

5 December 2016

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

By email: neca@necasa.asn.au

Dear Mr Moore

Re: Lodgement of Financial Statements and Accounts – The National Electrical Contractors Association – South Australian Chapter - for year ended 30 June 2016 (FR2016/274)

I refer to the financial report for the South Australian Chapter of The National Electrical Contractors Association. The report was lodged with the Fair Work Commission on 30 November 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

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](#).

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

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

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



FAIR WORK
COMMISSION

From: KELLETT, Stephen
Sent: Monday, 5 December 2016 3:23 PM
To: alison.ward@necasa.asn.au
Cc: 'neca@necasa.asn.au'
Subject: Attention Mr Larry Moore - financial reporting - y/e 30 June 2016 - filing

Dear Alison,

Please see attached a copy of my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

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



NECA SA FR2016
274 (primary final).pdf

From: Larry Moore [<mailto:Larry.Moore@necasa.asn.au>]
Sent: Wednesday, 30 November 2016 12:30 PM
To: Orgs
Subject: ON CMS FR2016/274 NECASA Lodgement of Financial Report - FR2016/274

To whom it may concern

Please find attached Financial Reports for the National Electrical Contractors Association – South Australian Chapter for the financial year ending 30 June 2016.



NECA June 2016
Financials.pdf



FWC Financial Report
covering letter 2016.r



FWC Cert of
Secretary 2016.pdf

Kind regards,

Larry Moore
Executive Director



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South Australian Chapter

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23 November 2016

Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch
FairWork Commission
GPO Box 1994
MELBOURNE Victoria 3001

**Re: Lodgement of Financial Report – [FR2016/274]
Fair Work (Registered Organisations) Act 2009 (The RO Act)**

Dear Annastasia

Please find attached copies of financial documentation for 2016 in accordance with the requirements of s268 of the RO Act.

Yours faithfully



Larry Moore
Secretary

30 November 2016

Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch
FairWork Commission
GPO Box 1994
MELBOURNE Victoria 3001

**Re: Lodgement of Financial Report – [FR2016/274]
Fair Work (Registered Organisations) Act 2009 (The RO Act)**

Dear Annastasia

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 19th October 2016; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 21 November 2016, 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 2016

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

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 398 members as at 30 June 2016.

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 6 with the full time equivalent being 5.8.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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:

A Thorpe	President
G Hodby	Vice President
A Cross	Treasurer
A Aitchison	
M Boyce	
L Tapp	
N Cheesman-Dutton	(resigned 30th September 2015)
J Poulton	(elected 26 February 2016)
L Moore	Secretary

Signature of designated officer: 

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

Dated: *30 September 2016*

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

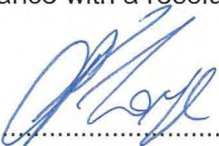
On 30 September 2016 the Committee of Management of the National Electrical Contractors Association- SA Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) 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:

ANDREW PHILIP THORPE
PRESIDENT

ANDREW CROSS, TREASURER

Dated:

30 SEPT 2016

30 Sept 2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		483,222	506,969
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	4,257	7,580
Rental revenue	3D	178,333	173,161
Other revenue		362,770	722,727
Total revenue		1,028,582	1,410,437
Other Income			
Grants and/or donations	3E	-	1,000
Net gains from sale of assets	3F	-	-
Total other income		-	1,000
Total income		1,028,582	1,411,437
Expenses			
Employee expenses	4A	(584,687)	(826,723)
Capitation fees	4B	(95,743)	(84,833)
Affiliation fees	4C	-	-
Administration expenses	4D	(120,886)	(134,562)
Grants or donations	4E	(5,327)	(10,500)
Depreciation	4F	(75,100)	(83,458)
Finance costs	4G	(2,506)	(3,036)
Legal costs	4H	(4,981)	(4,295)
Audit fees	14	(15,500)	(13,000)
Net losses from sale of assets	4I	(1,407)	-
Other expenses	4J	(189,978)	(249,263)
Total expenses		(1,096,115)	(1,409,670)
Profit / (loss) for the year		(67,533)	1,767
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		205,520	-
Total comprehensive income for the year		137,717	1,767

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 2016**

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	120,319	154,195
Trade and other receivables	5B	122,335	149,377
Other current assets	5C	4,464	28,434
Total current assets		247,118	332,006
Non-Current Assets			
Property, plant and equipment	6A	2,859,820	2,736,278
Total non-current assets		2,859,820	2,736,278
Total assets		3,106,938	3,068,284
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	229,434	307,340
Employee provisions	8A	218,210	198,656
Financial liabilities	9A	5,955	15,694
Total current liabilities		453,599	521,690
Non-Current Liabilities			
Employee provisions	8A	8,287	16,334
Financial liabilities	9A	-	22,925
Total non-current liabilities		8,287	39,259
Total liabilities		461,886	560,949
Net assets		2,645,052	2,507,335
EQUITY			
Reserves	10A	2,839,639	2,634,389
Accumulated (deficit)		(194,587)	(127,054)
Total equity		2,645,052	2,507,335

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 2016**

	Reserves	Retained earnings	Total equity
	\$	\$	\$
Balance as at 1 July 2014	2,634,389	(128,821)	2,505,568
(Loss) 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
Profit for the year	-	(67,533)	(67,533)
Other comprehensive income for the year	205,250	-	205,250
Closing balance as at 30 June 2016	2,839,639	(194,587)	2,645,052

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 2016**

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	54,494	390,186
Interest		4,257	7,580
Receipts from customers/members		<u>996,873</u>	<u>1,052,996</u>
Cash used			
Payments to suppliers and employees		(917,286)	(1,185,261)
Payment to other reporting units	11B	(142,244)	(147,194)
Interest expense		(2,506)	(3,036)
Net cash from operating activities	11A	<u>(6,412)</u>	<u>115,271</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(9,800)	(13,628)
Cash received			
Proceeds from sale of plant and equipment		15,000	-
Net cash (used by) investing activities		<u>5,200</u>	<u>(13,628)</u>
FINANCING ACTIVITIES			
Net cash			
Finance leases		(32,664)	(16,149)
Net cash (used by)/ from financing activities		<u>(32,644)</u>	<u>(16,149)</u>
Net increase in cash held		<u>(33,876)</u>	<u>85,494</u>
Cash & cash equivalents at the beginning of the reporting period		154,195	68,701
Cash & cash equivalents at the end of the reporting period	5A	<u>120,319</u>	<u>154,195</u>

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

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Financial liabilities
Note 10	Equity
Note 11	Cash flow
Note 12	Commitments and contingencies
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

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)

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.
Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.
There will be no impact on the financial statements.
- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards
There will be no impact on the financial statements.
- *AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.
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.

Note 1 Summary of significant accounting policies (cont)

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.

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.

Note 1 Summary of significant accounting policies (cont)

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.

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.

Note 1 Summary of significant accounting policies (cont)

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.

Note 1 Summary of significant accounting policies (cont)

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.

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:

	2016	2015
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.

Note 1 Summary of significant accounting policies (cont)

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 2015/16 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 \$247,118 and current liabilities \$453,599. Included in the \$453,599 are \$218,210 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 2016 cash on hand was \$120,319 (2014: \$154,195), which was a net decrease in cash of \$33,876 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 2016 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 \$2,740,000.

Note 2 Events after the reporting period

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

	2016	2015
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Total interest	<u>4,257</u>	<u>7,580</u>
Note 3D: Rental revenue		
Properties	<u>178,333</u>	<u>173,161</u>
Total rental revenue	<u>178,333</u>	<u>173,161</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	1,000
Total grants or donations	<u>-</u>	<u>1,000</u>
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Total net gain from sale of assets	<u>-</u>	<u>-</u>

	2016	2015
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	102,806	105,511
Superannuation	10,831	10,831
Leave and other entitlements	26,303	24,729
Separation and redundancies	-	-
Other employee expenses	24,150	24,150
Subtotal employee expenses holders of office	<u>164,090</u>	<u>165,221</u>
Employees other than office holders:		
Wages and salaries	312,217	505,294
Superannuation	73,043	85,935
Leave and other entitlements	29,650	47,023
Separation and redundancies	-	-
Other employee expenses	5,687	23,250
Subtotal employee expenses employees other than office holders	<u>420,597</u>	<u>661,502</u>
Total employee expenses	<u>584,687</u>	<u>826,723</u>
Note 4B: Capitation fees		
National Electrical Contractors Association- National Office	95,743	84,833
Total capitation fees	<u>95,743</u>	<u>84,833</u>
Note 4C: Affiliation fees		
Total affiliation fees/subscriptions	<u>-</u>	<u>-</u>

2016	2015
\$	\$

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	21,883	21,298
Property expenses	58,006	70,048
Printing expenses	19,332	21,351
Telephone and power expenses	21,665	21,865
Total administration expense	120,886	134,562

Note 4E: Grants or donations

Grants:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	5,000	10,000

Donations:

Total paid that were \$1,000 or less	327	500
Total paid that exceeded \$1,000	-	-

Total grants or donations	5,327	10,500
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Note 4F: Depreciation and amortisation

Depreciation

Property, plant and equipment	75,100	83,458
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Total depreciation	75,100	83,458
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	2016	2015
	\$	\$
Note 4G: Finance costs		
Finance leases	2,506	3,036
Total finance costs	<u>2,506</u>	<u>3,036</u>
Note 4H: Legal costs		
Other legal matters	4,981	4,295
Total legal costs	<u>4,981</u>	<u>4,295</u>
Note 4I: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	1,407	-
Total net losses from asset sales	<u>1,407</u>	<u>-</u>
Note 4J: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Industrial services expenses	5,240	7,257
Mentoring expenses	1,213	50,639
Excellence awards expenses	89,414	120,059
Newsletter expenses	24,556	25,359
Sponsorship and apprentice awards	12,507	9,932
Insurance	4,824	3,297
Other expenses	52,224	32,720
Total other expenses	<u>189,978</u>	<u>249,263</u>

2016	2015
\$	\$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	120,119	153,995
Cash on hand	200	200
Total cash and cash equivalents	120,319	154,195

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	124,789	151,831
Provision for doubtful debts	(2,454)	(2,454)
GST receivable from the Australian Taxation Office	-	-
Total other receivables	122,335	149,377

Note 5C: Other Current Assets

Prepayments	4,464	28,434
Total other current assets	4,464	28,434

2016 2015
\$ \$

Note 6 Non-current Assets

Note 6A: Property, plant and equipment

Land and buildings:

Land and building (at valuation 30 June 2016)	2,740,000	2,720,000
accumulated depreciation	-	(123,500)
Total land and buildings	2,740,000	2,596,500

Office machines:

At cost	31,662	31,662
accumulated depreciation	(25,393)	(24,173)
Total office machines	6,269	7,489

Computer equipment:

At cost	36,569	36,569
accumulated depreciation	(35,427)	(34,459)
Total computer equipment	1,142	2,110

Furniture and fittings:

At cost	108,625	101,229
accumulated depreciation	(16,784)	(15,808)
Total furniture and fittings	91,841	85,421

Motor vehicles- hire purchase:

At cost	96,942	127,757
accumulated depreciation	(76,384)	(82,999)
Total motor vehicles	20,568	44,758

Total property, plant and equipment	2,859,820	2,736,278
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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 30 June 2015	2,596,500	7,489	2,110	85,421	44,758	2,736,278
Additions	-	-	-	9,800	-	9,800
Revaluation	205,250	-	-	-	-	205,250
Depreciation expense	(61,750)	(1,220)	(968)	(3,380)	(7,782)	(75,100)
Disposals	-	-	-	-	(16,408)	(16,408)
Net book value 30 June 2016	2,740,000	6,269	1,142	91,841	20,568	2,859,820

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 21 June 2016, 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.

	2016	2015
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	113,604	174,925
Payroll liabilities	22,105	21,895
Bond monies payable	63,074	64,172
GST payable	5,637	21,501
Subtotal trade creditors	<u>204,420</u>	<u>282,493</u>
Payables to other reporting units		
National Electrical Contractors Association- National office	25,014	23,939
National Electrical Contractors Association- Qld	-	908
Subtotal payables to other reporting units	<u>25,014</u>	<u>24,847</u>
Total trade payables	<u>229,434</u>	<u>307,340</u>
Settlement is usually made within 30 days.		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Total other payables	<u>-</u>	<u>-</u>
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	68,969	68,461
Long service leave	80,620	79,427
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>149,589</u>	<u>147,888</u>
Employees other than office holders:		
Annual leave	34,614	30,020
Long service leave	42,294	37,082
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>76,908</u>	<u>67,102</u>
Total employee provisions	<u>226,497</u>	<u>214,990</u>
Current	218,210	198,656
Non Current	8,287	16,334
Total employee provisions	<u>226,497</u>	<u>214,990</u>

2016	2015
\$	\$

Note 9 Non-current Liabilities

Note 9A: Financial liabilities

Finance lease	5,955	15,694
Total current financial liabilities	5,955	15,694
Finance lease	-	22,925
Total non-current financial liabilities	-	22,925

Note 10 Equity

Note 10A: Reserves

Asset revaluation reserve		
Balance as at start of year	2,634,389	2,634,389
Transferred to reserve	205,250	-
Transferred out of reserve	-	-
Total Reserves	2,839,639	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	120,319	154,195
Statement of financial position	120,319	154,195
Difference	-	-

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

Profit/(deficit) for the year	137,717	1,767
Adjustments for non-cash items		
Depreciation	75,100	83,458
Revaluation gain	(205,250)	-
Gain/Loss sale	1,407	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	27,042	39,325
(Increase)/decrease in other current assets	23,971	(5,916)
Increase/(decrease) in trade and other payables	(77,906)	(37,017)
Increase/(decrease) in employee provisions	11,507	33,654
Net cash from (used by) operating activities	(6,412)	115,271

	2016	2015
	\$	\$
Note 11B: Cash flow information		
Cash inflows		
National Electrical Contractors Association	-	358,849
National Electrical Contractors Association-VIC	22,937	-
National Electrical Contractors Association-NSW	4,116	660
National Electrical Contractors Association-QLD	271	-
National Electrical Contractors Association-WA	27,170	30,677
Total cash inflows	54,494	390,186
Cash outflows		
National Electrical Contractors Association	133,995	135,123
National Electrical Contractors Association-WA	-	-
National Electrical Contractors Association-NSW	-	1,980
National Electrical Contractors Association-VIC	2,340	-
National Electrical Contractors Association-QLD	5,909	10,091
Total cash outflows	142,244	147,194

Note 12 Commitments and Contingencies

Operating lease commitments—as lessee

Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

Capital commitments

At 30 June 2016 the entity has no capital commitments (2015: Nil).

Finance lease commitments—as lessee

Within one year	6,073	17,672
After one year but not more than five years	-	23,548
More than five years	-	-
Total minimum lease payments	6,073	41,220
Less amounts representing finance charges	(118)	(2,601)
Present value of minimum lease payments	5,955	38,619

Included in the financial statements as:

Current interest-bearing loans and borrowings	5,955	15,694
Non-current interest-bearing loans and borrowings	-	22,925

Total included in interest-bearing loans and borrowings

5,955	38,619
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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 (2015 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 \$133,995 for the year ended 30 June 2016 (2015: \$135,123) the total amount of monies received was \$Nil for the year ended 30 June 2016 (2015: \$358,849).

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

Andrew Thorpe	President
Greg Hodby	Vice President
Andrew Cross	Treasurer
Allan Aitchison	
Michael Boyce	
Lynette Tapp	
Nichole Cheesman-Dutton	(resigned 30th September 2015)
Jarrold Poulton	(elected 26 February 2016)
Larry Moore	Secretary

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

	2016	2015
	\$	\$
Expenses paid to Nilsen SA Pty Ltd includes the following:		
Travel expenses	-	1,007

2016	2015
\$	\$

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

Short-term employee benefits

Salary (including annual leave taken)	112,882	114,013
Annual leave accrued	12,247	12,247
Performance bonus	-	-
Total short-term employee benefits	<u>125,129</u>	<u>126,260</u>

Post-employment benefits:

Superannuation	34,981	34,981
Total post-employment benefits	<u>34,981</u>	<u>34,981</u>

Other long-term benefits:

Long-service leave	3,980	3,980
Total other long-term benefits	<u>3,980</u>	<u>3,980</u>

Termination benefits

	-	-
Total	<u>164,090</u>	<u>165,221</u>

Note 14 Remuneration of Auditors

Value of the services provided

Financial statement audit services	15,500	12,000
Other services	-	1,000
Total remuneration of auditors	<u>15,500</u>	<u>13,000</u>

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.

2016	2015
\$	\$

Note 15A: Categories of Financial Instruments

Financial Assets

Loans and receivables

Trade and other receivables	122,335	149,377
Cash and cash equivalents	120,319	154,195
Carrying amount of financial assets	242,654	303,572

Financial Liabilities

Other financial liabilities:

Trade and other payables	229,434	307,340
Finance leases	5,955	38,619
Total	235,389	345,959

Carrying amount of financial liabilities

235,389	345,959
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Note 15B: Net Income and Expense from Financial Assets

Cash and cash equivalents

Interest revenue	4,257	7,580
Net gain from cash and cash equivalents	4,257	7,580

Note 15C: Net Income and Expense from Financial Liabilities

Finance leases

Interest expense	2,506	3,036
Net loss financial liabilities – finance leases	2,506	3,036

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	111,037	11,721	631	200	1,200	124,789
Total	2,454	111,037	11,271	631	200	1200	124,789

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

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 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade and other payables	-	229,434	-	-	-	229,434
Finance leases	-	5,955	-	-	-	5,955
Total	-	235,389	-	-	-	235,389

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

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 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
Financial Assets				
Cash and cash equivalents	120,319	120,319	154,195	154,195
Trade and other receivables	122,335	122,335	149,377	149,377
Total	242,654	242,654	303,572	303,572
Financial Liabilities				
Trade and other payables	229,434	229,434	307,340	307,340
Finance leases	5,955	5,955	38,619	38,619
Total	235,389	235,389	345,959	345,959

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 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	21 June 2016	-	-	2,740,000

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).

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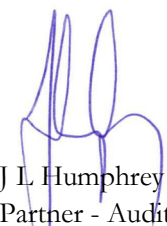
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of National Electrical Contractors Association for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner - Audit & Assurance

Adelaide, 30 September 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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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 2016, 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.

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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.

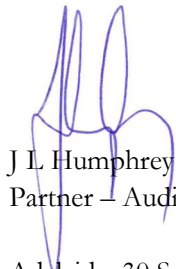
Auditor's Opinion

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 2016 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. L. Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2016



15 July 2016

Mr Laurence Moore
Secretary
National Electrical Contractors Association-South Australian Chapter
By email: lmoore@necasa.asn.au

Dear Mr Moore,

**Re: Lodgement of Financial Report - [FR2016/274]
*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 2016.

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

Timelines

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

Fact sheets, guidance notes and model statements

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

Loans, grants and donations: our focus this year

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

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

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

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

Civil penalties may apply

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

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

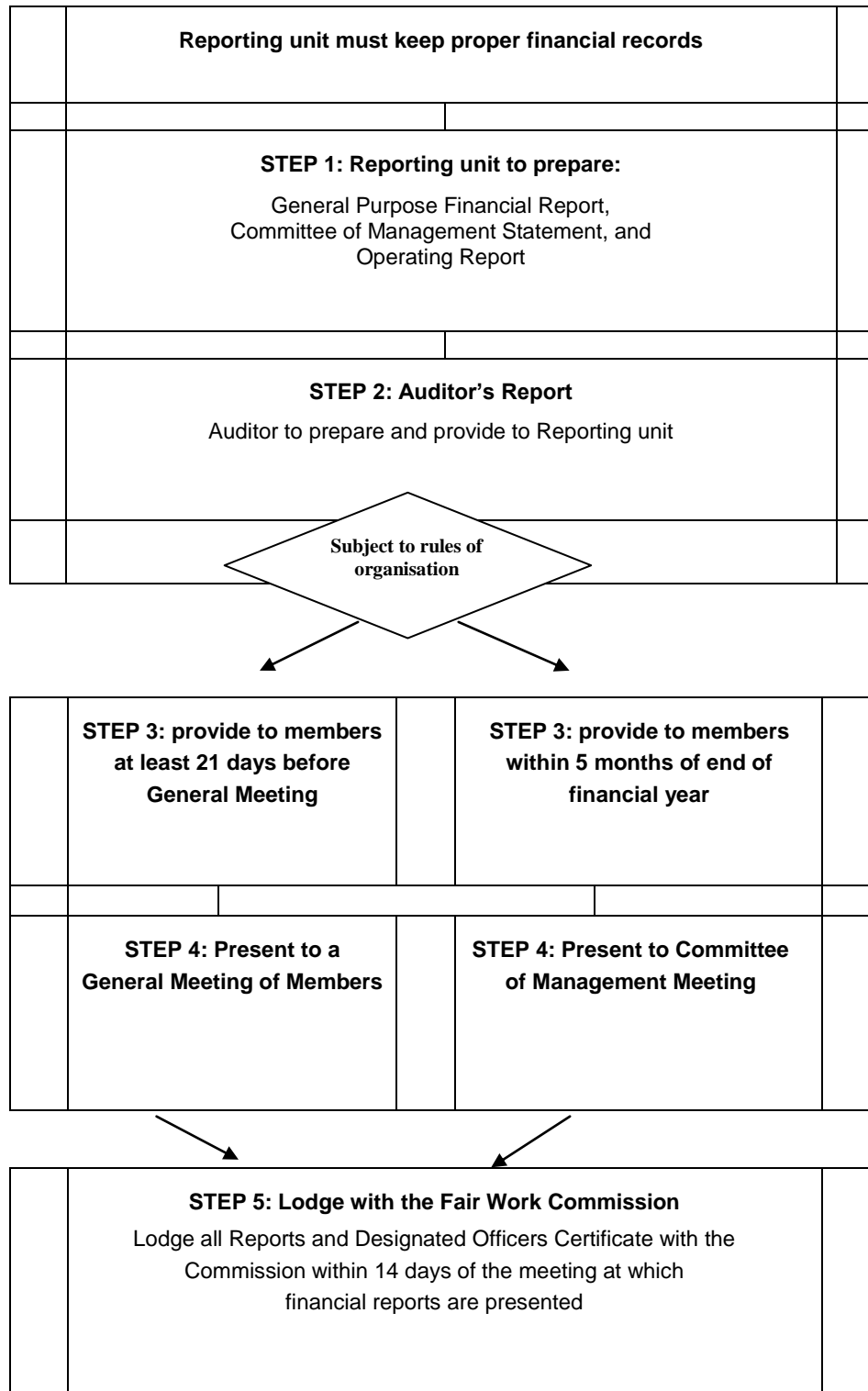


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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