

16 December 2016

Mr Mick Logan  
Secretary, Queensland Chapter  
National Electrical Contractors' Association

By email: [mick.logan@neca.asn.au](mailto:mick.logan@neca.asn.au)



Dear Mr Logan

**Re: Lodgement of Financial Statements and Accounts – National Electrical Contractors Association, Queensland Chapter - for year ended 30 June 2016 (FR2016/87)**

I refer to the financial report for the Queensland Chapter of the National Electrical Contractors' Association. The report was lodged with the Fair Work Commission on 12 December 2016.

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

You do not have to take further action in relation to the report lodged but I make the following comment to assist when preparing the next report. Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.<sup>1</sup>

Documents must be lodged with the FWC within 14 days of general meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged with the FWC within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 24 November 2016. If this is correct the full report should have been lodged with the FWC by 8 December.

Please note that if in future financial years the branch anticipates that it will not be able to lodge the report within the 14 day period, a written request for an extension of time, signed by the relevant officer, including any reason for the delay, must be made prior to the expiry of the 14 day period.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC 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. Access to this information may be obtained via [this link](#).

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<sup>1</sup> The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

**From:** KELLETT, Stephen  
**Sent:** Friday, 16 December 2016 9:04 AM  
**To:** 'kathryn.savery@neca.asn.au'  
**Subject:** Attention Mr Mick Logan - financial reporting - y/e 30 June 2016 - filing

Dear Ms Savery,

Please see attached my letter in relation to the above.

Yours faithfully

**STEPHEN KELLETT**  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283  
(mob.) 0429 462 979  
(email) [stephen.kellett@fwc.gov](mailto:stephen.kellett@fwc.gov)



NECA QLD FR2016  
87 (primary final).pdf

**From:** Kathryn Savery [<mailto:kathryn.savery@neca.asn.au>]

**Sent:** Monday, 12 December 2016 11:22 AM

**To:** Orgs

**Cc:** Mick Logan

**Subject:** On CMS FR2016/87 NECA QLD Chapter financial statements for year ended 30 June 2016.

Please find financial statements for NECA QLD Chapter for year ended 30 June 2016.

Regards

**Kathryn Savery**

National Finance Manager



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NECA QLD Financial  
Statements 2016 sign

**NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION –  
QLD CHAPTER**

**Financial Statements**

**For the Year Ended 30 June 2016**

FINANCIAL STATEMENTS 2015–16

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# 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, which comprises the statement of financial position as at 30 June 2016, 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.

## Committee's 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 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 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 management, 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.

### Auditor's 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 2016 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*.

### Other Matters

I declare that, as part of the audit of the financial statements for the year ended 30 June 2016, I have concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

I am currently

- A fellow of the Institute of Chartered Accountants Australia and New Zealand (#26502)
- A registered company auditor (#7516), and
- Hold a Certificate of Public Practice with the CAANZ dated 7 March 1989

Crowe Horwath Melbourne

**CROWE HORWATH MELBOURNE**

John D Gavens

**JOHN GAVENS**  
Partner

**Melbourne Victoria**  
**Dated this 24 October 2016**



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2016

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

- that the documents lodged herewith are copies of the full report for the National Electrical Contractors Association – Queensland Chapter for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 25 /10 / 16
- that the full report was presented to a general meeting of members of the reporting unit on 24/11 /16 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer



Name of prescribed designated officer    MICHAEL LOGAN

Title of prescribed designated officer:    Secretary

Dated: 30/11/2016

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## OPERATING REPORT BY THE COMMITTEE

*for the period ended 30 June 2016*

Your committee members submit the financial report of the National Electrical Contractors Association – Queensland Chapter (“the reporting unit”) for the financial year ended 30 June 2016.

### Committee Members

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

Ian Forbes  
Russel Thompson  
Philip Lawless-Pyne  
Gerald Phelan  
David McInnes

Guy Houghton (resigned 30/5/2016)  
David James  
Michael Logan  
Keith Sallaway  
Greg Hutley

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 activities of the reporting unit are 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.

The result of the principal activities of the reporting unit is a profit of \$24,028 (2015: \$39,207).

### Significant Changes in financial affairs

The reporting unit is no longer reporting a working capital deficiency due to their profit result for the financial year.

### 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 reporting unit, the results of those operations, or the state of affairs of the reporting unit in future financial years.

### Number of Members

The association had 345 (2015: 257) members at financial year end.

### Number of Employees

The association had 5 (2015: 4) equivalent full-time employees at financial year end.

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

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

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

**Operating Report by the Committee (cont'd)**

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

**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 24<sup>th</sup> day of October 2016

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 30 June 2016*

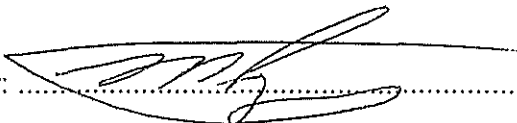
On the 24/ 10/ 2016 the Committee of Management of the National Electrical Contractors Association – Queensland Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or
- (g) where the reporting unit has derived revenue from undertaking recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and no fees or reimbursements of

- (iii) recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Signature of designated officer:  .....

Name and title of designated officer: MICHAEL LOGAN, Secretary

Dated: ..... 24<sup>th</sup> October 2016 .....

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## FINANCIAL REPORT

### STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription		<b>301,413</b>	219,378
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	<b>2,165</b>	3,207
Other revenue	3D	<b>252,004</b>	159,155
<b>Total revenue</b>		<b>555,582</b>	381,740
<b>Other Income</b>			
Grants and/or donations	3E	<b>76,000</b>	129,000
Other income	3F	<b>352,036</b>	311,596
Net gains from Sale of Assets	3G	-	399
<b>Total other income</b>		<b>428,036</b>	440,995
<b>Total income</b>		<b>983,618</b>	822,735
<b>Expenses</b>			
Employee expenses	4A	<b>568,053</b>	451,572
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	<b>262,689</b>	208,762
Grants or donations	4E	-	-
Depreciation and amortisation	4F	<b>4,446</b>	3,862
Legal costs	4G	<b>4,571</b>	-
Audit fees	12	<b>5,300</b>	5,300
Other expenses	4H	<b>114,531</b>	114,032
<b>Total expenses</b>		<b>959,590</b>	783,528
<b>Profit (loss) for the year</b>		<b>24,028</b>	39,207
<b>Total comprehensive income for the year</b>		<b>24,028</b>	39,207

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

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## FINANCIAL REPORT

### STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	295,771	210,972
Trade and other receivables	5B	212,183	263,148
Other current assets	5C	29,277	14,214
<b>Total current assets</b>		<b>537,232</b>	<b>488,334</b>
<b>Non-Current Assets</b>			
Plant and equipment	6A	11,211	9,817
<b>Total non-current assets</b>		<b>11,211</b>	<b>9,817</b>
<b>Total assets</b>		<b>548,442</b>	<b>498,151</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deferred Income	7A	320,489	301,986
Trade and Other payables	7B	96,538	101,344
Employee provisions	8A	38,458	26,765
<b>Total current liabilities</b>		<b>455,485</b>	<b>430,095</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	4,241	3,368
<b>Total non-current liabilities</b>		<b>4,241</b>	<b>3,368</b>
<b>Total liabilities</b>		<b>459,726</b>	<b>433,463</b>
<b>Net assets</b>		<b>88,716</b>	<b>64,688</b>
<b>EQUITY</b>			
Retained earnings		88,716	64,688
<b>Total equity</b>		<b>88,716</b>	<b>64,688</b>

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

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## FINANCIAL REPORT

### STATEMENT OF CHANGES IN EQUITY

*for the period ended 30 June 2016*

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2014</b>		25,481	25,481
Profit for the year		39,207	39,207
<b>Closing balance as at 30 June 2015</b>		<b>64,688</b>	<b>64,688</b>
Profit for the year		<b>24,028</b>	<b>24,028</b>
<b>Closing balance as at 30 June 2016</b>		<b>88,716</b>	<b>88,716</b>

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



# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## FINANCIAL REPORT

### CASH FLOW STATEMENT

for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts in the course of operations		<b>733,386</b>	649,384
Receipts from other reporting units/controlled entities	9B	<b>283,969</b>	-
Interest		<b>2,165</b>	3,207
<b>Cash used</b>			
Employees		<b>(511,001)</b>	(607,600)
Suppliers		<b>(279,839)</b>	-
Payment to other reporting units/controlled entities	9B	<b>(138,041)</b>	-
<b>Net cash from (used by) operating activities</b>	9A	<b>90,639</b>	40,787
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	1,049
<b>Cash used</b>			
Purchase of plant and equipment		<b>(5,840)</b>	(6,515)
<b>Net cash from (used by) investing activities</b>		<b>(5,840)</b>	(5,466)
<b>Net increase (decrease) in cash held</b>		<b>84,799</b>	35,321
Cash & cash equivalents at the beginning of the reporting period		210,972	175,651
<b>Cash &amp; cash equivalents at the end of the reporting period</b>		<b>295,771</b>	210,972

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

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

## FINANCIAL REPORT

### RECOVERY OF WAGES ACTIVITY

for the period ended 30 June 2016

	2016	2015
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>	-	-

**Index to the Notes of the Financial Statements**

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Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
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Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
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Note 10	Contingent liabilities, assets and commitments
Note 11	Related party disclosures
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Note 13	Financial instruments
Note 14	Fair value measurements
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Note 1 Summary of significant accounting policies**

**1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, National Electrical Contractors Association (NECA QLD Chapter) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

**1.2 Comparative amounts**

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

**1.3 Significant accounting judgements and estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**1.4 Going Concern Assumption**

As at 30 June 2015, the Queensland Chapter generated a surplus from operations resulting in positive working capital of \$58,239. During this financial year there was a positive working capital \$81,745 as at year ended 30 June 2016. Furthermore, the Queensland Chapter is able to rely on the ongoing financial support of National Office and NECA Group Training. This support continues until at least 30 June 2017.

**1.5 Taxation**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**1.6 Revenue**

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

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

Donation income is recognised when it is received.

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

Revenue from the sale of goods and services, including management fees, is recognised upon delivery of goods and services to members and customers.

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

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

Project income, relating to government grants, is recognised in the Statement of Comprehensive Income when it is controlled. When there are conditions attached to project income relating to the use of that income for specific purposes, it is recognised in the Statement of Financial Position as a liability until such conditions are met or services provided.

Commission on sales made to members is recognised when the right to receive a commission has been established.

Promotional activities revenue, which includes sponsorship, excellence awards, and other events, is recognised upon commencement of said activities.

**1.7 Government grants**

Government grants are not recognised until there is reasonable assurance that the NECA QLD Chapter will comply with the conditions attaching to them and that the grants will be received.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)  
Government Grants (cont'd)**

Government grants are recognised in profit or loss on a systematic basis over the periods in which NECA QLD Chapter recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the

NECA QLD Chapter should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to NECA QLD Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

**1.8 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:

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**1.9 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.

**1.10 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.

**1.11 Provisions**

Provisions are recognised when the reporting unit 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.

**1.12 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.

**1.13 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.

**1.14 Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**Financial assets (cont'd)**

or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Fair value through profit or loss***

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

A financial asset is classified as held for trading if:

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

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

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

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

***Held-to-maturity investments***

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

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**Financial assets (cont'd)**

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

***Loan and receivables***

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

***Effective interest method***

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

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

***Impairment of financial assets***

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**Financial assets (cont'd)**

Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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

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

***Derecognition of financial assets***

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**Financial liabilities (cont'd)**

**1.15 Financial Liabilities**

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

***Fair value through profit or loss***

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

A financial liability is classified as held for trading if:

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

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

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

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

***Other financial liabilities***

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**Financial liabilities (cont'd)**

***Derecognition of financial liabilities***

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

**1.16 New Australian Accounting Standards**

**Adoption of New Australian Accounting Standard requirements**

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Electrical Contractors Association – Queensland Chapter.

	2016	2015
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>	-	-
<b>Note 3B: Levies</b>	-	-
<b>Note 3C: Interest</b>		
Deposits	2,165	3,207
<b>Total interest</b>	<b>2,165</b>	<b>3,207</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>Note 3 Income (cont'd)</b>	<b>2016</b>	2015
	\$	\$

**Note 3D: Other Revenue**

Sales of Products & Services	<b>231,924</b>	145,678
Insurance & Fuel Scheme Commission	<b>20,080</b>	13,477
<b>Total Other Revenue</b>	<b>252,004</b>	159,155

**Note 3E: Grants or donations**

Grants	<b>76,000</b>	129,000
<b>Total grants or donations</b>	<b>76,000</b>	129,000

**Note 3F: Other Income**

Management Fees	<b>118,091</b>	116,000
Project Income	<b>27,900</b>	11,600
Promotional Activities	<b>163,211</b>	142,375
Sundry Income	<b>42,834</b>	41,621
<b>Total other income</b>	<b>352,036</b>	311,596

**Note 3G: Net gains from sale of assets**

Plant and equipment	-	399
<b>Total net gain from sale of assets</b>	-	399

**Note 4 Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

Wages and salaries	<b>153,109</b>	153,202
Superannuation	<b>14,545</b>	14,554
Leave and other entitlements	<b>(2,451)</b>	1,851
Separation and redundancies	-	-
Other employee expenses	<b>11,435</b>	7,277
<b>Subtotal employee expenses holders of office</b>	<b>176,638</b>	176,884

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**Note 4 Expenses**

Note 4A (cont'd)	2016 \$	2015 \$
Wages and salaries	321,815	227,936
Superannuation	30,549	22,774
Leave and other entitlements	15,017	7,402
Separation and redundancies	-	-
Other employee expenses	24,034	16,577
<b>Subtotal employee expenses employees other than office holders</b>	<b>391,415</b>	<b>274,689</b>
<b>Total employee expenses</b>	<b>568,053</b>	<b>451,573</b>
<b>Note 4B: Capitation fees</b>		
	-	-
<b>Total capitation fees</b>	-	-
<b>Note 4C: Affiliation fees</b>		
	-	-
<b>Total affiliation fees/subscriptions</b>	-	-
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	8,890	4,423
Contractors/consultants	15,297	4,933
Cost of sales to members	36,386	25,167
Information communications technology	2,855	3,678
Member services	27,648	51,963
Property expenses	7,897	8,416
Office expenses	33,283	24,440
Other administration expenses	39,163	27,812
Travel and accommodation	39,457	30,332
<b>Subtotal administration expense</b>	<b>210,876</b>	<b>181,164</b>
Operating lease rentals:		
Minimum lease payments	51,813	27,508
<b>Total administration expenses</b>	<b>262,689</b>	<b>208,672</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**Note 4 Expenses**

	2016 \$	2015 \$
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 4F: Depreciation</b>		
Depreciation		
Plant and equipment	<u>4,446</u>	3,862
<b>Total depreciation</b>	<u>4,446</u>	<u>3,862</u>
<b>Note 4G: Legal costs</b>		
Other legal matters		
	<u>4,571</u>	-
<b>Total legal costs</b>	<u>4,571</u>	<u>-</u>
<b>Note 4H: Other expenses</b>		
Penalties - via RO Act or RO Regulations	-	-
Bad debts written off	-	-
Project expenses	-	-
Promotional activities	105,499	106,209
Sundry other expenses	9,032	7,823
<b>Total other expenses</b>	<u>114,531</u>	<u>114,032</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	295,471	210,672
Cash on hand	300	300
<b>Total cash and cash equivalents</b>	<b>295,771</b>	<b>210,972</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting units</b>		
- National Office (other reporting entity)	-	4,000
- SA Chapter (other reporting entity)	-	909
- Tasmanian Chapter (other reporting entity)	-	454
<b>Total receivables from other reporting units</b>	<b>-</b>	<b>5,363</b>
<b>Other receivables:</b>		
General membership	212,183	257,785
Insurance commission	-	-
<b>Total other receivables</b>	<b>212,183</b>	<b>257,785</b>
<b>Total trade and other receivables (net)</b>	<b>212,183</b>	<b>263,148</b>
<b>Note 5C: Other Current Assets</b>		
Prepayments	29,277	14,214
<b>Total other current assets</b>	<b>29,277</b>	<b>14,214</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

2016                      2015  
\$                              \$

**Note 6    Non-current Assets**

**Note 6A: Plant and equipment**

Plant and equipment:

at cost	<b>28,330</b>	22,490
accumulated depreciation	<b>(17,119)</b>	(12,673)
<b>Total plant and equipment</b>	<b>11,211</b>	9,817

***Reconciliation of the Opening and Closing Balances of Plant and Equipment***

<hr/>		
<b>As at 1 July</b>		
Gross book value	<b>22,490</b>	17,209
Accumulated depreciation and impairment	<b>(12,673)</b>	(9,394)
<b>Net book value 1 July</b>	<b>9,817</b>	7,815
Additions:		
By purchase	<b>5,840</b>	6,515
Depreciation expense	<b>(4,446)</b>	(3,862)
Disposals:		
Other	-	(651)
<b>Net book value 30 June</b>	<b>11,211</b>	9,817
<b>Net book value as of 30 June represented by:</b>		
Gross book value	<b>28,330</b>	22,490
Accumulated depreciation and impairment	<b>(17,119)</b>	(12,673)
<b>Net book value 30 June</b>	<b>11,211</b>	9,817

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

2016                      2015  
\$                              \$

**Note 7    Current Liabilities**

**Note 7A: Deferred Income**

Income received in advance	<b>320,489</b>	301,986
<b>Total Deferred Income</b>	<b>320,489</b>	301,986

**Note 7B: Trade and Other payables**

**Payables to other reporting units**

- National Office (other reporting entity)	<b>4,887</b>	9,729
- Victorian Chapter (other reporting entity)	<b>222</b>	-
- Subtotal payables to other reporting units	<b>5,109</b>	9,729

Trade and other payables	<b>26,941</b>	18,791
Wages and salaries	<b>8,808</b>	12,488
Superannuation	<b>9,017</b>	4,979
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	<b>46,663</b>	35,357
Other	-	20,000
<b>Total other payables</b>	<b>96,538</b>	101,344

Total other payables are expected to be settled in:

No more than 12 months	<b>96,538</b>	101,344
<b>Total other payables</b>	<b>96,538</b>	101,344

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	8,861	11,493
Long service leave	1,594	1,414
<b>Subtotal employee provisions—office holders</b>	<b>10,455</b>	<b>12,907</b>
<b>Employees other than office holders:</b>		
Annual leave	29,597	15,272
Long service leave	2,647	1,954
<b>Subtotal employee provisions—employees other than office holders</b>	<b>32,244</b>	<b>17,226</b>
<b>Total employee provisions</b>	<b>42,699</b>	<b>30,133</b>
Current	38,458	26,765
Non Current	4,241	3,368
<b>Total employee provisions</b>	<b>42,699</b>	<b>30,133</b>

**Note 9 Cash Flow**

**Note 9A: Cash Flow Reconciliation**

**Cash and cash equivalents as per:**

Cash flow statement	295,771	210,972
Balance sheet	295,771	210,972
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Profit/(deficit) for the year	24,028	39,207
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	4,446	3,862
Bad debts written off	-	-
Gain on disposal of assets	-	(399)
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	50,965	(169,744)
(Increase)/decrease in prepayments	(15,063)	(4,204)
Increase/(decrease) in trade and other payables	(4,806)	37,428
Increase/(decrease) in deferred income	18,503	125,384
Increase/(decrease) in employee provisions	12,566	9,253
<b>Net cash from (used by) operating activities</b>	<b>90,639</b>	<b>40,787</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Note 9B: Cash flow information</b>		
Cash inflows		
- NSW Chapter (other reporting unit)	25,300	44,919
- VIC Chapter (other reporting unit)	47,600	58,520
- WA Chapter (other reporting unit)	6,600	16,650
- ACT Chapter (other reporting unit)	3,300	5,500
- National Office (other reporting unit)	15,106	475
- SA Chapter (other reporting unit)	5,909	10,091
- Tasmanian Chapter (other reporting unit)	3,754	5,046
- NECA Group Training (related party)	93,900	107,200
- Australian Cabler Registration Services P/L (related party)	82,500	70,412
- Other	-	-
<b>Total cash inflows</b>	<b>283,969</b>	<b>318,813</b>
Cash outflows		
- NSW Chapter (other reporting unit)	4,923	25,067
- VIC Chapter (other reporting unit)	9,270	6,240
- National Office (other reporting unit)	112,359	116,999
- SA Chapter (other reporting unit)	271	-
- NECA Legal (related party)	138	-
- NECA Training (related party)	515	791
- NECA Group Training (related party)	-	395
- NECA Trade Services (related party)	10,565	-
<b>Total cash outflows</b>	<b>138,041</b>	<b>149,492</b>

**NOTE 10: CONTINGENT LIABILITIES, ASSETS AND LIABILITIES**

There are no contingent liabilities or assets as at 30 June 2016.

**OPERATING LEASE COMMITMENTS**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

No longer than one year	54,849	-
Longer than one year but not longer than five years	13,764	23,400
Longer than five years	-	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions for the Reporting Period**

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.

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

	<b>2016</b>	2015
	\$	\$
<b>(i) Grants Income received</b>		
- NSW Chapter (other reporting unit)	<b>23,000</b>	40,800
- VIC Chapter (other reporting unit)	<b>43,273</b>	53,200
- WA Chapter (other reporting unit)	<b>6,000</b>	15,000
- ACT Chapter (other reporting unit)	<b>3,000</b>	5,000
- SA Chapter (other reporting unit)	<b>5,000</b>	10,000
- Tasmanian Chapter (other reporting unit)	<b>3,000</b>	5,000
<b>(ii) Management Fee</b>		
- Australian Cabler Registration Services P/L (related party)	<b>55,000</b>	60,000
- NECA Group Training (related party)	<b>84,000</b>	96,000
<b>(iii) Other Income received</b>		
- SA Chapter (other reporting unit)	-	908
- WA Chapter (other reporting unit)	-	136
- National Office (other reporting unit)	<b>6,460</b>	154
- Australian Cabler Registration Services P/L (related party)	-	3,870
- NECA Group Training (related party)	<b>1,427</b>	1,455
<b>(iv) Other Expenses</b>		
- NSW Chapter (other reporting unit)	<b>4,575</b>	16,098
- VIC Chapter (other reporting unit)	<b>7,833</b>	4,903
- SA Chapter (other reporting unit)	<b>246</b>	-
- National Office (other reporting unit)	<b>103,454</b>	108,038
- NECA Training (related party)	<b>468</b>	629
- NECA Legal (related party)	<b>125</b>	-
- NECA Trade Services (related party)	<b>9,605</b>	-
<b>(v) Short-term funding for Conference 2016</b>		
- National Office (other reporting unit)	<b>4,000</b>	4,000

**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 yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

2016                      2015  
\$                              \$

**Note 11B: Key Management Personnel Remuneration for the Reporting Period**

**Short-term employee benefits**

Salary (including annual leave taken)	153,109	153,202
Annual leave accrued	-	-
Performance bonus	-	-

<b>Total short-term employee benefits</b>	153,109	153,202
---	---------	---------

**Post-employment benefits:**

Superannuation	14,545	14,544
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<b>Total post-employment benefits</b>	14,545	14,544
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**Other long-term benefits:**

Long-service leave	-	-
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<b>Total other long-term benefits</b>	-	-
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**Termination benefits**

<b>Total</b>	167,654	167,746
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**Note 11C: Transactions with key management personnel and their close family members**

Loans to/from key management personnel	-	-
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Other transactions with key management personnel	-	-
--	---	---

**Note 12 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	5,300	5,300
Other services	-	-

<b>Total remuneration of auditors</b>	5,300	5,300
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No other services were provided by the auditors of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Note 13 Financial Instruments**

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 2016.

*i. Treasury Risk Management*

Committee members of the 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 reporting unit is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

The reporting unit 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(e).

*Foreign Currency risk*

The reporting unit is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

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

*Price risk*

The reporting unit is not exposed to any material commodity price risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Note 13A: Categories of Financial Instruments</b>		
<b><i>Financial Assets</i></b>		
Fair value through profit or loss:		
Cash and cash equivalents	295,771	210,972
<b>Total</b>	<b>295,771</b>	<b>210,972</b>
Held-to-maturity investments:	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Available-for-sale assets:	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Loans and receivables:		
Intercompany loan –National Office	-	4,000
<b>Total</b>	<b>-</b>	<b>4,000</b>
<b><i>Carrying amount of financial assets</i></b>	<b>295,771</b>	<b>214,972</b>
<b><i>Financial Liabilities</i></b>		
Fair value through profit or loss:	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Other financial liabilities:	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><i>Carrying amount of financial liabilities</i></b>	<b>-</b>	<b>-</b>

**Note 13B: Net Income and Expense from Financial Assets**

Fair value through profit or loss:	-	-
Interest revenue	2,165	3,207

**Note 13C: Net Income and Expense from Financial Liabilities**

Fair value through profit or loss:	-	-
Interest expense	-	-



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Note 13D: Credit Risk</b>		
<b>Financial Assets</b>		
Cash at bank	295,771	210,972
Loan receivable – National Office	-	4,000
<b>Total</b>	<u>295,771</u>	<u>214,972</u>

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

	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Cash at bank	295,771	-	210,972	-
Loan receivable –National Office	-		4,000	
<b>Total</b>	<u>295,771</u>	<u>-</u>	<u>214,972</u>	<u>-</u>

**Note 13E: Market Risk**

**Interest Rate Risk**

The reporting unit'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 2016**

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+ 2%	5,915	5,915
Interest rate risk	- 2%	(5,915)	(5,915)

Sensitivity analysis of the risk that the entity is exposed to for 2015

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+ 2%	4,219	4,219
Interest rate risk	- 2%	(4,219)	(4,219)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Note 14 Fair Value Measurement**

**Note 14A: Financial Assets and Liabilities**

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

	<b>Carrying amount 2016 \$</b>	<b>Fair value 2016 \$</b>	<b>Carrying amount 2015 \$</b>	<b>Fair value 2015 \$</b>
<b>Financial Assets</b>				
Cash at bank	295,771	295,771	210,972	210,972
Loan receivable –National Office	-	-	4,000	4,000
<b>Total</b>	<b>295,771</b>	<b>295,771</b>	<b>214,972</b>	<b>214,972</b>
<b>Financial Liabilities</b>				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 15: Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).



7 December 2016

Mr Mick Logan  
Secretary - Queensland chapter  
National Electrical Contractors Association - Queensland Chapter

Sent via email: [mick.logan@neca.asn.au](mailto:mick.logan@neca.asn.au)

Dear Mr Logan,

### **Lodgement of Financial Report - Reminder to lodge**

The Fair Work Commission's (the Commission) records disclose that the financial year of the National Electrical Contractors Association, Queensland Chapter (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,



Sam Gallichio  
Adviser  
Regulatory Compliance Branch

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)



15 July 2016

Mr Mick Logan  
Secretary - Queensland chapter  
National Electrical Contractors Association, The-Queensland Chapter  
By email: [mick.logan@neca.asn.au](mailto:mick.logan@neca.asn.au)

Dear Mr Logan,

**Re: Lodgement of Financial Report - [FR2016/87]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Electrical Contractors Association, The-Queensland Chapter (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

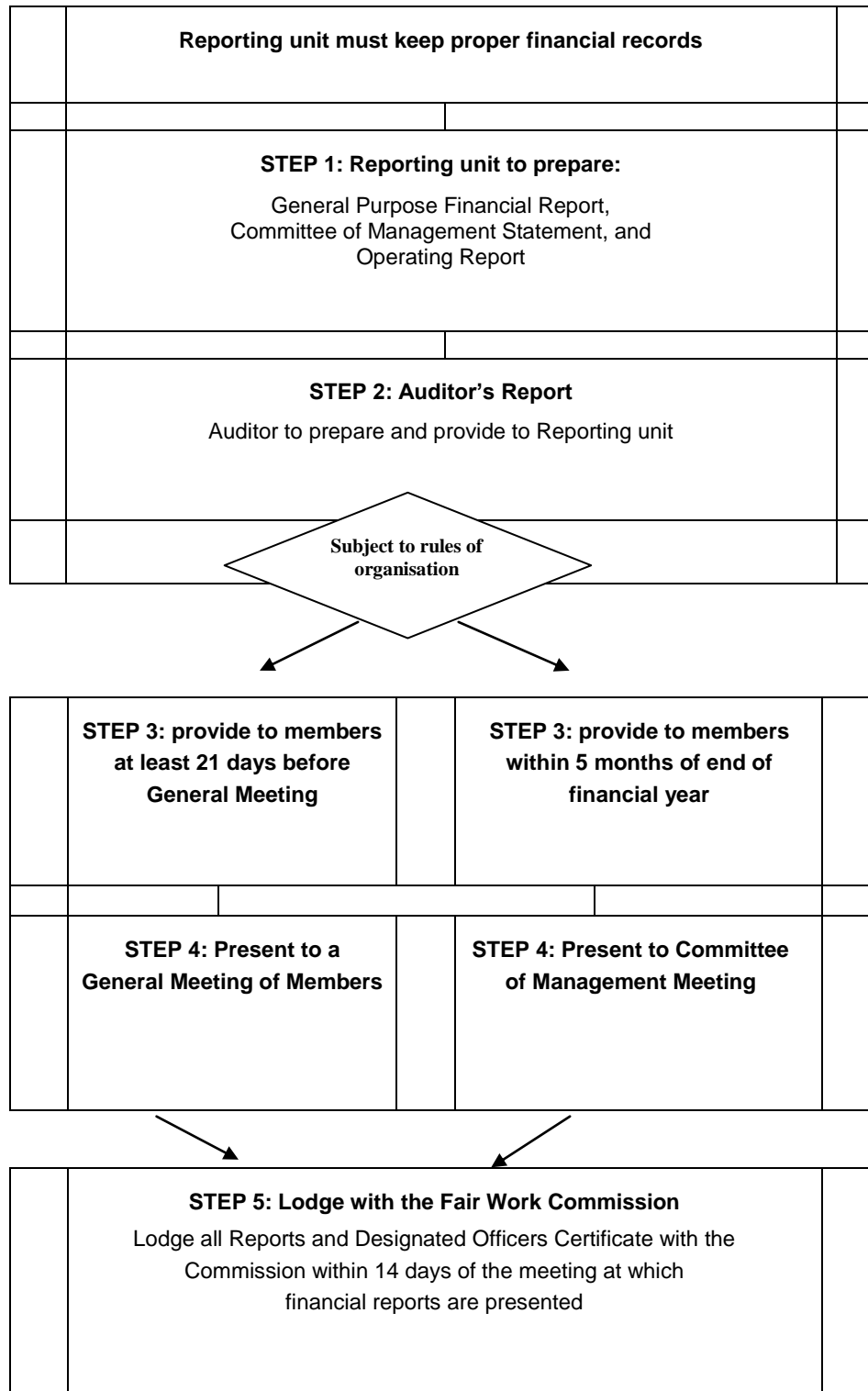


Annastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.





# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

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

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

## The Loans, Grants & Donations Statement

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







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

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

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

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

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

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

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

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

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

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

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)