,049
- National Office	4,278	-
- SA Chapter	136	-
- NECA Group Training	123,010	108,425
Total Cash Inflows	320,255	267,870
 Cash Outflows		
- NSW Chapter	14,324	4,954
- VIC Chapter	9,461	2,103
- WA Chapter	55,000	-
- National Office	72,654	81,756
Total Cash Outflows	151,439	88,813

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2013	2012
\$	\$

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 2013.

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.

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 capital is 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 13: FINANCIAL INSTRUMENTS

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 Avg Effective Interest Rate		Floating Interest Rate		Within 1 Year	
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.0	3.0	113,313	114,218	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			113,313	114,218	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Avg Effective Interest Rate		1 to 5 Years		Over 5 Years	
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.0	3.0	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Avg Effective Interest Rate		Non-Interest Bearing		Total	
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.0	3.0	-	-	113,313	114,218
Trade & other receivables	-	-	89,993	56,209	89,993	56,209
Total Financial Assets:			89,993	56,209	203,306	170,427
Financial Liabilities:						
Deferred Income	-	-	169,486	147,444	169,486	147,444
Trade and other payables	-	-	74,334	64,305	74,334	64,305
Total Financial Liabilities:			243,820	211,749	243,820	211,749

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NOTE 13: FINANCIAL INSTRUMENTS (cont'd)

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

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

	2013	2012
	\$	\$
Less than 6 months	74,334	64,305
	74,334	64,305

(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.

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

	2013		2012	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade & other receivables	89,993	89,993	56,209	56,209
Total financial assets	89,993	89,993	56,209	56,209
Financial liabilities				
Deferred Income	169,486	169,486	147,444	147,444
Trade and other payables	74,334	74,334	64,305	64,305
Total financial liabilities	243,820	243,820	211,749	211,749

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NOTE 13: FINANCIAL INSTRUMENTS (cont'd)

(d) Market Risk

Sensitivity analysis

Interest Rate risk

The association's only exposure to interest rate risk is in relation to cash and cash equivalents.

Sensitivity analysis of the risk that the entity is exposed to for 2013

Risk Variable	Change in risk Variable %	Effect on Profit & Loss \$	Effect on Equity \$
Interest rate	+2%	2,266	2,266
Interest rate	-2%	(2,266)	(2,266)

Sensitivity analysis of the risk that the entity is exposed to for 2012

Risk Variable	Change in risk Variable %	Effect on Profit & Loss \$	Effect on Equity \$
Interest rate	+2%	2,284	2,284
Interest rate	-2%	(2,284)	(2,284)

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

There were no events that occurred after 30 June 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the association.

NOTE 16: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30th June 2013.

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

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**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).

NOTE 19: RECOVERY OF WAGES ACTIVITY

There was no recovery of wage activity undertaken by the association during the financial year.

