



7 December 2017

Mr Peter Lamont
Secretary, Queensland Chapter
National Electrical Contractors Association

Dear Mr Lamont

Re: – National Electrical Contractors Association, Queensland Chapter - financial report for year ending 30 June 2017 (FR2017/273)

I refer to the financial report of the Queensland Chapter of the National Electrical Contractors Association. The documents were lodged with the Registered Organisations Commission ('the RO Commission') on 28 November 2017. A corrected committee of management statement was received today.

The financial report has now been filed. The financial report was 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 are not required to take any further action in respect of the report lodged. Please note the report for year ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: Kelly Everett [<mailto:Kelly.Everett@neca.asn.au>]
Sent: Tuesday, 28 November 2017 11:50 AM
To: ROC - Registered Org Commission
Cc: Ginnie Pun; Wendy Ramjee
Subject: HPRM: ON CMS FR2017/273 NECA Qld Chapter financial report for year ended 30 June 2017

[FR2017/273](#)

Dear Sir/Madam,

Please see attached NECA Qld Chapter financial statements for year ended 30 June 2017.

Regards,

Kelly Everett
Office Manager



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NECA Queensland-
Financials Audit Repc

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION –
QLD CHAPTER
Financial Statements
For the Year Ended 30 June 2017**

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Independent Audit Report to the Members of National Electrical Contractors Association- Queensland Chapter

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of National Electrical Contractors Association- Queensland Chapter, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

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

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. In relation to these matters, we have nothing to report.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

John J Gavens

JOHN GAVENS
Partner

MELBOURNE
19 October 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/164

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

Certificate By Prescribed Designated Officer

Certificate for the year ended 30 June 2017

I, *Peter Lamont* 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 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 *24/10/17* and *PK*
- that the full report was presented to a *general meeting of members* of the reporting unit on *16/11/2017* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....*P. Lamont*.....

Name of prescribed designated officer: Peter Lamont

Title of prescribed designated officer: Secretary

Dated:*16th November 2017*.....

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

OPERATING REPORT BY THE COMMITTEE

for the period ended 30 June 2017

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 2017.

Committee Members

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

David James	Ian Forbes
David McInnes	Mick Logan (Resigned 27 July 2017)
Russel Thompson	Peter Lamont (Nominated 27 July 2017)
Gerald Phelan	Phillip Lawless-Pyne (Resigned 27 July 2017)
Gavin Peterson	Alex Stormon (Elected 27 July 2017)
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 \$2,919 (2016: \$24,028).

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 371 (2016:345) members at financial year end.

Number of Employees

The association had 5 (2016: 5) 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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

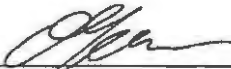
Operating Report by the Committee (cont'd)

(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 James
President



Peter Lamont
Secretary

Dated this *Nineteenth* day of *October* 2017

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2017

On the 19 October 2017 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 2017:

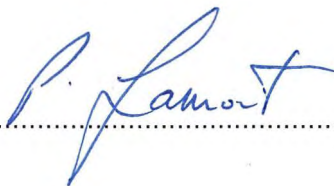
The Committee of Management declares that in its opinion:

- (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) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

Committee of Management Statement (cont'd)

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

Signature of designated officer: 

Name and title of designated officer: Peter Lamont, Executive Director

Dated: *19th October 2017*

National Electrical Contractors Association- Queensland Chapter

Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription		376,179	301,413
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	1,383	2,165
Other revenue	3D	206,140	252,004
Total revenue		583,702	555,582
Other Income			
Grants and/or donations	3E	-	76,000
Other income	3F	380,214	352,036
Total other income		380,214	428,036
Total income		963,916	983,618
Expenses			
Employee expenses	4A	562,922	568,053
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	258,400	262,689
Grants or donations	4E	50	-
Depreciation and amortisation	4F	5,240	4,446
Legal costs	4G	5,632	4,571
Audit fees	12	5,300	5,300
Other expenses	4H	123,453	114,531
Total expenses		960,997	959,590
Surplus for the year		2,919	24,028
Total comprehensive income for the year		2,919	24,028

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

Statement of Financial Position

as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	222,814	295,771
Trade and other receivables	5B	222,917	212,183
Other current assets	5C	31,401	29,277
Total current assets		477,132	537,231
Non-Current Assets			
Plant and equipment	6A	12,324	11,211
Total non-current assets		12,324	11,211
Total assets		489,456	548,442
LIABILITIES			
Current Liabilities			
Deferred Income	7A	269,899	320,489
Trade and Other payables	7B	77,290	96,538
Employee provisions	8A	40,070	38,458
Total current liabilities		387,259	455,485
Non-Current Liabilities			
Employee provisions	8A	10,562	4,241
Total non-current liabilities		10,562	4,241
Total liabilities		397,821	459,726
Net assets		91,635	88,716
EQUITY			
Retained earnings		91,635	88,716
Total equity		91,635	88,716

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

Statement of Changes in Equity
for the year ended 30 June 2017

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2015		64,688	64,688
Surplus / (deficit)		24,028	24,028
Closing balance as at 30 June 2016		88,716	88,716
Surplus / (deficit)		2,919	2,919
Closing balance as at 30 June 2017		91,635	91,635

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts in the course of operations		881,850	733,386
Receipts from other reporting units/controlled entity(s)	9B	150,977	283,969
Interest		1,383	2,165
Cash used			
Employees		(529,026)	(511,001)
Suppliers		(458,362)	(279,839)
Payment to other reporting units/controlled entity(s)	9B	(113,426)	(138,041)
Net cash from (used by) operating activities	9A	(66,604)	90,639
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(6,353)	(5,840)
Net cash from (used by) investing activities		(6,353)	(5,840)
Net increase (decrease) in cash held		(72,957)	84,799
Cash & cash equivalents at the beginning of the reporting period		295,771	210,972
Cash & cash equivalents at the end of the reporting period		222,814	295,771
	5A		

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

Recovery of Wages Activity

for the year ended 30 June 2017

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
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	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

Index to the Notes of the Financial Statements

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

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, 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

The financial statements have been prepared on going concern basis as:

- during 2017, the Queensland Chapter generated an operating surplus of \$2,919 (2016: \$24,028)
- at the end of the year there was positive working capital of \$89,873 (2016: \$81,746)
- the Chapter is able to rely on financial support of the National Office until at least 30 June 2018.

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.

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

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

Cash flows are included in the statement of cash flows 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.

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

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

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.

1.8 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 2017**

Government grants are recognised in profit or loss on a systematic basis over the periods in which the 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 the NECA QLC Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.19 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 assets	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.

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

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

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.11 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

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

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 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.

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

Held-to-maturity investments

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

Available-for-sale

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

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

Loan and receivables

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

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.

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

Impairment of financial assets

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

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

Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the 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.

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

Derecognition of financial assets

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

1.15 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.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.16 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The reporting unit has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the unit.

The following Accounting Standards and Interpretations are most relevant to the reporting unit:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities*;
- AASB 2012 – 3 *Amendments to AASB 136- Recoverable Amount Disclosures for non-financial assets*; and
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part A to C)*.

The following Accounting Standards have been issued but are not yet effective:

- AASB 9 *Financial Instruments*;
- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 16 *Leases*

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The expected impact on the financial statements of the Accounting Standards that have been issued but are not yet effective is detailed below:

AASB 9 Financial Instruments:

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for

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

calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition on financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The reporting unit anticipates that the application of AASB 9 in the future may have an impact on the amounts reported in respect to the unit's financial assets. However, it is not practicable to provide a reasonable estimate of the effect of AASB 9 until the unit undertakes a detailed review.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The reporting unit anticipates that the application of AASB 15 in the future may have an impact on the amounts reported and disclosures made in the unit's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 15 until the reporting unit undertakes a detailed review.

AASB 16 Leases

The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet. The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.

Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the net result.

No change for lessors.

Note 2 Events after the reporting period

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

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

	2017	2016
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	1,383	2,165
Total interest	<u>1,383</u>	<u>2,165</u>
Note 3D: Other Revenue		
Sales of Products & Services	181,529	231,924
Insurance & Fuel Scheme Commission	24,611	20,080
Total rental revenue	<u>206,140</u>	<u>252,004</u>
Note 3E: Grants or donations		
Grants	-	76,000
Donations	-	-
Total grants or donations	<u>-</u>	<u>76,000</u>

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

	2017	2016
	\$	\$
Note 3F: Other Income		
Management Fees	131,100	153,091
Project Income	-	27,900
Promotional Activities	220,857	163,211
Sundry Income	28,257	7,834
Total other income	<u>380,214</u>	<u>352,036</u>

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	160,500	153,109
Superannuation	15,247	14,545
Leave and other entitlements	(5,888)	(2,451)
Other employee expenses	14,129	11,435
Subtotal employee expenses holders of office	<u>183,988</u>	<u>176,638</u>

Employees other than office holders:

Wages and salaries	324,122	321,815
Superannuation	30,782	30,549
Leave and other entitlements	13,821	15,017
Other employee expenses	10,209	24,034
Subtotal employee expenses employees other than office holders	<u>378,934</u>	<u>391,415</u>
Total employee expenses	<u>562,922</u>	<u>568,053</u>

Note 4B: Capitation fees

	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 4C: Affiliation fees

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

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

	2017 \$	2016 \$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	9,375	8,890
Contractors/consultants	23,920	15,297
Cost of sales to members	23,548	36,386
Member services	28,150	27,648
Travel and accommodation	30,892	39,457
Property expenses	11,378	7,897
Office expenses	29,407	33,283
Information communications technology	3,139	2,855
Other administration expenses	42,209	39,163
Subtotal administration expense	202,018	210,876
Operating lease rentals:		
Minimum lease payments	56,382	51,813
Total administration expenses	258,400	262,689
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	50	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	50	-
Note 4F: Depreciation		
Depreciation		
Plant and equipment	5,240	4,446
Total depreciation	5,240	4,446

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

	2017 \$	2016 \$
Note 4G: Legal costs		
Other legal matters	5,632	4,571
Total legal costs	<u>5,632</u>	<u>4,571</u>

Note 4H: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Bad debts written off	-	-
Project expenses	-	-
Promotional activities	117,902	105,499
Sundry other expenses	5,551	9,032
Total other expenses	<u>123,453</u>	<u>114,531</u>

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	222,516	295,471
Cash on hand	298	300
Total cash and cash equivalents	<u>222,814</u>	<u>295,771</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units

Total receivables from other reporting units	<u>-</u>	<u>-</u>
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Less provision for doubtful debts

Total provision for doubtful debts	<u>-</u>	<u>-</u>
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Receivable from other reporting units (net)	<u>-</u>	<u>-</u>
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Other receivables:

General membership	222,917	212,8183
Insurance commission	-	-
Total other receivables	<u>222,917</u>	<u>212,183</u>
Total trade and other receivables (net)	<u>222,917</u>	<u>212,183</u>

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

	2017 \$	2016 \$
Note 5C: Other Current Assets		
Prepayments	31,401	29,277
Total other current assets	<u>31,401</u>	<u>29,277</u>

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:		
at cost	34,683	28,330
accumulated depreciation	(22,359)	(17,119)
Total plant and equipment	<u>12,324</u>	<u>11,211</u>

Reconciliation of Opening and Closing Balances of Plant and Equipment

	2017 \$	2016 \$
As at 1 July		
Gross book value	28,330	22,490
Accumulated depreciation and impairment	(17,119)	(12,673)
Net book value 1 July	<u>11,211</u>	<u>9,817</u>
Additions:		
By purchase	6,353	5,840
Depreciation expense	(5,240)	(4,446)
Net book value 30 June	<u>12,324</u>	<u>11,211</u>
Net book value as of 30 June represented by:		
Gross book value	34,683	28,330
Accumulated depreciation and impairment	(22,359)	(17,119)
Net book value 30 June	<u>12,324</u>	<u>11,211</u>

Note 7 Current Liabilities

Note 7A: Deferred Income

Income received in advance	269,899	320,489
Total Deferred Income	<u>269,899</u>	<u>320,489</u>

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

	2017 \$	2016 \$
Note 7B: Trade and Other payables		
Payables to other reporting units		
- National Office (other reporting entity)	7,571	4,887
-Victorian Chapter (other reporting entity)	-	222
Subtotal payables to other reporting units	7,571	5,109
Trade and other payables	33,913	26,941
Wages and salaries	9,216	8,808
Superannuation	3,558	9,017
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	23,032	46,663
Total other payables	77,290	96,538
Total other payables are expected to be settled in:		
No more than 12 months	77,290	96,538
Total other payables	77,290	96,538

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:		
Annual leave	3,456	8,861
Long service leave	-	1,594
Subtotal employee provisions—office holders	3,456	10,455
Employees other than office holders:		
Annual leave	36,614	29,597
Long service leave	10,562	2,647
Subtotal employee provisions—employees other than office holders	47,176	32,244
Total employee provisions	50,632	42,699
Current	40,070	38,458
Non Current	10,562	4,241
Total employee provisions	50,632	42,699

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

Note 9 Cash Flow

Note 9A: Cash Flow Reconciliation

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

	2017	2016
	\$	\$
Cash and cash equivalents as per:		
Cash flow statement	222,814	295,771
Balance sheet	222,814	295,771
Difference	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	2,919	24,028
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Adjustments for non-cash items

Depreciation/amortisation	5,240	4,446
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Changes in assets/liabilities

(Increase)/decrease in net receivables	(10,734)	50,965
(Increase)/decrease in prepayments	(2,124)	(15,063)
Increase/(decrease) in trade and other payables	(19,248)	(4,806)
Increase/(decrease) in deferred income	(50,590)	18,503
Increase/(decrease) in employee provisions	7,933	12,566
Net cash from (used by) operating activities	<u>(66,604)</u>	<u>90,639</u>

Note 9B: Cash flow information

Cash inflows

- NSW Chapter (other reporting unit)	-	25,300
- VIC Chapter (other reporting unit)	-	47,600
- WA Chapter (other reporting unit)	-	6,600
- ACT Chapter (other reporting unit)	-	3,300
- National Office (other reporting unit)	800	15,106
- SA Chapter (other reporting unit)	-	5,909
- Tasmanian Chapter (other reporting unit)	-	3,754
- NECA Group Training (related party)	79,220	93,900
- NECA Legal Pty Ltd	13,626	-
- Australian Cabler Registration Services P/L (related party)	57,331	82,500
- Other	-	-
Total cash inflows	<u>150,977</u>	<u>283,969</u>

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

	2017	2016
	\$	\$
Cash outflows		
- NSW Chapter (other reporting unit)	11,705	4,923
- VIC Chapter (other reporting unit)	1,579	9,270
- National Office (other reporting unit)	97,902	112,359
- SA Chapter (other reporting unit)	-	271
- NECA Legal (related party)	2,240	138
- NECA Training (related party)	-	515
- NECA Group Training (related party)	-	-
- NECA Trade Services (related party)	-	10,565
Total cash outflows	113,426	138,041

Note 10 Contingent Liabilities, Assets and Commitments

There are no contingent liabilities or assets as at 30 June 2017.

Operating lease commitments—as lessee

Within one year	51,573	54,849
After one year but not more than five years	9,736	13,764
More than five years	-	-
Total	61,309	68,613

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- QUEENSLAND CHAPTER

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

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

	2017	2016
	\$	\$
(i) Grants Income received:		
NSW Chapter (other reporting unit)	-	23,000
VIC Chapter (other reporting unit)	-	43,273
WA Chapter (other reporting unit)	-	6,000
ACT Chapter (other reporting unit)	-	3,000
SA Chapter (other reporting unit)	-	5,000
Tasmanian Chapter (other reporting unit)	-	3,000
(ii) Management Fee		
Australian Cabler Registration Services P/L (related party)	60,000	55,000
NECA Group Training (related party)	71,100	84,000
(iii) Other Income received		
National Office (other reporting unit)	727	6,460
NECA Legal Pty Ltd (related party)	12,387	-
Australian Cabler Registration Services P/L (related party)	7,119	-
NECA Group Training (related party)	918	1,427
(iv) Other Expenses		
NSW Chapter (other reporting unit)	9,777	4,575
VIC Chapter (other reporting unit)	1,435	7,833
SA Chapter (other reporting unit)	-	246
National Office (other reporting unit)	91,441	103,454
NECA Training (related party)	-	468
NECA Legal (related party)	2,235	125
NECA Trade Services (related party)	-	9,605
(v) Short-term funding for Conference 2016		
National Office (other reporting unit)	-	4,000

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the 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 2017, the *reporting unit* has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

	2017	2016
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	160,500	153,109
Annual leave accrued	(5,887)	-
Total short-term employee benefits	154,613	153,109
Post-employment benefits:		
Superannuation	15,247	14,545
Total post-employment benefits	15,247	14,545
Total	169,860	167,654

Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

- -

Other transactions with key management personnel

- -

Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	5,300	5,300
Total remuneration of auditors	5,300	5,300

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

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

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 2017.

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 2017**

Note 13A: Categories of Financial Instruments

Financial Assets

	2017	2016
	\$	\$
Fair value through profit or loss:		
Cash and cash equivalents	222,814	295,771
Trade receivables	222,917	212,183
Total	445,731	507,954
Held-to-maturity investments:		
	-	-
Total	-	-
Available-for-sale assets:		
	-	-
Total	-	-
Loans and receivables:		
Total	-	-
Carrying amount of financial assets	445,731	507,954

Financial Liabilities

Fair value through profit or loss:		
Trade and other payables	77,290	96,538
Total	77,290	96,538
Other financial liabilities:		
	-	-
Total	-	-
Carrying amount of financial liabilities	77,290	96,538

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

Fair value through profit and loss		
Interest revenue	1,383	2,165

Note 13C: Net Income and Expense from Financial Liabilities

Fair value through profit and loss		
Interest expense	-	-

NOTES TO THE FINANCIAL STATEMENTS
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	2017 \$	2016 \$
Note 13D: Credit Risk		
Financial assets		
Cash at bank	222,814	295,771
Trade receivables	222,917	212,183
Total	<u>445,731</u>	<u>507,954</u>

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

	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$
Cash at bank	222,814	-	295,771	-
Trade receivables	222,917	-	212,183	-
Total	<u>445,731</u>	<u>-</u>	<u>507,954</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 2017

Risk Variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	+ 2%	4,456	4,456
Interest rate risk	- 2%	(4,456)	(4,456)

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)

**NOTES TO THE FINANCIAL STATEMENTS
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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 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values. The following table contains the carrying amounts and related fair values for the NECA Queensland Chapter's financial assets and liabilities:

	Carrying amount 2017 \$	Fair Value 2017 \$	Carrying amount 2016 \$	Fair value 2016 \$
Financial Assets				
Cash at bank	222,814	222,814	295,771	295,771
Trade receivables	222,917	222,917	212,183	212,183
Total	445,731	445,731	507,954	507,954
Financial Liabilities				
Trade and other payables	77,290	77,290	96,538	96,538
Total	77,290	77,290	96,538	96,538

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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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).