



14 November 2014

Mr Larry Moore
Secretary, South Australian Chapter
National Electrical Contractors Association

Sent by email: neca@necasa.asn.au

Dear Mr Moore

Re: National Electrical Contractors Association, South Australian Chapter - Lodgement of Financial report for the year ended 30 June 2014 - (FR2014/124)

I refer to the above financial report of the National Electrical Contractors Association which was lodged with the Fair Work Commission on 4 November 2014.

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

The financial report has been filed based on a primary review. This involved confirming that 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.

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

If you have any queries regarding this letter, I may be contacted on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["heca@necasa.asn.au"](mailto:heca@necasa.asn.au)
Subject: Attention Mr Larry Moore - Financial reporting y/e 30 June 2014 - filing
Date: Friday, 14 November 2014 9:43:00 AM
Attachments: [NECA SA FR2014_124 \(primary final\).pdf](#)

Dear Mr Moore,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: [KELLETT, Stephen](#)
To: [KELLETT, Stephen](#)
Subject: FW: [Kellett] On CMS FR2014/124 FW: NECASA Chapter Financial Report 2014
Date: Sunday, 9 November 2014 6:07:44 AM
Attachments: [FWC Cert of Secretary 2014.pdf](#)
[FWC Financial Report covering letter 2014.pdf](#)
[FWC Financial Report 2014.pdf](#)

From: Larry Moore
Sent: Tuesday, 4 November 2014 3:42 PM
To: 'orgd@fwc.gov.au'
Subject: NECASA Chapter Financial Report 2014

Dear Robert

Please find attached documents in regard to the lodgement of our 2014 Financial Reports (FR2014/124).

Best regards,

Larry Moore
Executive Director



national
electrical and
communications
association

South Australia
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PO Box 47,
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South Australian Chapter

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website: <http://www.neca.asn.au>

4 November 2014

Fair Work Australia
GPO Box 1994
MELBOURNE Victoria 3001

Attention: Mr. Robert Pheiffer
Senior Adviser
Regulatory Compliance Branch

**Re: Lodgement of Financial Report – [FR2014/124]
Fair Work (Registered Organisations) Act 2009 (The RO Act)**

Dear Robert

Please find attached copies of financial documentation for 2014 in accordance with the requirements of s268 of the RO Act.

Yours faithfully



Larry Moore
Secretary

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>

4 November 2014

Fair Work Australia
GPO Box 1994
MELBOURNE Victoria 3001

Attention: Mr. Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

**Re: Lodgement of Financial Report – [FR2014/124]
Fair Work (Registered Organisations) Act 2009 (The 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 3rd October 2014; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 27 October 2014, in accordance with the Fair Work (Registered Organisations) Act 2009.

Signed



Laurence John Moore (Secretary)

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
SOUTH AUSTRALIAN CHAPTER**

Financial Statements

For Year Ending

30 June 2014

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

**OPERATING REPORT
YEAR ENDED 30 JUNE 2014**

Your Committee present their report on the National Electrical Contractors Association – South Australia Chapter ("the entity") for the financial year ended 30 June 2014.

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 (Resigned 3 June 2014)
Richard Lane	
Gary McDougall	Appointed Treasurer (4 June 2014)
Alan Aitchison	
Michael Boyce	Appointed (26 June 2014)
Mark Osborn	Resigned (4 December 2014)
Lynette Tapp	Appointed (16 April 2014)
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
M Boyce	PEER VEET	Chief Executive Officer
M Osborn	PJ Corporate Electrical Pty Ltd PEER VEET	Director Director
L Tapp	Tapp Electrical Pty Ltd	Director
L Moore	Industry Skills Board (ESSA) Australian Refrigeration Council (ARC) National Industry Skills Council (E-Oz) PEER VEET	Chair Director Director Director

The loss from ordinary activities of the entity for the financial year amounted to \$33,276 (2013: profit of \$22,880)

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

**OPERATING REPORT (CONT)
YEAR ENDED 30 JUNE 2014**

Principal Activities

The principal activities of the entity 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 National Electrical Contractors Association – SA Chapter.

The reporting entity as part of its service to members 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 loss of \$33,276 for the year.

Significant change in financial affairs

No significant changes in the entity's financial affairs occurred during the financial year. The reporting units principal activities remain the same.

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
- (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 Advice

- (i) Under Section 174 of the Fair Work (Registered Organisations) 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.

Number of members

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 433.

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.

Number of employees


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 9 with the full time equivalent being 8.4.

Events arising since the end of the reporting period

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 Adelaide this 24 day of September 2014

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

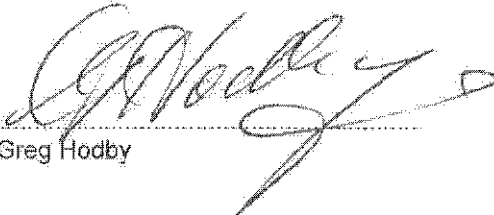
**COMMITTEE OF MANAGEMENT
YEAR ENDED 30 JUNE 2014**

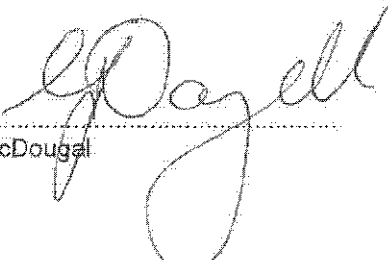
As Committee Members of National Electrical Contractors Association – SA Chapter, we declare on behalf of the Committee and in accordance with a resolution in relation to the general purpose financial report passed by the Committee on 24 September 2014 that in the opinion of the Committee:

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 General Manager;
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;
5. During the financial year ended 30 June 2014 to which the general purpose financial report relates 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 reporting unit;
 - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the National Electrical Contractors Association of Australia including the rules of the reporting unit;
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - 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;
 - v. The information sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; 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 TH 21 day of September 2014


.....
Greg Hodby


.....
Gary McDougal

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Revenue from ordinary activities	3(a)	1,256,203	1,177,979
Employee expenses	3(b)	(705,672)	(588,974)
Depreciation expenses		(90,610)	(88,539)
Finance costs		(1,006)	(2,607)
Accounting and audit expenses		(10,000)	(13,950)
Excellence awards expenses		(64,090)	(91,380)
Industrial services expenses		(1,039)	(803)
National capitaton expenses		(88,759)	(89,436)
Property expenses		(66,450)	(65,629)
Printing expenses		(16,355)	(17,672)
Telephone and power expenses		(20,870)	(20,773)
Other operating expenses	3(b)	(224,628)	(175,336)
Profit/(Loss) from ordinary activities		<u>(33,276)</u>	<u>22,880</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(33,276)</u>	<u>22,880</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	68,701	47,280
Trade and other receivables	5	188,702	185,710
Other current assets	6	22,518	24,828
TOTAL CURRENT ASSETS		<u>279,921</u>	<u>257,818</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,806,108	2,838,768
TOTAL NON-CURRENT ASSETS		<u>2,806,108</u>	<u>2,838,768</u>
TOTAL ASSETS		<u>3,086,029</u>	<u>3,096,586</u>
CURRENT LIABILITIES			
Trade and other payables	8	344,357	328,567
Financial liabilities	9	31,850	25,650
Provisions	10	181,336	183,317
TOTAL CURRENT LIABILITIES		<u>557,543</u>	<u>537,534</u>
NON-CURRENT LIABILITIES			
Financial liabilities	9	22,918	20,208
TOTAL NON-CURRENT LIABILITIES		<u>22,918</u>	<u>20,208</u>
TOTAL LIABILITIES		<u>580,461</u>	<u>557,742</u>
NET ASSETS		<u>2,505,568</u>	<u>2,538,844</u>
EQUITY			
Reserves		2,634,389	2,634,389
Retained earnings		(128,821)	(95,545)
TOTAL EQUITY		<u>2,505,568</u>	<u>2,538,844</u>

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 2014

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2012	(118,425)	2,436,639	2,318,214
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
Total comprehensive income/(loss) for the year	(33,276)	-	(33,276)
Balance at 30 June 2014	(128,821)	2,634,389	2,505,568

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 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/members		2,646,754	2,798,077
Receipts from other reporting units	11(c)	255,881	145,987
Payments to suppliers and employees		(2,694,616)	(2,759,017)
Payments to other reporting units	11(c)	(146,041)	(110,501)
Interest received		9,489	5,696
Interest and other costs of finance paid		(1,006)	(2,607)
Net cash flow from operating activities	11(a)	70,461	77,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(57,950)	(30,461)
Net cash flow from investing activities		(57,950)	(30,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from finance leases		30,815	34,115
Repayment of finance leases		(21,905)	(19,130)
Net cash flow from financing activities		8,910	14,985
Net increase/(decrease) in cash held		21,421	62,159
Cash at the beginning of the financial year		47,280	(14,879)
Cash at the end of the financial period	4	68,701	47,280

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
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	<u>-</u>	<u>-</u>
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:		
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at end of year	<u>-</u>	<u>-</u>
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	-	-

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Basis of Preparation

The financial statements are general purpose financial statements that 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 (RO Act). For the purpose of preparing the general purpose financial statements the Chapter is for not for profit entity.

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 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.

(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 2014

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 50-1 of the Income Tax Assessment Act 1997, however still has an obligation for FBT and GST.

(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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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) **Material Revenue and Revenue Recognition**

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.

Revenue is received for the Mentoring Project as is recognised in the statement of profit or loss and other comprehensive income upon receipt. Any unspent funds at year end are recognised in the statement of financial position until spent.

The Reporting Unit also earns rental income from operating leases of its property. Rental income is recognised on a straight-line basis over the term of the lease.

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.

(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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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.

(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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Financial Instruments (cont)

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) Capitation Fees and Levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

(o) Fair value measurement

NECA SA measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Chapter. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Chapter uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Fair value measurement (Cont)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Chapter determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Chapter has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(p) 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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.

- (q) **New Australian Accounting Standards**

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the applicable date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 13 Fair Value Measurements

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Chapter has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The Chapter has applied AASB 13 for the first time in the current year.

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Chapter does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(r) Future Australian Accounting Standard Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to the future reporting period that are expected to have a future financial impact on the Chapter include:

AASB 9 Financial Instruments (December 2010) (effective 1 January 2018);

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014);

AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets (effective 1 January 2014);

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles) (effective 1 July 2014);

AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14) (effective 1 January 2016);

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments) (effective 1 January 2015);

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (effective 1 January 2016),

Management have yet to assess the impact of these standards on the reported position of the Chapter.

NOTE 2 - SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272 which read, as follows:

Information to be provided to members or General Manager:

- (1) "A Member of a reporting unit, or a Registrar, 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).

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions received	506,218	487,305
Interest received	9,489	3,313
Stationery and service fees	98,525	131,384
Petrol invoices recharges	9,667	24,831
Commission received	31,018	34,076
Rent received	163,603	172,084
Excellence awards fees	75,858	96,201
HSEQ	82,931	58,670
Industrial services	10,572	8,383
Mentoring project	227,971	132,443
Recoverable expenses	-	-
Advertising and promotions revenue	40,351	29,289
Levies	-	-
Capitation income	-	-
Grants or donations	-	-
TOTAL REVENUE	1,256,203	1,177,979
NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES		
Employee Expenses:		
Office holders		
Salaries	113,712	123,400
Superannuation	10,518	11,106
Salary sacrifice	24,480	13,894
Leave and other entitlements	7,842	6,562
Separations and redundancies	-	-
Other	-	-
	<u>156,552</u>	<u>154,962</u>
Employees other than office holders:		
Salaries	486,676	395,894
Superannuation	45,043	20,003
Salary sacrifice	-	-
Leave and other entitlements	7,122	13,792
Separations and redundancies	-	-
Other	10,279	4,323
	<u>549,120</u>	<u>434,012</u>
Total employee expenses	705,672	588,974
Capitation fees to National Electrical Contractors Association	88,759	89,436

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES (CONT)		
Other Expenses:		
Compulsory levies	-	-
Consideration to employers for payroll deductions	-	-
Affiliation fees to political or industrial body	-	-
Fees/allowances - meetings	-	-
Fees/allowances - conferences	-	-
Conferences and meeting expenses	9,112	10,093
Grants:		
- total paid that were \$1,000 or less	-	-
- total paid that exceeded \$1,000	-	-
Donations:		
- total paid that were \$1,000 or less	900	-
- total paid that exceeded \$1,000	2,000	15,651
Penalties - via RO Act or RO Regulations	-	-
RACCA expenses	9,666	6,824
Training and development	2,547	3,797
Motor vehicle expenses	315	796
Operations	41,960	31,521
Promotions	20,766	14,036
Office expenses	25,836	26,521
Office administration - mentoring	25,223	3,645
Litigation	-	-
Other legal matters	10,072	4,806
Other operating expenses	76,231	57,645
	<u>224,628</u>	<u>175,336</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

Westpac Bank- operating account	68,501	47,009
Petty cash	200	271
	<u>68,701</u>	<u>47,280</u>
(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	68,701	47,280
Bank overdraft:	-	-
	<u>68,701</u>	<u>47,280</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 5 - TRADE AND OTHER RECEIVABLES		
Trade receivable and other assets	199,121	192,960
Provision for doubtful debts	(2,018)	(2,018)
GST receivable	(8,401)	(5,232)
	<u>188,702</u>	<u>185,710</u>

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.

	2014	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)			Current	
				<30	31-60	61-90		
		\$	\$	\$	\$	\$	\$	
Trade receivables		199,121	2,018	26,608	-	416	12,856	157,223

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

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

	2014	2013
	\$	\$
Financial assets classified as loans and receivables		
Trade and other receivables:		
total current	<u>188,702</u>	<u>185,710</u>

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

- National Electrical Contractors Association - National Office	-	-
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NOTE 6 - OTHER CURRENT ASSETS

Prepayments	<u>22,518</u>	<u>24,828</u>
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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 2014

	2014	2013
	\$	\$
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT		
Land and building - at independent valuation 30 June 2013	2,720,000	2,720,000
Less: accumulated depreciation	(61,750)	-
	<u>2,658,250</u>	<u>2,720,000</u>
Office machines - at cost	33,139	30,941
Less: accumulated depreciation	(23,476)	(21,419)
	<u>9,663</u>	<u>9,522</u>
Computer equipment - at cost	30,745	30,700
Less: accumulated depreciation	(27,269)	(23,048)
	<u>3,476</u>	<u>7,652</u>
Furniture & fittings - at cost	88,175	63,283
Less: accumulated depreciation	(13,133)	(10,444)
	<u>75,042</u>	<u>52,839</u>
Hire purchase - motor vehicle	127,757	96,942
Less: accumulated depreciation	(68,080)	(48,187)
	<u>59,677</u>	<u>48,755</u>
Total plant and equipment	<u><u>2,806,108</u></u>	<u><u>2,838,768</u></u>

(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.

	Land & Buildings	Office Machines	Computer Equipment	Furniture & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	2,720,000	9,522	7,652	52,839	48,755	2,838,768
Depreciation and amortisation	(61,750)	(2,057)	(4,221)	(2,689)	(19,893)	(90,610)
Additions	-	2,198	45	24,892	30,815	57,950
Disposals/ scrapped	-	-	-	-	-	-
Carrying Value at end of year	<u>2,658,250</u>	<u>9,663</u>	<u>3,476</u>	<u>75,042</u>	<u>59,677</u>	<u>2,806,108</u>

(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 in 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 2014

	2014	2013
	\$	\$
NOTE 8 - TRADE AND OTHER PAYABLES		
Sundry creditors	255,451	247,938
Payroll liabilities	25,506	18,125
Bond monies payable	63,400	62,504
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
	<u>344,357</u>	<u>328,567</u>

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 - National Office	28,425	29,015
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NOTE 9 - FINANCIAL LIABILITIES**CURRENT**

Finance lease	<u>31,850</u>	<u>25,650</u>
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NON-CURRENT

Finance lease	<u>22,918</u>	<u>20,208</u>
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Two motor vehicles act as security for this hire purchase liability.

NOTE 10 - PROVISIONS**CURRENT**

Office holders		
Provision for long service leave	66,181	59,560
Provision for annual leave	63,193	56,345
Separations and redundancies	-	-
Other	-	-
	<u>129,374</u>	<u>115,905</u>

Employees other than office holders

Provision for long service leave	29,542	34,708
Provision for annual leave	22,420	32,704
Separations and redundancies	-	-
Other	-	-
	<u>51,962</u>	<u>67,412</u>

Total employee provisions	<u>181,336</u>	<u>183,317</u>
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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 2014

	2014	2013
	\$	\$
NOTE 11 - CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit:		
Operating profit/ (loss)	(33,276)	22,880
Non-cash flows in profit:		
	<u>90,610</u>	<u>88,539</u>
	<u>57,334</u>	<u>111,419</u>
Changes in assets and liabilities during the financial year:		
Increase/(decrease) in leave provisions	(1,981)	12,047
Increase/(decrease) in trade and other payables	15,790	(33,519)
Decrease/(increase) in other current assets	2,310	(10,338)
Decrease/(increase) in trade and other receivables	<u>(2,992)</u>	<u>(1,974)</u>
Net cash provided by operating activities	<u>70,461</u>	<u>77,635</u>
(b) Credit Standby Arrangements with banks:		
Bank overdraft facilities are arranged with Westpac Banking Corporation. The amount of unused credit facility as at 30 June 2014 was \$300,000 (2013: \$300,000) with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment.		
(c) Cash flow information to other reporting units/controlled entity(s)		
Receipts from other reporting units/controlled entity(s)		
- National Electrical Contractors Association - National Office	255,881	145,987
Payment to other reporting units/controlled entity(s)		
- National Electrical Contractors Association	143,192	109,708
- National Electrical Contractors Association - WA	2,849	135
- National Electrical Contractors Association - NSW	-	660

NOTE 12 - AUDITOR'S REMUNERATION

Amounts received, or due and receivable by the auditor of the entity for auditing the accounts of the chapter:

- Audit fee	10,000	10,250
- Other services	-	3,200
	<u>10,000</u>	<u>13,450</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 13 - KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits		
Salary (including annual leave taken)	113,712	123,400
Annual leave accrued	482	2,787
Total short-term employee benefits	<u>114,194</u>	<u>126,187</u>
Post-employment benefits:		
Superannuation	34,998	25,000
Total post-employment benefits	<u>34,998</u>	<u>25,000</u>
Other long-term benefits:		
Long-service leave	7,360	3,775
Total other long-term benefits	<u>7,360</u>	<u>3,775</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>156,552</u>	<u>154,962</u>

NOTE 14 - 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 - Resigned 3 June 2014
R Lane	
G McDougall	Appointed Treasurer 4 June 2014
A Aitchison	
M Boyce	Appointed 26 June 2014
M Osborn	Resigned 4 December 2013
L Tapp	Appointed 16 April 2014
L Moore	Secretary

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 14 - RELATED PARTIES (CONT)

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

NAME	ORGANISATION	OFFICE HELD
G.Hodby	Nilsen (SA) Pty Ltd NECA National NECA National	Chief Operating Officer National Councilor National Executive
A.Thorpe	Niramar Pty Ltd NECA National	Director National Councilor
A Cross	Pacific Services Group Pty Ltd	General Manager
R.Lane	RGR 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
M.Boyce	PEER VEET	Chief Executive Officer
M.Osborn	PJ Corporate Electrical Pty Ltd PEER VEET	Director Director
L.Tapp	Tapp Electrical Pty Ltd	Director
L.Moore	Industry Skills Board (ESSA) Australian Refrigeration Council (ARC) National Industry Skills Council (E-Oz) PEER VEET	Chair Director Director Director

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 (2013: 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 \$143,192 for the year ended 30 June 2014 (2013 \$109,706). The total amount of monies received was \$255,881 for the year ended 30 June 2014 (2013 \$145,987).

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15 - FINANCIAL INSTRUMENTS

The reporting 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	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	4	68,701	47,280
Loans and receivables	5	188,702	185,710
		<u>257,403</u>	<u>232,990</u>
Financial liabilities			
Trade and other payables	8	344,357	328,567
Finance leases	9	54,768	45,858
		<u>399,125</u>	<u>374,425</u>

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.

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	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Financial liabilities						
Trade and other payables	344,357	328,567	-	-	344,357	328,567
Finance leases	31,850	25,650	22,918	20,208	54,768	45,858
Total financial liabilities	<u>376,207</u>	<u>354,217</u>	<u>22,918</u>	<u>20,208</u>	<u>399,125</u>	<u>374,425</u>
Financial assets						
Cash and cash equivalents	68,701	47,280	-	-	68,701	47,280
Trade and other receivables	188,702	185,710	-	-	188,702	185,710
Total financial assets	<u>257,403</u>	<u>232,990</u>	<u>-</u>	<u>-</u>	<u>257,403</u>	<u>232,990</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15 - FINANCIAL INSTRUMENTS (CONT)

Financial assets pledged as collateral

A motor vehicle acts 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.

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	2014 Net Carrying Value \$	Net Fair Value \$	2013 Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	68,701	68,701	47,280	47,280
Trade and other receivables	(i)	188,702	188,702	185,710	185,710
Total financial assets		257,403	257,403	232,990	232,990
Financial liabilities					
Trade and other payables	(i)	344,357	344,357	328,567	328,567
Finance leases		54,768	54,768	45,858	45,858
Total financial liabilities		399,125	399,125	374,425	374,425

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 2014

NOTE 15 - FINANCIAL INSTRUMENTS (CONT)

d) Fair value measurement of non financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 June 2014:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Land and buildings	-	-	2,720,000	2,720,000

Fair value of the property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Committee of Management.

2014	2013
\$	\$

NOTE 16 - CAPITAL AND LEASING COMMITMENTS

a. Hire purchase commitments

Payable - minimum payments not later than 12 months	32,799	28,192
between 12 months and 5 years	26,443	21,354
Minimum payments	59,242	49,546
Less: future finance charges	(4,474)	(3,688)
	54,768	45,858

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:

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

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 17 - RESERVES

Asset revaluation reserve records valuation movements of non-current assets.

NOTE 18 - CONTINGENT LIABILITIES

There were no contingencies facing National Electrical Contractors Association - SA Chapter as at 30 June 2014 that have not been brought to account in the financial report.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 19 - POST REPORTING DATE EVENTS

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting entity.

NOTE 20 - GOING CONCERN

The reporting unit 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 has not provided financial support to another reporting unit.

As with other employer associations, NECA 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 2013/14 the membership fees received the first 3-4 months of the financial year. This membership income is essentially drawn down during the rest of the year to fund the operations of the Chapter, thus causing negative cash flows.

The reporting unit notes that current assets total \$279,921 and current liabilities \$557,543. Included in the \$557,543 are \$181,336 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 2014 cash on hand was \$68,701 (2013: \$47,280), which was a net increase in cash of \$21,421 from the previous year end. The Association has bank overdraft facilities with Westpac Banking Corporation for \$300,000 which can be drawn down upon if required. At 30 June 2014 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 \$2,658,250 net.

NOTE 21 - BUSINESS COMBINATION

The reporting unit 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 22 - REPORTING UNIT DETAILS

The principal place of business is:

213 Greenhill Road
EASTWOOD SA 5063



Level 1,
67 Greenhill Rd
Wayville SA 5034

Correspondence to:
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
ASSOCIATION – SA CHAPTER**

We have audited the accompanying financial report of National Electrical Contractors Association – SA Chapter (the “Entity”), which comprises the statement of financial position as at 30 June 2014, 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 the 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.

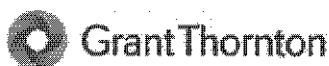
Auditor's responsibility

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.

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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 Association – SA Chapter;
 - i presents fairly, in all material respects, the Entity's financial position as at 30 June 2014 and of its performance and cash flows for the year then ended; and
 - ii complies with Australian Accounting Standards and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.
- c the financial report of National Electrical Contractors Association – SA Chapter is prepared on going concern basis which is appropriate.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants


J. J. Humphrey
Partner – Audit & Assurance
Registered Company Auditor #321465

Adelaide, 24 September 2014



30 July 2014

Mr Larry Moore
Secretary
The National Electrical Contractors Association-South Australian Chapter
Sent by email: lmoore@necasa.asn.au

Dear Mr Moore,

**Re: Lodgement of Financial Report - [FR2014/124]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the South Australian Chapter of The National Electrical Contractors Association (the reporting unit) ended on 30 June 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

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

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

The financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au .

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.