23 September 2014

Mr Larry Moore
Secretary
South Australian Chapter
National Electrical Contractors Association,
lmoore@necasa.asn.au

CC: Grant Thornton Audit Pty Ltd, Attn: J Humphrey C/- Kimberley.menzies@au.gt.com

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

Dear Mr Moore,

National Electrical Contractors Association, The South Australian Chapter
Financial Report for the year ended 30 June 2013 - [FR2013/186]

I acknowledge receipt of further information from the National Electrical Contractors Association, The South Australian Chapter and Grant Thornton Audit. The documents were received by the Fair Work Commission on 15 and 18 September 2014.

Thank you for addressing, simply and clearly, all of the concerns raised in the earlier correspondence.

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

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

Yours sincerely

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
Tel: 03 8661 7974
Fax: 03 9655 0410
catherine.bebbington@fwc.gov.au

GPO Box 1994, Melbourne Victoria 3001

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national electrical and communications association

South Australian Chapter
213 Greenhill Road Eastwood South Australia 5063 Australia
PO Box 47 Fullarton South Australia 5063
telephone: (08) 8272 2966 facsimile: (08) 8373 1528
email: neca@necasa.asn.au website: http://www.neca.asn.au

16 September 2014

Catherine Bebbington
Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994
Melbourne Victoria 3001

RE: National Electrical and Communications Association – South Australian Chapter Financial Report for the year ended 30 June 2012 – FR 2012/283

Dear Catherine

I write in response to your letter dated the 19th of August 2014 in regard to the above mentioned matter. Please find the following explanation in regard to the questions raised.

Review of principal activities

The principal activities of the reporting unit during the report period continue to be to represent the interests of its members in the electrical and communications industry consistent with the objectives of the Association.

The Association as part of its service to its members continues to add value to the membership and accordingly introduced a mentoring program during the 2013 financial year. This is a new service to members rather than a change in principal activities. The financial result for the principal activities was a profit of $22,880 for the year, with the new mentoring program providing income of $132,443.

Other than the above, there have been no other significant changes in the activities of the reporting unit

Going Concern

As is the case with other employer associations, NECASA is a membership based organisation which relies mostly on membership fees for the full financial year. The vast majority of the membership fees for the year are received in the first quarter with some late payments received in October. In the reporting period of 2012/13 the membership fees received in the first 3-4 months of the financial year was $430,630 from a total for the year of $456,982 which was some 94.23%. This membership income is essentially drawn down during the remainder of the year to fund the operations of the reporting unit, thus causing negative cash flows.

The reporting unit notes that current assets total $257,818 and current liabilities $537,317. Included in the $537,317 are $183,317 of employee provisions which in most cases are not taken within a 12 month period even though the reporting unit recommends that annual employee entitlements are taken within 12 months.

At June 2013 cash on hand was $47,280 (2012: bank overdraft of $14,879), which was a net increase in cash of $62,159 from the previous year end. The reporting unit has bank overdraft facilities with Westpac Banking Corporation for $300,000 which can be drawn down upon if required. At 30 June 2013 the overdraft remains unutilised.

Accordingly any short term negative cash flows can be easily satisfied from the bank overdraft. The overdraft is secured against the land and buildings of the Association of which are valued at $2,838,768 net.

Auditors Qualifications

I note that our Accountants Grant Thornton have dealt with this matter by way of a letter sent direct to the Fair Work Commission dated the 15th of September 2014.

Statement of cash flows or the notes

Note 3 Capitation
NECASA to change financials to $89,436 - now agrees with NECA National. (incorrectly included a non NECA National invoice in the initial amount)

Note 12 Cash into Branch
NECASA to change financials to $145,987 - now agrees with NECA National. (now corrected)

Note 12 Cash out of Branch
NECASA to change financials to $109,706 - now agrees with NECA National. (timing of cash flows now correctly disclosed)

Note 12 Cash out of Branch
NECASA to change financials to $660 - now agrees with NECA NSW. (now includes GST)

Note 8 Payables
NECASA to change financials to $29,015 - now agrees with NECA National. (now corrected)

Note 6 Receivables
NECASA to change financial to Nil - now agrees with NECA National. (now corrected).

The comparative figures for 2013 shown in the reporting unit's 2014 financial statements, will reflect these corrected amounts.

To put the matter in perspective the financial position of the NECASA Chapter at the August month end of the current reporting period is very sound with total cash in the bank of $563,675 and the abovementioned financing facility of $300,000 still available. The total cash in the bank at the corresponding period last year was $404,221 which represents a positive difference of $159454.

Issues to assist with the preparation of the 2013-14 Financial Report

These issues have been noted and will aim to have them correct for the 2013/14 Financial Report

I trust this explanation of the financial position of the NECASA Chapter is sufficient to allay any concerns in regard to our ability to continue on an ongoing basis.

Yours sincerely

Larry Moore
Secretary

Grant Thornton

Fair Work Commission
11 Exhibition Street
MELBOURNE VIC 3000

Level 1,
67 Greenhill Rd
Wayville SA 5034

Correspondence to:
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W www.grantthornton.com.au

15 September 2014
PRIVATE AND CONFIDENTIAL

Dear Catherine

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, SOUTH AUSTRALIAN CHAPTER

We are responding to your letter to National Electrical Contractors Association, The South Australian Chapter dated 19 August 2014.

I confirm that I am a Registered Company Auditor with the Australian Securities and Investments Commission (#321465) and also a member of Chartered Accountants Australia and New Zealand (formally known as The Institute of Chartered Accountants in Australia) (#44878).

As part of audit, we reviewed the going concern assumption. We concur with management's use of the going concern basis of accounting in the preparation of the financial statements.

Should you have any further queries, please call.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Our Ref: H/AUDIT/2014/Fair Work Commission_Ltr Re NECA_140915.Docx

19 August 2014

Mr Larry Moore
Secretary
National Electrical Contractors Association, The South Australian Chapter
lmoore@necasa.asn.au

CC: Grant Thornton Audit Pty Ltd, Attn: J Humphrey C/- Kimberley.menzies@au.gt.com

Dear Mr Moore,

National Electrical Contractors Association, The South Australian Chapter
Financial Report for the year ended 30 June 2013 - [FR2013/186]

I acknowledge receipt of the financial report of the National Electrical Contractors Association, The South Australian Chapter. The documents were lodged with the Fair Work Commission (the Commission) on 6 November 2013.

The financial report has not been filed.

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

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

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

<u>ISSUES THAT MUST BE RESOLVED PRIOR TO FILING THE 2012-2013 REPORT</u>

Operating Report

<u>Review of principal activities</u>

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the Operating Report provides a review of the principal activities, but does not explain the results of these activities or whether there were any significant changes in the nature of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result nor significant *financial* changes. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

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GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

These requirements are in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Going Concern

I note that the reporting unit has stated that it believes it is a going concern. However, the reporting unit's current assets remain less than half of its current liabilities. While the comment made last year that this includes provisions is acknowledged, the difference between the payables and liabilities and the receivables and cash on hand (with no accounting for provisions) is considerable. The Committee of Management Statement has asserted that there are reasonable grounds for the Committee of Management to believe the reporting unit can pay its debts as and when they become due and payable, however the reporting unit had negative cash flows for a period of the year. The reporting unit's comprehensive income for the financial year was positive for the first time in several accounts. This appears to be a combination of an increase in operating revenue and a decrease in particular costs, such as 'industrial services expenses' which has decreased by more than 99% but the Operating Report indicates that there have been no significant changes in the financial affairs of the entity, and is silent on whether there have been changes to the principal activities of the reporting unit.

Additionally, while the reporting unit's overall financial position is substantially positive at $2.5 million, the majority of the reporting unit's $3 million in assets are tied up in property, plant and equipment worth more than $2.8 million. This reinforces the comment above that the reporting unit only appears to have $257,818 worth of non property assets but has $557,742 worth of liabilities.

Other sections of this letter require the reporting unit, or its auditor, to provide further information on the going concern note and changes to the principal activities, however, please confirm that there have been no significant changes to the financial activities as stated in the operating report and the Committee of Management's belief that the reporting unit is a going concern.

AUDITOR'S REPORT

<u>Auditor's qualifications</u>

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

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

<u>Declaration relating to management use of the going concern basis of accounting</u>

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

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

Statement of Cash flows or the Notes

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

Note 3: Capitation

SA Chapter	National
$91,496	$89,436

Note 12: Cash in to Branch

SA Chapter	National
$0	$145,987

Note 12: Cash out of Branch

SA Chapter	Chapters	
$90,952	National	$109,706
$600	NSW	$0

Note 8: Payables

SA Chapter	National
$28,566	$37,642

Note 6: Receivables

SA Chapter	National
$100	$0

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

References to the Registrar

Following the enactment of the *Fair Work Act 2009*, the Registrar was renamed the General Manager. Please ensure future lodgements have all references to the Registrar changed to General Manager.

Affiliation fees

The reporting unit lists the amount of capitation paid to NECA National as affiliation fees, this classification is incorrect. Reporting Guideline 17 defines affiliation fees as more specifically concerned with money paid to groups outside of the organisation such as political parties, federations, congresses, groups or councils with an interest in industrial matters.

Please ensure that future reports do not record the capitation as affiliation and that, if no affiliation is paid, a nil amount is shown for affiliation.

Activities under Reporting Guideline not disclosed

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

- 17 Fees and allowances paid to persons for attendance at meetings;
- 17 Expenses involved in the holding of meetings;
- 17 Penalties imposed under the RO Act;

Changes to the reporting guidelines and model financial statement

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

The Reporting Guidelines and Model Financial Statements are available on the website here: https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting

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

Yours sincerely

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
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national electrical and communications association

South Australian Chapter
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PO Box 47 Fullarton South Australia 5063
telephone: (08) 8272 2966 facsimile: (08) 8373 1528
email: neca@necasa.asn.au website: http://www.neca.asn.au

6 November 2013

Fair Work Australia
GPO Box 1994
MELBOURNE Victoria 3001

Attention: Mr. Robert Pheiffer
Senior Adviser
Regulatory Compliance Branch

Re: Lodgement of Financial Report – [FR2013/186]
Fair Work (Registered Organisations) Act 2009 9The RO Act)

Dear Robert

Designated Officer's Certificate

I, Laurence John Moore, being the Secretary of the National Electrical Contractors Association – South Australian Chapter, certify:

1. that the documents lodged herewith are copies of the full report as required by s268 of the Fair Work (Registered Organisations) Act 2009; and

2. that the full report was provided to members on the 1st October 2013; and

3. that the full report was presented to a general meeting of members of the reporting unit on the 29 October 2013, in accordance with the Fair Work (Registered Organisations) Act 2009.

Signed ______________________________
Laurence John Moore (Secretary)

CC: Joanne Fenwick

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIAN CHAPTER

Financial Statements

For Year Ending

30 June 2013

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

OPERATING REPORT
YEAR ENDED 30 JUNE 2013

Your Committee present their report on the National Electrical Contractors Association – South Australia Chapter ("the entity") for the financial year ended 30 June 2013.

The names of the Committee members in office at any time during or since the end of the year and the period for which the position was held are:

Greg Hodby	President
Andy Thorpe	Vice President
Andrew Cross	Treasurer
Richard Lane	
Gary McDougall	
Alan Aitchison	
Jeff Morgan	Resigned (23 July 2012)
Mark Osborn	Appointed (23 July 2012)
Larry Moore	Secretary

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

Their involvement with National Electrical Contractors Association – SA Chapter affiliated bodies are listed here under:

NAME	ORGANISATION	OFFICE HELD
G Hodby	Nilsen (SA) Pty Ltd. NECA National NECA National	Chief Operating Officer National Councillor National Executive
A Thorpe	Niramar Pty Ltd. NECA National	Director National Councillor
A Cross	Pacific Services Group Pty Ltd	General Manager
R Lane	RCR O'Donnell Griffin Pty Ltd.	Regional Manager Construction SA & WA
G McDougall	Laser Electrical - Adelaide CBD	Director
A Aitchison	MIMP Computer Cable Pty Ltd.	Chief Executive Officer
J Morgan	PJ Corporate Electrical Pty Ltd	Director
M Osborn	PJ Corporate Electrical Pty Ltd PEER VEET	Director Director
L Moore	Industry Skills Board (EWSB) Australian Refrigeration Council (ARC) National Industry Skills Council (E-Oz) PEER VEET	Chair Director Director Director

The profit from ordinary activities of the entity for the financial year amounted to $22,880 (2012: loss of $163,202).

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

OPERATING REPORT (CONT)
YEAR ENDED 30 JUNE 2013

Principal Activities

The principal activity of the entity during the reporting period was to represent the interests of its members in the electrical and communications industry consistent with the objectives of the entity.

No significant changes in the entity's financial affairs occurred during the financial year.

No officer or member of the entity is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Members Advice

(i) Under Section 174 of the Fair Work (Registered Organisation) Act 2009, a member may resign from membership by written notice addressed and delivered to the Secretary of the chapter to which such member belongs.
(ii) The register of members of the organisation was maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
(iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the entity's rights to certain prescribed information.

The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Registration and Accountability of Organisations (RAO) Schedule and which are taken to be members of the entity under section 244 of the RAO Schedule was 486 members.

Insurance of Officers

During the financial year, National Electrical Contractors Association – SA Chapter paid insurance to cover all officers of National Electrical Contractors Association – SA Chapter. The officers of National Electrical Contractors Association – SA Chapter covered by the insurance policy included all the Committee members. The liabilities incurred include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of National Electrical Contractors Association – SA Chapter.

The number of persons who were, at the end of the financial year to which the report relates, employees of the entity, where the number of employees includes both full time employees and part time employees was 6.

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 entity, the results of those operations, or the state of affairs of the entity in future financial years.

Signed in accordance with a resolution of the Committee:

Secretary ....
Laurence John Moore

Signed at EASTWOOD this 25 day of SEPTEMBER 2013

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

COMMITTEE OF MANAGEMENT
YEAR ENDED 30 JUNE 2013

As Committee Members of National Electrical Contractors Association – SA Chapter, we declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 25 September 2013 that in the opinion of the Committee:

1. The financial statements and notes comply with the Australian Accounting Standards;

2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;

3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the entity for the financial year to which they relate;

4. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable; and

5. During the year ended 30 June 2013 and since the end of that year,

   i. Meetings of the Committee were held in accordance with the rules of the National Electrical Contractors Association including the rules of the entity; and
   ii. The financial affairs of the entity have been managed in accordance with the rules of the National Electrical Contractors Association of Australia including the rules of the entity; and
   iii. The financial records of the entity have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
   iv. The financial records of the entity have been kept, as far as practicable, in a consistent manner to each of the other entities of the National Electrical Contractors Association; and
   v. The information sought in any request of a member of the entity or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
   vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

6. The entity has not undertaken any recovery of wages activity.

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

Signed this 25th day of SEPTEMBER 2013

....
Allan Aitchison

....
Mark Osborn

Page 3

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Revenue from ordinary activities	3(a)	1,177,979	1,001,979
Employee expenses	3(b)	(588,974)	(552,454)
Depreciation expenses		(88,539)	(95,632)
Finance costs		(2,607)	(3,304)
Accounting and audit expenses		(13,950)	(16,290)
Excellence awards expenses		(91,380)	(110,475)
Industrial services expenses		(803)	(31,138)
National subscription expenses	3(b)	(91,496)	(91,690)
Property expenses		(65,629)	(77,119)
Printing expenses		(17,672)	(9,900)
Telephone and power expenses		(20,773)	(18,653)
Loss on sale of property, plant and equipment		-	(6,389)
Other operating expenses	3(b)	(173,276)	(152,137)
Profit/(Loss) from ordinary activities		22,880	(163,202)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		22,880	(163,202)

The accompanying notes form part of these financial statements

Page 4

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	47,280	277
Trade and other receivables	5	185,710	183,736
Other current assets	6	24,828	14,490
TOTAL CURRENT ASSETS		257,818	198,503
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,838,768	2,699,096
TOTAL NON-CURRENT ASSETS		2,838,768	2,699,096
TOTAL ASSETS		3,096,586	2,897,599
CURRENT LIABILITIES			
Trade and other payables	8	328,567	362,086
Financial liabilities	9	25,650	9,099
Borrowings	10	-	15,156
Provisions	11	183,317	171,270
TOTAL CURRENT LIABILITIES		537,534	557,611
NON-CURRENT LIABILITIES			
Financial liabilities	9	20,208	21,774
TOTAL NON-CURRENT LIABILITIES		20,208	21,774
TOTAL LIABILITIES		557,742	579,385
NET ASSETS		2,538,844	2,318,214
EQUITY			
Reserves	18	2,634,389	2,436,639
Retained earnings		(95,545)	(118,425)
TOTAL EQUITY		2,538,844	2,318,214

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

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

	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2011	44,777	2,436,639	2,481,416
Transfers between reserves	-	-	-
Total comprehensive income/(loss) for the year	(163,202)	-	(163,202)
Balance at 30 June 2012	(118,425)	2,436,639	2,318,214
Transfers between reserves	-	-	-
Revaluation increment	-	197,750	197,750
Total comprehensive income/(loss) for the year	22,880	-	22,880
Balance at 30 June 2013	(95,545)	2,634,389	2,538,844

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/members		2,944,064	2,834,219
Payments to suppliers and employees		(2,869,518)	(2,811,513)
Interest received		5,696	3,533
Interest and other costs of finance paid		(2,607)	(3,304)
Net cash flow from operating activities	12	77,635	22,935
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(30,461)	(38,608)
Net cash flow from investing activities		(30,461)	(38,608)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		34,115	-
Repayment of hire purchase liability		(19,130)	(9,100)
Net cash flow from financing activities		14,985	(9,100)
Net increase/(decrease) in cash held		62,159	(24,773)
Cash at the beginning of the financial year		(14,879)	9,894
Cash at the end of the financial period	4	47,280	(14,879)

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Basis of Preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property
Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land and buildings are not subject to independent valuation, the Committee conducts Committee valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation reserve. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated the difference between the depreciation recognised in the statement of profit or loss and other comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment
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 its 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(a) Property, Plant and Equipment (Cont)

Depreciation
The depreciable amount of all fixed assets are depreciated on diminishing value basis, with the exception of buildings which is depreciated on a straight line basis, over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation rate
Buildings	2.50%
Office Machines	15-30%
Computer Equipment	37.5-40%
Furniture and Fittings	7.5-13.5%
Motor Vehicles	8.75%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(b) Impairment of Assets
At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(c) Employee Benefits
Provision is made for the entity's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled. 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. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(d) Income Tax
No provision for income tax is necessary as "Registered Organisations" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) **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 borrowings in current liabilities on the statement of financial position.

(f) **Leased Non-Current Assets**
A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the entity will obtain ownership of the asset. Lease assets held at the reporting date are being amortised over periods ranging from 5 to 15 years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

Other operating lease payments are charged to the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(g) **Provisions**
Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(h) **Revenue**
Subscriptions received are recognised as revenue in the period to which the subscription relates.

Interest revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

All revenue is brought to account net of the amount of goods and services tax (GST).

(i) **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 Tax 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 statement of financial position are shown inclusive of GST.

(j) **Comparative Figures**
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Key Estimates

(i) Impairment

The entity assesses impairment at each reporting date by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. The committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the entity.

(l) Key Judgements

(i) Provision for impairment of receivables

Provision for impairment is determined by management upon review of accounts past due.

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

i. the amount at which the financial asset or financial liability is measured at initial recognition;
ii. less principal repayments;
iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Financial Instruments (cont)

(v) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

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

(n) New and amended standards adopted by the Entity

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012)
AASB 2011-9 requires entities to entity items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the entities accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in changes to the entities presentation of its financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Entity

The Entity notes the following Accounting Standards which have been issued but are not yet effective at 30 June 2013. These standards have not been adopted early by the Entity. The Entity's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows;
    - The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
    - The remaining change is presented in profit or loss.

There will be no impact on the Entity's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Entity does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Entity has not yet decided when to adopt AASB 9.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards Transition Guidance and Other Amendments (effective 1 January 2013)

- AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Entity (cont)**

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards Transition Guidance and Other Amendments (effective 1 January 2013)

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

- AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.

In addition, AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Entity has not entered into any joint arrangements.

- AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Entity's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Entity (cont)

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements.

The Entity is yet to undertake a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 January 2013.

(iv) Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

The Entity does not have any defined benefit plans. Therefore, these amendments will have no impact on the Entity.

(v) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the Entity.

(vi) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

When this AASB 2012-2 is first adopted for the year ended 30 June 2014, there will be no impact on the Entity as the Entity does not have any netting arrangements in place.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Entity (cont)**

(vii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no impact on the Entity as this standard merely clarifies existing requirements in AASB 132.

(viii) Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the Entity given that they are largely of the nature of clarification of existing requirements.

(ix) IFRIC Interpretation 21 Levies

IFRIC 21 addressed how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements (in particular, when the entity should recognise a liability to pay a levy).

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. For example, if the activity that triggers the payment of the levy is the generation of revenue in the current period and the calculation of that levy is based on the revenue that was generated in a previous period, the obligating event for that levy is the generation of revenue in the current period. The generation of revenue in the previous period is necessary, but not sufficient, to create a present obligation.

When this interpretation is adopted for the first time on 1 January 2014, there will be no significant impact on the financial statements as the Entity is not subject any levies addressed by this interpretation.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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), (2) and (3) of Section 272 which read, as follows:

(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).

NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES

	2013 $	2012 $
Subscriptions received	487,305	491,698
Interest received	3,313	3,533
Stationery and service fees	131,384	75,590
Petrol invoices recharges	24,831	27,957
Commission received	34,076	36,016
Rent received	172,084	158,508
Grant income	-	8,736
Donation	-	-
Excellence awards	96,201	88,972
HSEQ management system	58,670	-
Levies	-	-
Industrial services	8,383	28,113
Capitation income	-	-
Mentoring	132,443	-
Advertising and promotions revenue	29,289	77,225
Other revenue	-	5,631
TOTAL REVENUE	1,177,979	1,001,979

NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES

	2013 $	2012 $
Employee Expenses:		
Office holders		
Salaries	123,400	98,532
Superannuation	11,106	8,868
Salary sacrifice	13,894	41,000
Leave and other entitlements	6,562	4,381
Separations and redundancies	-	-
Other	-	-
	154,962	152,781

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES (CONT)

Employees other than office holders		
Salaries	395,894	341,981
Superannuation	20,003	30,779
Salary sacrifice	-	-
Leave and other entitlements	13,792	23,429
Separations and redundancies	-	-
Other	4,323	3,483
	434,012	399,672
Total employee expenses	588,974	552,453
National subscription expenses:		
Affiliation fees to National Electrical Contractors Association	91,496	91,690
Other Expenses:		
RACCA expenses	6,824	6,551
Compulsory levies	-	-
Consideration to employers for payroll deductions	-	-
Capitation fees	-	-
Training and development	3,797	4,911
Motor vehicle expenses	796	859
Promotions	14,036	21,257
Office expenses	26,521	28,918
Litigation and other legal matters	4,806	22,183
Grants and donations	-	-
Other operating expenses	116,496	67,458
	173,276	152,137

NOTE 4 - CASH AND CASH EQUIVALENTS

Westpac Bank- operating account	47,009	77
Petty cash	271	200
	47,280	277

(a) **Reconciliation of cash**
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:

Cash and cash equivalents	47,280	277
Bank overdraft	-	(15,156)
	47,280	(14,879)

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
NOTE 5 - TRADE AND OTHER RECEIVABLES		
Trade receivable and other assets	192,960	186,066
Provision for doubtful debts	(2,018)	(2,017)
GST receivable	(5,232)	(313)
	185,710	183,736

Current trade receivables are non-interest bearing and are generally receivable within 30 days
A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit.

2013	Gross Amount $	Past Due and Impaired $	Past Due but Not Impaired (Days Overdue) <30 $	31-60 $	61-90 $	90+ $	Current $
Trade receivables	192,960	2,018	36,444	368	-	1,000	153,130

2012	Gross Amount $	Past Due and Impaired $	Past Due but Not Impaired (Days Overdue) <30 $	31-60 $	61-90 $	90+ $	Current $
Trade receivables	186,066	2,017	25,554	9,074	200	299	148,922

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

	2013 $	2012 $
Financial assets classified as loans and receivables		
Trade and other receivables: total current	185,710	183,736

Included within trade receivable and other assets are amounts receivable from other reporting units totalling:

- National Electrical Contractors Association	100	-

NOTE 6 - OTHER CURRENT ASSETS

Prepayments	24,828	14,490

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT		
Land and building - at independent valuation 30 June 2013	2,720,000	2,720,000
Less: accumulated depreciation	-	(136,000)
	2,720,000	2,584,000
Office machines - at cost	30,941	30,189
Less: accumulated depreciation	(21,419)	(18,314)
	9,522	11,875
Computer equipment - at cost	30,700	31,323
Less: accumulated depreciation	(23,048)	(20,434)
	7,652	10,889
Furniture & fittings - at cost	63,283	65,782
Less: accumulated depreciation	(10,444)	(11,339)
	52,839	54,443
Hire purchase - motor vehicles	96,942	69,844
Less: accumulated depreciation	(48,187)	(31,955)
	48,755	37,889
Total plant and equipment	2,838,768	2,699,096

(a) **Movement in Carrying Amounts**
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Building $	Office Machines $	Computer Equipment $	Furniture & Fittings $	Motor Vehicle $	Total $
Balance at the beginning of year	2,584,000	11,875	10,889	54,443	37,889	2,699,096
Depreciation and amortisation	(61,750)	(2,359)	(5,726)	(2,452)	(16,252)	(88,539)
Additions	-	842	4,000	848	27,118	32,808
Revaluation increment	197,750	-	-	-	-	197,750
Disposals/ scrapped	-	(836)	(1,511)	-	-	(2,347)
Carrying Value at end of year	2,720,000	9,522	7,652	52,839	48,755	2,838,768

(b) **Valuation of land and buildings**
The valuation of land and buildings is fair values being the amounts for which the assets could be exchanged between willing parties in an arms length transaction based on current prices in an active market for similar properties is the same location and condition. The 2013 valuations were made based on independent assessments by a member of the Australian Property Institute at 11 July 2013.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8 - TRADE AND OTHER PAYABLES	2013 $	2012 $
Sundry creditors	247,938	283,142
Payroll liabilities	18,125	15,835
Bond monies payable	62,504	63,109
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
	328,567	362,086

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Included within sundry creditors are amounts payable to other reporting units totalling:

- National Electrical Contractors Association	28,566	24,520
- National Electrical Contractors Association - NSW	-	660

NOTE 9 - FINANCIAL LIABILITIES

CURRENT		
Hire purchase liability	25,650	9,099
NON-CURRENT		
Hire purchase liability	20,208	21,774

A motor vehicle acts as security for this hire purchase liability.

NOTE 10 - BORROWINGS

Bank overdraft	-	15,156

NOTE 11 - PROVISIONS

CURRENT		
Office holders		
Provision for long service leave	59,560	56,430
Provision for annual leave	56,345	52,913
Separations and redundancies	-	-
Other	-	-
	115,905	109,343
Employees other than office holders		
Provision for long service leave	34,708	36,241
Provision for annual leave	32,704	25,686
Separations and redundancies	-	-
Other	-	-
	67,412	61,927
Total employee provisions	183,317	171,270

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
NOTE 12 - CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit:		
Operating profit/ (loss)	22,880	(163,202)
Non-cash flows in profit:		
Loss on sale of fixed assets	-	6,389
Depreciation expense	88,539	95,632
	111,419	(61,181)
Changes in assets and liabilities during the financial year:		
Increase/(decrease) in leave provisions	12,047	27,813
Increase/(decrease) in trade and other payables	(33,519)	20,195
Decrease/(increase) in other current assets	(10,338)	2,084
Decrease/(increase) in trade and other receivables	(1,974)	34,024
Net cash provided by operating activities	77,635	22,935

Credit Standby Arrangements with banks:
Bank overdraft facilities are arranged with Westpac Banking Corporation. The amount of unused credit facility as at 30 June 2013 was $300,000 (2012: $284,844) with a limit of $300,000. Interest rates on this facility are variable and subject to adjustment.

Cash flow information to other reporting units/controlled entity(s)

	2013 $	2012 $
Receipts from other reporting units/controlled entity(s)	-	-
Payment to other reporting units/controlled entity(s)		
- National Electrical Contractors Association	90,952	89,165
- National Electrical Contractors Association - QLD	135	-
- National Electrical Contractors Association - NSW	600	-

NOTE 13 - AUDITOR'S REMUNERATION

	2013 $	2012 $
Amounts received, or due and receivable by the auditor of the entity for auditing the accounts of the chapter:		
- Audit fee	10,250	9,800
- Other services	3,200	6,490
	13,450	16,290

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14 - KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	123,400	98,532
Post-employment benefits	25,000	49,870
	148,400	148,402

NOTE 15 - RELATED PARTIES

The names of persons who were committee members of the entity at any time during the financial year are as follows:

G Hodby	President
A Thorpe	Vice President
A Cross	Treasurer
R Lane	
G McDougall	
A Aitchison	
J Morgan	Resigned (23 July 2012)
M Osborn	Appointed (23 July 2012)
L Moore	Secretary

Their involvement with National Electrical Contractors Association - SA Chapter affiliated bodies are listed hereunder:

NAME	ORGANISATION	OFFICE HELD
G Hodby	Nilsen (SA) Pty Ltd.	Chief Operating Officer
	NECA National	National Councillor
	NECA National	National Executive
A Thorpe	Niramar Pty Ltd.	Director
	NECA National	National Councillor
A Cross	Pacific Services Group Pty Ltd	General Manager
R Lane	RCR O'Donnell Griffin Pty Ltd.	Regional Manager Construction SA & WA
G McDougall	Laser Electrical - Adelaide CBD	Director
A Aitchison	MIMP Computer Cable Pty Ltd.	Chief Executive Officer
J Morgan	PJ Corporate Electrical Pty Ltd	Director
M Osborn	PJ Corporate Electrical Pty Ltd	Director
	PEER VEET	Director
L Moore	Industry Skills Board (EWSB)	Chair
	Australian Refrigeration Council (ARC)	Director
	National Industry Skills Council (E-Oz)	Director
	PEER VEET	Director

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15 - RELATED PARTIES (CONT)

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

During the year the National Electrical Contractors Association - SA Chapter received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was Nil (2012: Nil).

The National Electrical Contractors Association - SA Chapter remits subscriptions and other related expenses to the National Electrical Contractors Association on a regular basis. All dealings with this related entity are in the ordinary course of business and on normal terms and conditions. The total amount of monies remitted was $90,952 for the year ended 30 June 2013 (2012 $89,165).

NOTE 16 - FINANCIAL INSTRUMENTS

The entity's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and finance leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 are as follows:

	Note	2013 $	2012 $
Financial assets			
Cash and cash equivalents	4	47,280	277
Loans and receivables	5	185,710	183,736
		232,990	184,013
Financial liabilities			
Trade and other payables	8	328,567	362,086
Finance leases	9	45,858	30,873
Borrowings	10	-	15,156
		374,425	408,115

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are liquidity risk, credit risk and market risk.

a) **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16 - FINANCIAL INSTRUMENTS (CONT)

Specific Financial Risk Exposures and Management

b) **Liquidity risk**
Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total	
	2013	2012	2013	2012	2013	2012
	$	$	$	$	$	$
Financial liabilities						
Trade and other payables	328,567	362,086	-	-	328,567	362,086
Finance leases	25,650	9,099	20,208	21,744	45,858	30,873
Borrowings	-	15,156	-	-	-	15,156
Total financial liabilities	354,217	386,341	20,208	21,744	374,425	408,115
Financial assets						
Cash and cash equivalents	47,280	277	-	-	47,280	277
Trade and other receivables	185,710	183,736	-	-	185,710	183,736
Total financial assets	232,990	184,013	-	-	232,990	184,013

Financial assets pledged as collateral
Motor vehicles act as security for the finance lease liability.

c) **Market Risk**
i. **Interest rate risk**
Exposure to interest rate risk arises on financial assets recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

Sensitivity analysis
The entity's cash levels would not change significantly through an increase of 2% of the interest rate on cash deposits. Therefore, no sensitivity analysis has been calculated and disclosed.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16 - FINANCIAL INSTRUMENTS (CONT)

c) **Market Risk (Cont)**

Fair value estimation
The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

	Note	2013 Net Carrying Value $	Net Fair Value $	2012 Net Carrying Value $	Net Fair Value $
Financial assets					
Cash and cash equivalents	(i)	47,280	47,280	277	277
Trade and other receivables	(i)	185,710	185,710	183,736	183,736
Total financial assets		232,990	232,990	184,013	184,013

	Note	2013 Net Carrying Value $	Net Fair Value $	2012 Net Carrying Value $	Net Fair Value $
Financial liabilities					
Trade and other payables	(i)	328,567	328,567	362,086	362,086
Borrowings		-	-	15,156	15,156
Finance leases		45,858	45,858	30,873	30,873
Total financial liabilities		374,425	374,425	408,115	408,115

The fair values disclosed in the above table have been determined based on the following methodologies

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
NOTE 17 - CAPITAL AND LEASING COMMITMENTS		
a. **Hire purchase commitments**		
Payable - minimum payments not later than 12 months	28,192	12,403
between 12 months and 5 years	21,354	21,634
Minimum payments	49,546	34,037
Less: future finance charges	(3,688)	(3,164)
	45,858	30,873

Capital and leasing commitments represents hire purchase agreements over motor vehicles.

b. **Operating Lease Commitments**
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2013	2012
Payable - minimum lease payments		
- not later than 12 months	8,917	8,917
- between 12 months and five years	8,917	17,833
- greater than five years	-	-
	17,834	26,750

The photocopier lease is a non-cancellable lease with a 60 month term.
A new lease agreement was signed for an 60 month period on the 16 August 2010.

NOTE 18 - RESERVES

Asset revaluation reserve records valuations of non-current assets.

NOTE 19 - CONTINGENT LIABILITIES

There were no contingencies facing National Electrical Contractors Association- SA Chapter as at 30 June 2013 that have not been brought to account in the financial report.

NOTE 20 - SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature, likely in the opinion of the Committee to significantly affect the operations, the result of those operations or the state of affairs of the association in future years.

NOTE 21 - GOING CONCERN

The Entity's is not reliant on financial support of other reporting units. National Electrical Contractors Association - SA Chapter is considered to be able to go on a going concern basis without financial support.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22 - BUSINESS COMBINATION

The Entity has not acquired an asset or a liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3, of the Fair Work (Registered Organisations) Act 2009 in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- a restructure of the branches of the organisation; or
- a determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the organisation; or
- a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to an organisation under subsection 245(1).

NOTE 23 - ENTITY DETAILS

The principal place of business is:

213 Greenhill Road
EASTWOOD SA 5063

GrantThornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATIONS – SA CHAPTER

We have audited the accompanying financial report of National Electrical Contractors Associations – SA Chapter (the "Entity"), which comprises the statement of financial position as at 30 June 2013, and the statement of profit or loss and other 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 to the financial report and the statement by the Committee of Management.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Committee of Management also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion
In our opinion,

a the financial report of National Electrical Contractors Associations – SA Chapter

i presents fairly, in all material respects, the Entity's financial position as at 30 June 2013 and of its performance and cash flows for the year then ended; and

ii complies with Australian Accounting Standards and all the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Director – Audit & Assurance

Adelaide, 25 September 2013