FAIR WORK COMMISSION

9 December 2015

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

Sent via email: lmoore@necasa.asn.au

Dear Mr Moore,

Re: Lodgement of Financial Statements and Accounts – National Electrical Contractors Association, South Australian Chapter - for year ended 30 June 2015 (FR2015/113)

I refer to the financial report for the National Electrical Contractors Association, South Australian Chapter. The report was lodged with the Fair Work Commission on 30 November 2015.

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 2016 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

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

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

80 William Street
East Sydney NSW 2011
Telephone: (02) 9308 1970
Email: orgs@fwc.gov.au

From: KELLETT, Stephen
Sent: Wednesday, 9 December 2015 6:17 PM
To: Larry.Moore@necasa.asn.au
Subject: FW: Financial reporting - SA Chapter - y/e 30 June 2015 - filing

Dear Mr Moore,

Thank you for your advice. Your advice is appreciated and is satisfactory and I have no other queries. In relation to the question of grants, I should perhaps simply mention that to my knowledge, it has not been FWC's expectation in the past that grants paid would include a GST component, or that the amounts disclosed in a statement of grants under section 237 would differ from the corresponding disclosure in the general purpose financial report. My best understanding of grants of the kind that appears indicated in this instance is that it would not be of the kind for which GST was payable by the grantor or the grantee. The requirement of Reporting Guideline 16(e) to disclose the total amount of grants (and donations) exceeding $1,000, introduced in 2014, was in fact aimed at enabling a ready reconciliation of the totals disclosed in each. That said, I appreciate that the form of the disclosures in the Chapter's report and statement will have been made on the basis of advice obtained and, in the absence of a definitive view on the question, it may be that any difference due to GST, where it occurs, is simply noted/explained within the financial report.

Please see attached my letter advising the filing of the report.

NEECA SA FR2015
113 (primary final).p(

Yours sincerely

STEPHEN KELLETT
Senior Adviser, Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Larry Moore [mailto:Larry.Moore@necasa.asn.au]
Sent: Wednesday, 9 December 2015 3:23 PM
To: KELLETT, Stephen
Subject: RE: Financial reporting - SA Chapter - y/e 30 June 2015 - query

Hi Stephen

I have discussed the issues you raised below with our Auditors, Grant Thornton, and it would appear that there was an oversight in the disclosure of the support to the QLD Chapter in Note 1.19. The second paragraph of this note should read 'National Electrical Contractors Association – SA Chapter has provided support to the National Electrical Contractors Association – QLD totalling $10,091 during the financial year to assist with them as a going concern. There are no terms and conditions of this support and it is considered to be non-repayable.

I do apologise for this oversight which as you quite rightly point out did need to be qualified in accordance with the reporting guidelines. We certainly have noted the error which will be given due consideration in future reports.

In regard to the issue of the differences in the amounts disclosed for the Grant this difference is in relation to the GST. Note 4E is the profit or loss component of the grant and as such the GST is not disclosed. Note 11B and the Loans, Grants and Donation form include GST as this was the full amount paid to QLD.

I trust this explanation satisfies your queries but if not please advise and I will attend to the matter immediately.

Kind regards,

Larry Moore
Executive Director

national electrical and communications association
neca

South Australia
213 Greenhill Road,
Eastwood SA 5063
PO Box 47,
Fullarton SA 5063

T 08 8272 2966
M 0412 242 185
F 08 8373 1528
E larry.moore@necasa.asn.au
W www.neca.asn.au/sa

From: KELLETT, Stephen
Sent: Friday, 4 December 2015 8:55 AM
To: 'Larry.Moore@necasa.asn.au'
Subject: Financial reporting - SA Chapter - y/e 30 June 2015 - query

Dear Mr Moore,

I am reviewing the South Australian Chapter's financial report lodged with FWC on 30 November. Before I file the documents, I have a couple of queries I'm hoping you can clarify for me.

Firstly, the Chapter made a grant to the QLD Chapter (see statement of Loans and Grants attached) *"to assist financially the operations of the Qld Chapter".* This is reflected in the disclosure of grants (Note 4E attached) and cash flows (Note 11B attached). However Note 1.19 (attached) states that the *"SA Chapter has not provided financial support to another reporting unit".*

Reporting Guideline 11 (see attached) relates to the requirement of disclosure of any financial support to another reporting unit to enable it to continue as a going concern. Reporting Guideline 13 requires a statement where no such support has been agreed to be provided. Considering that the QLD Chapter is 'another reporting unit', how should I understand the statement at Note 1.19? Does it have a meaning here that reconciles with the payment of the grant otherwise disclosed, (e.g. was the grant paid considered support of a kind that was not support agreed to be provided for the purposes of enabling the QLD Chapter to continue as a going concern?) or ought it to have been qualified in some manner, or would you consider it to be incorrect?

Secondly, the amount of the grant disclosed in the Statement of loans and grants corresponded with the Cash Flow Note 11B but not with the Grant Expense Note 4E. The difference is not a material one but perhaps you can advise whether a clerical error has occurred.

I draw these to your attention so that future reports can rectify any inadvertent mis-statement or inconsistency. Please don't hesitate to telephone me on the number below or email whichever is more convenient for you.

Reporting Guideline 11.pdf
NECASA Financial support note 1.19.pd
NECASA Cash flow to Qld note 11B.pdf
NECASA Grant to Qld note 4E.pdf
Statement grants to Qld.pdf

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Larry Moore [mailto:Larry.Moore@necasa.asn.au]
Sent: Monday, 30 November 2015 6:59 PM
To: Orgs
Subject: On CMS FR2015/113 NECASA lodgement of Financial Report - FR2015/113

FR2015/113

Dear Sam

Please find attached lodgement of Financial Report covering letter, Certificate of Secretary and the NECASA Operating Report 30 June 2015 in accordance with s.268 of the RO Act.

NECASA Operating Report 30 June 2015	FWC Cert of Secretary 2015.pdf	FWC Financial Report covering letter 2015.p

Kind regards,

Larry Moore
Executive Director

national electrical and communications association
neca

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213 Greenhill Road,
Eastwood SA 5063
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213 Greenhill Road Eastwood South Australia 5063 Australia
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telephone: (08) 8272 2966 facsimile: (08) 8373 1528
email: neca@necasa.asn.au website: http://www.neca.asn.au

30 November 2015

Fair Work Commission
GPO Box 1994
MELBOURNE Victoria 3001

Attention: Mr. Sam Gallichio
Adviser
Regulatory Compliance Branch

Re: Lodgement of Financial Report – [FR2015/113]
Fair Work (Registered Organisations) Act 2009 (The RO Act)

Dear

Please find attached copies of financial documentation for 2015 in accordance with the requirements of s268 of the RO Act.

Yours faithfully

Larry Moore
Secretary

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

30 November 2015

Fair Work Commission
GPO Box 1994
MELBOURNE Victoria 3001

Attention: Mr. S Gallichio
Adviser
Regulatory Compliance Branch

Re: Lodgement of Financial Report – [FR2015/113]
Fair Work (Registered Organisations) Act 2009 (The RO Act)

Dear Sam

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 12th. of October 2015; and

3. that the full report was presented to a general meeting of members of the reporting unit on the 16 November 2015, in accordance with the Fair Work (Registered Organisations) Act 2009.

Signed:

____
Laurence John Moore (Secretary)

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The committee presents its report on the reporting unit for the financial year ended 30 June 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the entity during the reporting period continue to be to represent the interest of its members in the electrical and communications industry in South Australia.

Significant changes in financial affairs

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

Right of members to resign

(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.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

To the best of knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of National Electrical Contractors Association- SA Chapter 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.

Number of members

National Electrical Contractors Association- SA Chapter has 411 members as at 30 June 2015.

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 8 with the full time equivalent being 8.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Names of Committee of Management members and period positions held during the financial year

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)
G McDougall (Treasurer)
A Aitchison
M Boyce
L Tapp
J Case (resigned 14 September 2014)
R Lane (resigned 17 August 2014)
N Cheesman-Dutton (resigned 30 June 2015)
L Moore (Secretary)

Signature of designated officer: ....

Name and title of designated officer: GREG HODBY PRESIDENT .... ANDREW THORPE VICE - PRESIDENT

Dated: .... 1ST OCTOBER 2015. .... 1st October 2015

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

On 1 October 2015 the Committee of Management of the National Electrical Contractors Association- SA Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2015:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

- (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
- (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

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

Signature of designated officer: ....

Name and title of designated officer: LAURENCE JOHN MOORE - SECRETARY

Dated: 1 October 2015

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	Restated 2014 $
Revenue			
Membership subscription		**506,969**	506,218
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	**7,580**	9,489
Rental revenue	3D	**173,161**	163,603
Other revenue		**722,727**	576,893
Total revenue		**1,410,437**	1,256,203
Other Income			
Grants and/or donations	3E	**1,000**	-
Net gains from sale of assets	3F	-	-
Total other income		**1,000**	-
Total income		**1,411,437**	1,256,203
Expenses			
Employee expenses	4A	**(826,723)**	(705,672)
Capitation fees	4B	**(84,833)**	(88,759)
Affiliation fees	4C	-	-
Administration expenses	4D	**(134,562)**	(112,787)
Grants or donations	4E	**(10,500)**	(2,900)
Depreciation	4F	**(83,458)**	(90,610)
Finance costs	4G	**(3,036)**	(1,006)
Legal costs	4H	**(4,295)**	(10,071)
Audit fees	14	**(13,000)**	(10,000)
Net losses from sale of assets	4I	-	-
Other expenses	4J	**(249,263)**	(267,674)
Total expenses		**(1,409,670)**	(1,289,479)
Profit / (loss) for the year		**1,767**	(33,276)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		**1,767**	(33,276)

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**154,195**	68,701
Trade and other receivables	5B	**149,377**	188,702
Other current assets	5C	**28,434**	22,518
Total current assets		**332,006**	279,921
Non-Current Assets			
Property, plant and equipment	6A	**2,736,278**	2,806,108
Total non-current assets		**2,736,278**	2,806,108
Total assets		**3,068,284**	3,086,029
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	**307,340**	344,357
Employee provisions	8A	**198,656**	181,336
Financial liabilities	9A	**15,694**	31,850
Total current liabilities		**521,690**	557,543
Non-Current Liabilities			
Employee provisions	8A	**16,334**	-
Financial liabilities	9A	**22,925**	22,918
Total non-current liabilities		**39,259**	22,918
Total liabilities		**560,949**	580,461
Net assets		**2,507,335**	2,505,568
EQUITY			
Reserves	10A	**2,634,389**	2,634,389
(Accumulated deficit)		**(127,054)**	(128,821)
Total equity		**2,507,335**	2,505,568

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Reserves	Retained earnings	Total equity
	$	$	$
Balance as at 1 July 2013	2,634,389	(95,545)	2,538,844
(Loss) for the year	-	(33,276)	(33,276)
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2014	**2,634,389**	**(128,821)**	**2,505,568**
Profit for the year	**-**	**1,767**	**1,767**
Other comprehensive income for the year	**-**	**-**	**-**
Closing balance as at 30 June 2015	**2,634,389**	**(127,054)**	**2,507,335**

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	**390,186**	255,881
Interest		**7,580**	9,489
Receipts from customers/members		**1,052,996**	2,646,754
Cash used			
Payments to suppliers and employees		**(1,185,261)**	(2,694,616)
Payment to other reporting units	11B	**(147,194)**	(146,041)
Interest expense		**(3,036)**	(1,006)
Net cash from operating activities	11A	**115,271**	70,461
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		**(13,628)**	(57,950)
Net cash (used by) investing activities		**(13,628)**	(57,950)
FINANCING ACTIVITIES			
Net cash			
Finance leases		**(16,149)**	8,910
Net cash (used by)/ from financing activities		**(16,149)**	8,910
Net increase in cash held		**85,494**	21,421
Cash & cash equivalents at the beginning of the reporting period		**68,701**	47,280
Cash & cash equivalents at the end of the reporting period	5A	**154,195**	68,701

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
RECOVERY OF WAGES ACTIVITY
FOR THEYEAR ENDED 30 JUNE 2015

	2015 $	2014 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
National Electrical Contractors Association- SA Chapter	-	-

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(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.

(ii) Provision for impairment of receivables

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

1.4 New Australian Accounting Standards

Future Australian Accounting Standards Requirements

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Management anticipates that all of the relevant pronouncements will be adopted in the accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

Note 1 Summary of significant accounting policies (cont)

1.4 New Australian Accounting Standards (cont)

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards. When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy. When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

1.5 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue is received for the Mentoring Project 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.

Donation income is recognised when it is received.

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

The entity 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.

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

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Note 1 Summary of significant accounting policies (cont)

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the statement of financial position.

Note 1 Summary of significant accounting policies (cont)

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

1.12 Financial assets (cont)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

Derecognition of financial assets

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

1.13 Financial Liabilities

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

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

Note 1 Summary of significant accounting policies (cont)

1.13 Financial Liabilities (cont)

Derecognition of financial liabilities

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

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value method except buildings which is depreciated on a straight line basis. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Note 1 Summary of significant accounting policies (cont)

1.15 Land, Buildings, Plant and Equipment (cont)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Buildings	**40 years**	40 years
Office Machines	**3-7 years**	3-7 years
Computer equipment	**2-3 years**	2-3 years
Furniture and fittings	**7-13 years**	7-13 years
Motor vehicles	**12 years**	12 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Taxation

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

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

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

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

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

1.18 Fair value measurement

The entity measures financial instruments at fair value at each reporting 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 entity. 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 entity 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.

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 entity 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. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the entity 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.

Note 1 Summary of significant accounting policies (cont)

1.19 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.

Similar to other employer associations, the entity 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 2014/15 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 $332,006 and current liabilities $521,690. Included in the $521,690 are $198,656 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 2015 cash on hand was $154,195 (2014: $68,701), which was a net increase in cash of $85,494 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 2015 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 $2,596,500 net.

Note 1 Summary of significant accounting policies (cont)

1.20 Reclassification of statement of profit or loss items

To comply with the Fair Work Act 2009 reporting requirements, the following reclassification has occurred:

	Previously reported $	Reclass adjustment $	Restated 2014 $
Revenue			
Revenue	1,256,203	(1,256,203)	-
Membership subscription	-	506,218	506,218
Interest	-	9,489	9,489
Rental revenue	-	163,603	163,603
Other revenue	-	576,893	576,893
Total income	1,256,203	-	1,256,203
Expenses			
Employee expenses	(705,672)	-	(705,672)
Capitation fees	(88,759)	-	(88,759)
Administration expenses	-	(112,787)	(112,787)
Excellence awards expenses	(64,090)	64,090	-
Industrial services expenses	(1,039)	1,039	-
Grants or donations	-	(2,900)	(2,900)
Depreciation	(90,610)	-	(90,610)
Finance costs	(1,006)	-	(1,006)
Legal costs	-	(10,071)	(10,071)
Audit fees	(10,000)	-	(10,000)
Property expenses	(66,450)	66,450	-
Printing expenses	(16,355)	16,355	-
Telephone and power	(20,870)	20,870	-
Other expenses	(224,628)	(43,046)	(267,674)
Total expenses	(1,289,479)	-	(1,289,479)
Profit / (loss) for the year	(33,276)	-	(33,276)

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Electrical Contractors Association- SA Chapter.

	2015	2014
	$	$
Note 3 Income		
Note 3A: Capitation fees		
Total capitation fees	-	-
Note 3B: Levies		
Total levies	-	-
Note 3C: Interest		
Total interest	**7,580**	9,489
Note 3D: Rental revenue		
Properties	**173,161**	163,603
Total rental revenue	**173,161**	163,603
Note 3E: Grants or donations		
Grants	-	-
Donations	**1,000**	-
Total grants or donations	**1,000**	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Total net gain from sale of assets	-	-

	2015	2014
	$	$

Note 4 Expenses

Note 4A: Employee expenses

	2015 $	2014 $
Holders of office:		
Wages and salaries	**105,511**	113,712
Superannuation	**10,831**	10,518
Leave and other entitlements	**24,729**	7,842
Separation and redundancies	**-**	-
Other employee expenses	**24,150**	24,480
Subtotal employee expenses holders of office	**165,221**	156,552
Employees other than office holders:		
Wages and salaries	**505,294**	486,676
Superannuation	**85,935**	45,043
Leave and other entitlements	**47,023**	7,122
Separation and redundancies	**-**	-
Other employee expenses	**23,250**	10,279
Subtotal employee expenses employees other than office holders	**661,502**	549,120
Total employee expenses	**826,723**	705,672

Note 4B: Capitation fees

	2015 $	2014 $
National Electrical Contractors Association-National Office	**84,833**	88,759
Total capitation fees	**84,833**	88,759

Note 4C: Affiliation fees

	2015 $	2014 $
Total affiliation fees/subscriptions	**-**	-

	2015	2014
	$	$

Note 4D: Administration expenses

Consideration to employers for payroll deductions	**-**	-
Compulsory levies	**-**	-
Fees/allowances - meeting and conferences	**-**	-
Conference and meeting expenses	**21,298**	9,112
Property expenses	**70,048**	66,450
Printing expenses	**21,351**	16,355
Telephone and power expenses	**21,865**	20,870
Total administration expense	**134,562**	112,787

Note 4E: Grants or donations

Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**10,000**	-
Donations:		
Total paid that were $1,000 or less	**500**	900
Total paid that exceeded $1,000	**-**	2,000
Total grants or donations	**10,500**	2,900

Note 4F: Depreciation and amortisation

Depreciation		
Property, plant and equipment	**83,458**	90,610
Total depreciation	**83,458**	90,610

	2015	2014
	$	$

Note 4G: Finance costs

Finance leases	**3,036**	1,006
Total finance costs	**3,036**	1,006

Note 4H: Legal costs

Other legal matters	**4,295**	10,071
Total legal costs	**4,295**	10,071

Note 4I: Net losses from sale of assets

Land and buildings	**-**	-
Plant and equipment	**-**	-
Total net losses from asset sales	**-**	-

Note 4J: Other expenses

Penalties - via RO Act or RO Regulations	**-**	-
Industrial services expenses	**7,257**	1,039
Mentoring expenses	**50,639**	17,615
Excellence awards expenses	**120,059**	64,090
Newsletter expenses	**25,359**	23,077
Other expenses	**45,949**	161,853
Total other expenses	**249,263**	267,674

	2015	2014
	$	$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	**153,995**	68,501
Cash on hand	**200**	200
Total cash and cash equivalents	**154,195**	68,701

Note 5B: Trade and Other Receivables

Receivables from other reporting unit		
National Electrical Contractors Association-National office	**-**	-
Total receivables from other reporting units	**-**	-
Less provision for doubtful debts		
National Electrical Contractors Association-National office	**-**	-
Total provision for doubtful debts	**-**	-
Receivable from other reporting unit	**-**	-
Other receivables:		
Trade receivables	**151,831**	199,121
Provision for doubtful debts	**(2,454)**	(2,018)
GST receivable from the Australian Taxation Office	**-**	(8,401)
Total other receivables	**149,377**	188,702

Note 5C: Other Current Assets

Prepayments	**28,434**	22,518
Total other current assets	**28,434**	22,518

	2015	2014
	$	$

Note 6 Non-current Assets

Note 6A: Property, plant and equipment

	2015 $	2014 $
Land and buildings:		
Land (at valuation 30 June 2013)	**250,000**	250,000
Building (at valuation 30 June 2013)	**2,470,000**	2,470,000
accumulated depreciation	**(123,500)**	(61,750)
Total land and buildings	**2,596,500**	2,658,250
Office machines:		
At cost	**31,662**	33,139
accumulated depreciation	**(24,173)**	(23,476)
Total office machines	**7,489**	9,663
Computer equipment:		
At cost	**36,569**	30,745
accumulated depreciation	**(34,459)**	(27,269)
Total computer equipment	**2,110**	3,476
Furniture and fittings:		
At cost	**101,229**	88,175
accumulated depreciation	**(15,808)**	(13,133)
Total furniture and fittings	**85,421**	75,042
Motor vehicles- hire purchase:		
At cost	**127,757**	127,757
accumulated depreciation	**(82,999)**	(68,080)
Total motor vehicles	**44,758**	59,677
Total property, plant and equipment	**2,736,278**	2,806,108

Reconciliation of the Opening and Closing Balances of Property, plant and equipment

	Land and buildings $	Office machines $	Computer equipment $	Furniture and fittings $	Motor vehicles $	Total $
Net book value 1 July 2014	**2,658,250**	**9,663**	**3,476**	**75,042**	**59,677**	**2,806,108**
Additions	-	-	466	13,657	-	14,123
Depreciation expense	(61,750)	(1,679)	(1,832)	(3,278)	(14,919)	(83,458)
Disposals	-	(495)	-	-	-	(495)
Net book value 30 June 2015	**2,596,500**	**7,489**	**2,110**	**85,421**	**44,758**	**2,736,278**

Note 6A: Property, plant and equipment (continued)

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

The valuations were performed by a member of the Australian Property Institute on 11 July 2013, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 3.

	2015	2014
	$	$

Note 7 Liabilities

Note 7A: Trade payables

	2015 $	2014 $
Trade creditors and accruals	**174,925**	227,026
Payroll liabilities	**21,895**	25,506
Bond monies payable	**64,172**	63,400
GST payable	**21,501**	-
Subtotal trade creditors	**282,493**	315,932
Payables to other reporting units		
National Electrical Contractors Association- National office	**23,939**	28,425
National Electrical Contractors Association- Qld	**908**	-
Subtotal payables to other reporting units	**24,847**	28,425
Total trade payables	**307,340**	344,357

Settlement is usually made within 30 days.

	2015 $	2014 $
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Total other payables	-	-

Note 8 Provisions

Note 8A: Employee Provisions

	2015 $	2014 $
Office Holders:		
Annual leave	**68,461**	63,193
Long service leave	**79,427**	66,181
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	**147,888**	129,374
Employees other than office holders:		
Annual leave	**30,020**	22,420
Long service leave	**37,082**	29,542
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	**67,102**	51,962
Total employee provisions	**214,990**	181,336
Current	**198,656**	181,336
Non Current	**16,334**	-
Total employee provisions	**214,990**	181,336

	2015	2014
	$	$

Note 9A: Financial liabilities

Finance lease	**15,694**	31,850
Total current financial liabilities	**15,694**	31,850
Finance lease	**22,925**	22,918
Total non-current financial liabilities	**22,925**	22,918

Note 10 Equity

Note 10A: Reserves

Asset revaluation reserve		
Balance as at start of year	**2,634,389**	2,634,389
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Total Reserves	**2,634,389**	2,634,389

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of financial position to Statement of cash flows:

Cash and cash equivalents as per:		
Statement of cash flows	**154,195**	68,701
Statement of financial position	**154,195**	68,701
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**1,767**	(33,276)
Adjustments for non-cash items		
Depreciation	**83,458**	90,610
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**39,325**	(2,992)
(Increase)/decrease in other current assets	**(5,916)**	2,310
Increase/(decrease) in trade and other payables	**(37,017)**	15,790
Increase/(decrease) in employee provisions	**33,654**	(1,981)
Net cash from (used by) operating activities	**115,271**	70,461

	2015	2014
	$	$

Note 11B: Cash flow information

Cash inflows		
National Electrical Contractors Association	**358,849**	255,881
National Electrical Contractors Association-NSW	**660**	-
National Electrical Contractors Association-WA	**30,677**	-
Total cash inflows	**390,186**	255,881
Cash outflows		
National Electrical Contractors Association	**135,123**	143,192
National Electrical Contractors Association-WA	**-**	2,849
National Electrical Contractors Association-NSW	**1,980**	-
National Electrical Contractors Association-QLD	**10,091**	-
Total cash outflows	**147,194**	146,041

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

A new photocopier lease was entered into in December 2014 with a five year term. Charges are based on usage. Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	**-**	8,917
After one year but not more than five years	**-**	-
More than five years	**-**	-
	-	8,917

Capital commitments

At 30 June 2015 the entity has commitments of Nil (2014: Nil).

Finance lease commitments—as lessee		
Within one year	**17,672**	32,799
After one year but not more than five years	**23,548**	26,443
More than five years	**-**	-
Total minimum lease payments	**41,220**	59,242
Less amounts representing finance charges	**(2,601)**	(4,474)
Present value of minimum lease payments	**38,619**	54,768
Included in the financial statements as:		
Current interest-bearing loans and borrowings	**15,694**	31,850
Non-current interest-bearing loans and borrowings	**22,925**	22,918
Total included in interest-bearing loans and borrowings	**38,619**	54,768

Leasing commitments represent hire purchase agreements over motor vehicles.

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

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 (2014L 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 $135,123 for the year ended 30 June 2015 (2014: $143,192). The total amount of monies received was $358,849 for the year ended 30 June 2015 (2014: $255,881).

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

G Hodby (President) (Nilsen SA Pty Ltd)
A Thorpe (Vice President)
G McDougall (Treasurer)
A Aitchison
M Boyce
L Tapp
J Case (resigned 14 September 2014)
R Lane (resigned 17 August 2014)
N Cheesman-Dutton (resigned 30 June 2015)
L Moore (Secretary)

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

	2015	2014
	$	$
Expenses paid to Nilsen SA Pty Ltd includes the following:		
Travel expenses	**1,007**	-

	2015	2014
	$	$

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits		
Salary (including annual leave taken)	**114,013**	113,712
Annual leave accrued	**12,247**	482
Performance bonus	**-**	-
Total short-term employee benefits	**126,260**	114,194
Post-employment benefits:		
Superannuation	**34,981**	34,998
Total post-employment benefits	**34,981**	34,998
Other long-term benefits:		
Long-service leave	**3,980**	7,360
Total other long-term benefits	**3,980**	7,360
Termination benefits	**-**	-
Total	**165,221**	156,552

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**12,000**	10,000
Other services	**1,000**	-
Total remuneration of auditors	**13,000**	10,000

Other services relate to a review of internal controls of the entity.

Note 15 Financial Instruments

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

	2015	2014
	$	$
Note 15A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Trade and other receivables	**149,377**	188,702
Cash and cash equivalents	**154,195**	68,701
Carrying amount of financial assets	**303,572**	257,403
Financial Liabilities		
Other financial liabilities:		
Trade and other payables	**307,340**	344,357
Finance leases	**38,619**	54,768
Total	**345,959**	399,125
Carrying amount of financial liabilities	**345,959**	399,125
Note 15B: Net Income and Expense from Financial Assets		
Cash and cash equivalents		
Interest revenue	**7,580**	9,489
Net gain from cash and cash equivalents	**7,580**	9,489
Note 15C: Net Income and Expense from Financial Liabilities		
Finance leases		
Interest expense	**3,036**	1,006
Net loss financial liabilities – finance leases	**3,036**	1,006

Note 15D: 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 minimized 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.

Ageing of financial assets that were past due but not impaired for 2015

	Past due and impaired	**Current**	**0 to 30 days**	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	$	$	$	$	$	$
Trade receivables	**2,454**	**135,505**	**6,496**	**500**	**1,128**	**5,748**	**151,831**
Total	**2,454**	**135,505**	**6,496**	**500**	**1,128**	**5,748**	**151,831**

Ageing of financial assets that were past due but not impaired for 2014

	Past due and impaired	Current	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$	$	$
Trade receivables	2,018	157,223	26,608	-	416	12,856	199,121
Total	2,018	157,223	26,608	-	416	12,856	199,121

Note 15E: 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.

Contractual maturities for financial liabilities 2015

	On Demand	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
		$	**$**	**$**	**$**	**$**
Trade and other payables	-	**307,340**	-	-	-	**307,340**
Finance leases	-	**15,694**	**22,925**	-	-	**38,619**
Total	-	**323,034**	**22,925**	-	-	**345,959**

Maturities for financial liabilities 2014

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	344,357	-	-	-	344,357
Finance leases	-	31,850	22,918	-	-	54,768
Total	-	376,207	22,918	-	-	399,125

Note 15F: Market Risk

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.

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2015 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2015 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2015 $	**Fair value 2015 $**	Carrying amount 2014 $	Fair value 2014 $
Financial Assets				
Cash and cash equivalents	**154,195**	**154,195**	68,701	68,701
Trade and other receivables	**149,377**	**149,377**	188,702	188,702
Total	**303,572**	**303,572**	257,403	257,403
Financial Liabilities				
Trade and other payables	**307,340**	**307,340**	344,357	344,357
Finance leases	**38,619**	**38,619**	54,768	54,768
Total	**345,959**	**345,959**	399,125	399,125

Note 16B: Fair Value Hierarchy

The following tables provide an analysis of financial and non financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2015

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Land and buildings	**11 July 2013**	-	-	**2,720,000**

Note 16C: Description of Significant Unobservable Inputs

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.

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

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

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

Grant Thornton

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**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 2015, and the statement profit or loss and other of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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.

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 Association'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 Association'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 2015 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 1 October 2015

FairWork Commission

25 August 2015

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

Dear Mr Moore,

Re: Lodgement of Financial Report - [FR2015/113]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the National Electrical Contractors Association, South Australian Chapter (the reporting unit) ended on 30 June 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 January 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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 supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

I request that 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) be emailed, rather than posted, 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 wish to seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

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

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		As soon as practicable after end of financial year
(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. (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).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /	*(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,* *or* *(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.*
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.*