Australian Government
Registered Organisations Commission

16 January 2019

Mr Larry Moore
Secretary
National Electrical Contractors Association, South Australia/Northern Territory Chapter
PO BOX 47
FULLARTON SA 5063

By email: larry.moore@necasa.asn.au

CC: bronwyn.wundersitz@au.gt.com

Dear Mr Moore,

National Electrical Contractors Association, South Australia/Northern Territory Chapter Financial Report for the year ended 30 June 2018 - [FR2018/216]

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the National Electrical Contractors Association, South Australia/Northern Territory Chapter (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 4 November 2018. I also acknowledge the lodgement of an amended financial report on 22 November 2018.

The financial report has now been filed.

The financial report was 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 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement and the body of the notes includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes or in the statement of comprehensive income:

- receive capitation fees from another reporting unit (reporting guideline 13(b)) is disclosed in both Note 3A and the statement of comprehensive income;

- receive revenue via compulsory levies (reporting guideline 13(c)) is disclosed in both Note 3B and the statement of comprehensive income;
- receive donations or grants (reporting guideline 13(d)) is disclosed in both Note 3E and the statement of comprehensive income;
- pay a grant that was $1,000 or less (reporting guideline 14(e)(i)) is disclosed in both Note 4E and in the officer's declaration statement;
- pay a grant that exceeded $1,000 (reporting guideline 14(e)(ii)) is disclosed in both Note 4E and in the officer's declaration statement;
- pay a donation that exceeded $1,000 (reporting guideline 14(e)(iv)) is disclosed in both Note 4E and in the officer's declaration statement;
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit (reporting guideline 14(h)) is disclosed in both 4D and in the officer's declaration statement;
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009* (reporting guideline 14(k)) is disclosed in both 4K and in the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

Use of model financial statements

I note that the reporting unit has prepared its general purpose financial report using the model financial statements available on the ROC website. Please note the introduction on page 2 of the model financial statements which states:

> '*a reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members and lodged with the Registered Organisations Commission*.'

The audited financial reports lodged with the ROC contain disclosures that are NOT applicable to the reporting unit and it would appear that the model statements have been replicated without a review by the reporting unit to ensure they accurately reflect the operations of the reporting unit.

For example in the statement of comprehensive income, nil entries are recorded for 'net gains from sale of assets', 'net losses from sale of assets', and 'write-down and impairment of assets'. These items are also disclosed in Notes 3F, 4J and 4I respectively. In addition, nil entries are recorded for 'operating lease rentals' and 'asset pledged/or held as collateral' in Notes 4D and 15G respectively.

Please ensure in future years that the financial report contains only information that is applicable to the reporting unit's circumstances and that is mandatory according to the reporting guidelines.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

David Vale
Registered Organisations Commission

national electrical and communications association
neca

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

21 November 2018

Ms Sarah Wilkin
Registered Organisations Commission
GPO Box 2983
MELBOURNE Victoria 3001

Re: Lodgement of Financial Report – [FR2018/216]
Fair Work (Registered Organisations) Act 2009 (The RO Act)

Dear Sarah

Please find attached copies of updated Financial Statements and Designated Officers Certificate for 2018.

This has been undertaken on advice from our Auditors, Grant Thornton (GT), because of recent advice they received from the ROC in regard to audits of other similar entities where it was deemed that certain disclosures were deemed necessary by the ROC.

As a result of this feedback NECA SA/NT has been proactive and rectified and included these relevant disclosures in the financial statements attached.

There were no changes to the overall financial position, performance or cashflows of the reporting entity as previously reported.

After discussions held with the ROC, Grant Thornton have further advised us to present the new financial reports to the NECASA/NT Committee of Management for endorsement and signing, complete a new Management Representation letter, post the new Financial Statements on the NECASA/NT website and communicate this process to our members.

The Financial Statements have been endorsed and signed by the NECASA/NT Committee of Management on the 19th of November 2018 and I have signed a new Management Representatives letter both of which are attached and the website postings and communications with members was done today.

Yours faithfully

Larry Moore
Secretary

national electrical and communications association
South Australia / Northern Territory 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

19 November 2018

Ms Sarah Wilkin
Registered Organisations Commission
GPO Box 2983
MELBOURNE Victoria 3001

Re: Lodgement of Financial Report – [FR2018/216]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

Dear Sarah

Designated Officer's Certificate

I, Laurence John Moore, being the Secretary of the National Electrical Contractors Association – South Australia/Northern Territory Chapter, certify:

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

2. that this amended report which has no changes to the overall financial position, performance or cash flows of the reporting entity was provided to and endorsed by the NECASA/NT Committee of Management on the 19th of November 2018

3. that the full original report was provided to members on the 4th October 2018; and

4. that this amended report was posted to the NECASA/NT Website and members of the reporting unit notified of this posting and the reasons for the amendments on the 19th November 2018, in accordance with the advice received from the Registered Organisations Commission.

Signed:

Laurence John Moore
Secretary

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The committee presents its report on the reporting unit for the financial year ended 30 June 2018.

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 South Australia/Northern Territory 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 South Australia/Northern Territory Chapter has 375 members as at 30 June 2018.

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 7 with the full time equivalent being 6.8.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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
C Mattner	
M Boyce	
B Lindop	
L Tapp	
J Poulton	
L Moore	Secretary

Signature of designated officer: ....

Name and title of designated officer: Larry Moore, Secretary

Dated: 19/11/18

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER

REPORT REQUIRED UNDER SUBSECTION 255 (2A)

FOR THE YEAR ENDED 30 JUNE 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the National Electrical Contractors Association South Australia/ Northern Territory Chapter for the year ended 30 June 2018.

Descriptive form

Categories of expenditures	**2018 $**	**2017 $**
Remuneration and other employment-related costs and expenses - employees	639,602	572,608
Advertising	-	-
Operating costs	529,518	476,864
Donations to political parties	-	-
Legal costs	7,599	6,577

Signature of designated officer: ....

Name and title of designated officer: Larry Moore, Secretary

Dated: 19/11/18

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

On 19 November 2018 the Committee of Management of the National Electrical Contractors Association South Australia/Northern Territory Chapter passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

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 any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('the RO Act')

(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 Comissioner duly made under section 272 of the RO Act has been provided to the member or Comissioner; 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:	[signature]	[signature]
Name and title of designated officer:	Andrew Thorpe, President	Andrew Cross, Treasurer
Dated:	19.11.18	19.11.18

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Revenue			
Membership subscription		**492,407**	484,921
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	**2,289**	4,062
Rental revenue	3D	**156,956**	164,203
Other revenue	3G	**521,603**	375,317
Total revenue		**1,173,255**	1,028,503
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	-	-
Total other income		-	-
Total income		**1,173,255**	1,028,503
Expenses			
Employee expenses	4A	**(639,602)**	(572,608)
Capitation fees	4B	**(94,760)**	(92,842)
Affiliation fees	4C	-	-
Administration expenses	4D	**(129,882)**	(122,980)
Grants or donations	4E	**(260)**	(1,051)
Depreciation and amortisation	4F	**(64,938)**	(57,754)
Finance costs	4G	**(1,115)**	(117)
Legal costs	4H	**(7,599)**	(6,577)
Audit fees	14	**(12,988)**	(15,300)
Write-down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	-
Other expenses	4K	**(225,575)**	(186,820)
Total expenses		**(1,176,719)**	(1,056,049)
Surplus (deficit) for the year		**(3,464)**	(27,546)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land and buildings		-	-
Total comprehensive income for the year		**(3,464)**	(27,546)

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**88,547**	114,277
Trade and other receivables	5B	**135,032**	133,429
Other current assets	5C	**13,569**	13,569
Loan receivable	5D	**100,000**	-
Total current assets		**337,148**	261,275
Non-Current Assets			
Loan receivable	5D	**102,362**	-
Land and buildings	6A	**2,645,000**	2,692,500
Plant and equipment	6B	**170,053**	128,734
Total non-current assets		**2,917,415**	2,821,234
Total assets		**3,254,563**	3,082,509
LIABILITIES			
Current Liabilities			
Trade payables	7A	**144,931**	174,930
Other payables	7B	**70,037**	97,042
Employee provisions	8A	**172,352**	181,865
Financial liabilities	9A	**111,046**	-
Total current liabilities		**498,366**	453,837
Non-Current Liabilities			
Employee provisions	8A	**5,807**	11,166
Financial liabilities	9A	**136,348**	-
Total non-current liabilities		**142,155**	11,166
Total liabilities		**640,521**	465,003
Net assets		**2,614,042**	2,617,506
EQUITY			
Reserves	10A	**2,839,639**	2,839,639
Accumulated losses		**(225,597)**	(222,133)
Total equity		**2,614,042**	2,617,506

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Reserves	Retained losses	Total equity
	$	$	$
Balance as at 1 July 2016	**2,839,639**	**(194,587)**	**2,645,052**
Loss for the year	-	(27,546)	(27,546)
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2017	**2,839,639**	**(222,133)**	**2,617,506**
Loss for the year	-	(3,464)	(3,464)
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2018	**2,839,639**	**(225,597)**	**2,614,042**

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	**164,529**	**79,974**
Interest		**2,289**	**4,062**
Receipts from customers/members		**1,004,833**	**933,373**
Cash used			
Payments to suppliers and employees		**(1,047,729)**	**(882,728)**
Payment to other reporting units	11B	**(133,911)**	**(115,482)**
Interest expense		**(1,115)**	**(117)**
Net cash provided by/ (used in) operating activities	11A	**(11,104)**	**19,082**
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		**(59,659)**	**(19,168)**
Cash received			
Proceeds from sale of plant and equipment		-	-
Net cash (used by) investing activities		**(59,659)**	**(19,168)**
FINANCING ACTIVITIES			
Cash used			
Repayment of finance lease		**(4,105)**	**(5,956)**
Issues of borrowings		**(202,362)**	
Cash received			
Proceeds from borrowings		**200,000**	-
Proceeds from finance lease		**51,500**	-
Net cash provided by/ (used in) financing activities		**45,033**	**(5,956)**
Net (decrease) increase in cash held		**(25,730)**	**(6,042)**
Cash & cash equivalents at the beginning of the reporting period		**114,277**	**120,319**
Cash & cash equivalents at the end of the reporting period	5A	**88,547**	**114,277**

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

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 South Australia/Northern Territory 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 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses,* which makes amendments to AASB 112 *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

  No expected impact on the financial statements.
- AASB 2016-2 *Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107,* which amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.

  No expected impact on the financial statements
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities,* which amends AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 Fair Value Measurement [under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value for the purposes of AASB 136.

  No expected impact on the financial statements
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle,* which clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations.*

  No expected impact on the financial statements

Note 1 Summary of significant accounting policies (cont)

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.

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.

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.

Note 1 Summary of significant accounting policies (cont)

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.

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.

Note 1 Summary of significant accounting policies (cont)

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.

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.

Note 1 Summary of significant accounting policies (cont)

1.12 Financial assets

Impairment of financial assets (cont)

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.

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.

Note 1 Summary of significant accounting policies (cont)

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.

1.15 Land, Buildings, Plant and Equipment (cont)

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

	2018	2017
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.

Note 1 Summary of significant accounting policies (cont)

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.

Note 1 Summary of significant accounting policies (cont)

1.18 Fair value measurement (cont)

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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.

1.19 Going concern

The reporting unit is not reliant on financial support of other reporting units. National Electrical Contractors Association South Australia/Northern Territory Chapter is considered to be able to go on a going concern basis without financial support.

National Electrical Contractors Association South Australia/Northern Territory 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 2017/18 the membership fees were received in 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 $337,148 and current liabilities $498,366. Included in the $498,366 are $172,352 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 2018 cash on hand was $88,547 (2017: $114,277), which was a net decrease in cash of $25,730 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 2018 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

Subsequent to signing and issuing the financial report for the year ended 30 June 2018 on 2 October 2018, a new financial report has been issued as a result of presentation and disclosure amendments required by the Registered Organisations Commission for the year ended 30 June 2018. None of the amendments had an effect on the overall financial position, performance or cash flows of the reporting entity.

	2018	2017
	$	$
Note 3 Income		
Note 3A: Capitation fees		
Total capitation fees	-	-
Note 3B: Levies		
Total levies	-	-
Note 3C: Interest		
Total interest	**2,289**	4,062
Note 3D: Rental revenue		
Properties	**156,956**	164,203
Total rental revenue	**156,956**	164,203
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Total net gain from sale of assets	-	-

	2018	2017
	$	$

Note 3 Income (cont)

Note 3G: Other revenue

Fuel scheme income	**42,620**	27,628
Insurance commission	**30,312**	30,581
Advertising income	**12,709**	8,600
Sponsorship income	**66,455**	83,682
Ticket sales	**39,368**	35,386
NECA HSEQ	**137,252**	125,377
WHS	**1,938**	27,521
Project mentoring income	**102,694**	-
Recoveries	**53,558**	-
Other income	**34,697**	36,542
Total other revenue	**521,603**	375,317

Note 3H: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	**-**	-
Interest received on recovered money	**-**	-
Total revenue from recovery of wages activity	**-**	-

	2018	2017
	$	$

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:		
Wages and salaries	**126,254**	104,516
Superannuation	**12,307**	11,113
Leave and other entitlements	**12,946**	16,514
Separation and redundancies	-	-
Other employee expenses	**12,656**	23,885
Subtotal employee expenses holders of office	**164,163**	156,028
Employees other than office holders:		
Wages and salaries	**405,664**	332,456
Superannuation	**38,977**	35,171
Leave and other entitlements	**21,439**	(3,152)
Separation and redundancies		-
Other employee expenses	**9,359**	52,105
Subtotal employee expenses employees other than office holders	**475,439**	416,580
Total employee expenses	**639,602**	572,608

Note 4B: Capitation fees

National Electrical Contractors Association-National Office	**94,760**	92,842
Total capitation fees	**94,760**	92,842

Note 4C: Affiliation fees

Total affiliation fees/subscriptions	-	-

	2018 $	2017 $
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies		-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	**21,650**	19,989
Contractors/consultants	**488**	-
Property expenses	**62,466**	64,377
Office expenses	**27,042**	18,328
Information communications technology	**18,236**	20,286
Subtotal administration expense	**129,882**	122,980
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	-	-

	2018 $	2017 $
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	**260**	1,051
Total paid that exceeded $1,000	-	-
Total grants or donations	**260**	1,051

	2018 $	2017 $
Note 4F: Depreciation and amortisation		
Depreciation		
Land and buildings	**47,500**	47,500
Property, plant and equipment	**17,438**	10,254
Total depreciation	**64,938**	57,754
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	**64,938**	57,754

	2018 $	2017 $

Note 4G: Finance costs

	2018 $	2017 $
Finance leases	**1,115**	117
Total finance costs	**1,115**	117

Note 4H: Legal costs

	2018 $	2017 $
Litigation	-	-
Other legal matters	**7,599**	6,577
Total legal costs	**7,599**	6,577

Note 4I: Write-down and impairment of assets

	2018 $	2017 $
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

Note 4J: Net losses from sale of assets

	2018 $	2017 $
Land and buildings	-	-
Plant and equipment	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

	2018 $	2017 $
Penalties - via RO Act or RO Regulations	-	-
Industrial services expenses	**2,120**	4,695
Project Mentoring expenses	**27,926**	-
Excellence awards expenses	**66,072**	65,112
Newsletter expenses	**23,850**	21,364
Sponsorship and apprentice awards	**20,319**	24,077
Insurance	**6,872**	5,276
Other expenses	**78,416**	66,296
Total other expenses	**225,575**	186,820

	2018	2017
	$	$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents,

Cash at bank	**88,547**	114,077
Cash on hand	**-**	200
Total cash and cash equivalents	**88,547**	114,277

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:		
Other trade receivables	**139,359**	135,883
Provision for doubtful debts	**(4,327)**	(2,454)
GST receivable	**-**	-
Total other receivables	**135,032**	133,429

Note 5C: Other Current Assets

Prepayments	**13,569**	13,569
Total other current assets	**13,569**	13,569

Note 5D: Loans Receivable

Current	**-**	-
Loans Receivable NECA Careers & Apprenticeships Ltd	**100,000**	-
Total current loans receivable	**100,000**	-
Non-Current		
Loans Receivable NECA Careers & Apprenticeships Ltd	**102,362**	-
Total non-current loans receivable	**102,362**	-
Total loans receivable	**202,362**	-

	2018	2017
	$	$

Note 6 Non-current Assets

Note 6A: Land and buildings

	2018	2017
Land and buildings:		
Land at fair value	**840,000**	840,000
Buildings at fair value	**1,900,000**	1,900,000
Total fair value of land and buildings	**2,740,000**	2,740,000
Accumulated depreciation	**(95,000)**	(47,500)
Total land and buildings	**2,645,000**	2,692,500

Reconciliation of Opening and Closing Balances of Land and Buildings

	2018	2017
As at 1 July		
Gross book value	**2,740,000**	2,740,000
Accumulated depreciation and impairment	**(47,500)**	-
Net book value 1 July	**2,692,500**	2,740,000
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	**(47,500)**	(47,500)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 30 June	**2,645,000**	2,692,500
Net book value as of 30 June represented by:		
Gross book value	**2,740,000**	2,740,000
Accumulated depreciation and impairment	**(95,000)**	(47,500)
Net book value 30 June	**2,645,000**	2,692,500

Management determined that land and buildings constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Note 6A: Land and buildings (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).

Note 6B: Plant and equipment

	2018	2017
	$	$
Plant and equipment:		
at cost	**334,118**	292,966
accumulated depreciation	**(164,065)**	(164,232)
Total plant and equipment	**170,053**	128,734

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	**292,966**	273,798
Accumulated depreciation and impairment	**(164,232)**	(153,978)
Net book value 1 July	**128,734**	119,820
Additions:		
By purchase	**59,659**	19,168
From acquisition of entities (including restructuring)	**-**	-
Impairments	**-**	-
Depreciation expense	**(17,438)**	(10,254)
Other movement	**-**	-
Disposals:		
From disposal of entities (including restructuring)	**-**	-
Other	**(902)**	-
Net book value 30 June	**170,053**	128,734
Net book value as of 30 June represented by:		
Gross book value	**334,118**	292,966
Accumulated depreciation and impairment	**(164,065)**	(164,232)
Net book value 30 June	**170,053**	128,734

	2018	2017
	$	$

Note 7 Current Liabilities

Note 7A: Trade payables

	2018	2017
Trade creditors and accruals	**118,872**	149,226
Operating lease rentals	-	-
Subtotal trade creditors	**118,872**	149,226
Payables to other reporting unit		
National Electrical Contractors Association-National office	**26,059**	25,704
Subtotal payables to other reporting unit	**26,059**	25,704
Total trade payables	**144,931**	174,930

Settlement is usually made within 30 days.

Note 7B: Other payables

	2018	2017
Wages and salaries		-
Superannuation	**5,501**	6,482
Consideration to employers for payroll deductions*	**10,310**	9,850
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	-	5,182
GST payable	**6,176**	10,991
Other – bond monies payable	**48,050**	64,537
Total other payables	**70,037**	97,042
Total other payables are expected to be settled in:		
No more than 12 months	**70,037**	97,042
More than 12 months	-	-
Total other payables	**70,037**	97,042

	2018 $	2017 $
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	73,206	68,473
Long service leave	86,582	83,262
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	159,788	151,735
Note 8A: Employee Provisions (cont)		
Employees other than office holders:		
Annual leave	12,563	13,939
Long service leave	5,808	27,357
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	18,371	41,296
Total employee provisions	178,159	193,031
Current	172,352	181,865
Non-Current	5,807	11,166
Total employee provisions	178,159	193,031

Note 9 Non-current Liabilities

Note 9A: Financial liabilities

Finance lease	11,046	-
Loan payable to NECA NSW	100,000	-
Total current financial liabilities	111,046	-
Finance lease	36,348	-
Loan payable to NECA NSW	100,000	-
Total non-current financial liabilities	136,348	-

Note 10 Equity

Note 10A: Reserves

Asset revaluation reserve		
Balance as at start of year	2,839,639	2,839,639
Transferred to reserve	-	-
Transferred out of reserve	-	-
Total Reserves	2,839,639	2,839,639

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	**88,547**	114,277
Statement of financial position	**88,547**	114,277
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**(3,464)**	(27,546)
Adjustments for non-cash items		
Depreciation	**64,938**	57,754
Gain/Loss sale	**902**	-
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables (net)	**(1,603)**	(11,094)
(Increase)/decrease in other current assets	**-**	(9,104)
Increase/(decrease) in trade and other payables	**(57,004)**	42,538
Increase/(decrease) in employee provisions	**(14,873)**	(33,466)
Net cash from (used by) operating activities	**(11,104)**	19,082

Note 11B: Cash flow information

Cash inflows from operations		
National Electrical Contractors Association	**112,963**	**-**
National Electrical Contractors Association-VIC	**51,566**	**45,184**
National Electrical Contractors Association-NSW	**-**	**7,470**
National Electrical Contractors Association-QLD	**-**	**-**
National Electrical Contractors Association-WA	**-**	**27,320**
Total cash inflows	**164,529**	**79,974**
Cash inflows from financing		
National Electrical Contractors Association-NSW	**200,000**	**-**
	200,000	**-**
Cash outflows		
National Electrical Contractors Association	**116,434**	**110,808**
National Electrical Contractors Association-NSW	**3,650**	**4,400**
National Electrical Contractors Association-VIC	**2,420**	**274**
National Electrical Contractors Association-QLD	**-**	**-**
National Electrical Contractors Association-WA	**11,407**	**-**
Total cash outflows	**133,911**	**115,482**

Note 12 Contingent Liabilities, Assets and Commitments

	2018 $	2017 $
Operating lease commitments—as lessee		
Within one year	9,584	7,581
After one year but not more than five years	31,397	31,152
More than five years	-	1,298
	40,981	40,031
Operating lease commitments—as lessor		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are:		
Within one year	173,391	173,391
After one year but not more than five years	70,020	201,714
After five years	-	-
	243,411	375,105
Capital commitments		
At 30 June 2018 the entity has no capital commitments (2017: Nil).	-	-
Finance lease commitments—as lessee		
Within one year	11,045	-
After one year but not more than five years	41,288	-
More than five years	-	-
Total minimum lease payments	52,333	-
Less amounts representing finance charges	5,265	-
Present value of minimum lease payments	47,068	-
Included in the financial statements as:		
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
Total included in interest-bearing loans and borrowings	-	-

Leasing commitments represent hire purchase agreements over motor vehicles, which have been fully paid off during the financial year.

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 South Australia/Northern Territory Chapter received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was Nil (2017: Nil).

The National Electrical Contractors Association South Australia/Northern Territory 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 $112,963 for the year ended 30 June 2018 (2017: $110,800) the total amount of monies received was $Nil for the year ended 30 June 2018 (2017: $Nil).

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
C Mattner	
M Boyce	
B Lindop	
L Tapp	
J Poulton	
L Moore	Secretary

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

	2018	2017
	$	$
Revenues collected:		
Nilsen (SA) Pty Ltd	**12,963**	10,151
Niramar Pty Ltd	**3,170**	3,955
NSG (BOFFA) Pty Ltd	**9,461**	5,769
PEER VEET	**14,672**	44,400
MIMP Connecting Solutions	**500**	11,035
ABC Tapp Electrical Services	**2,626**	2,494
Nexphase Electrical	**3,765**	3,607
Industry Skills Board (ESSA)	**657**	10,940
National Industry Skills Council (E-Oz)	**13,284**	14,225
Expenses paid:		
National Industry Skills Council (E-Oz)	**10,000**	12,000
Industry Skills Board (ESSA)	**77**	-

	2018	2017
	$	$
Amount owed by:		
NECA Careers and Apprenticeships (NCA) Ltd	**202,362**	-
Amount payable to:		
National Electrical Contractors Association-NSW	**(200,000)**	-

During the course of the 2018 financial year an agreement was entered into of which NECA SA/NT would provide a loan to NECA Careers and Apprenticeships Ltd. This loan was funded by borrowings provided to NECA SA/NT from NECA NSW.

This amount owed by NCA totals $202,362 which has been provided to support its set up and initial operations. The loan is interest free. $100,000 is required to be to be repaid by June 2019 and the remaining balance is required to be repaid by December 2019.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2018, the entity has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2018	2017
	$	$

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

	2018	2017
Short-term employee benefits		
Salary (including annual leave taken)	**126,254**	**104,516**
Annual leave accrued	**8,841**	**12,461**
Performance bonus	-	-
Total short-term employee benefits	**135,095**	**116,977**
Post-employment benefits:		
Superannuation	**24,963**	**34,998**
Total post-employment benefits	**24,963**	**34,998**
Other long-term benefits:		
Long-service leave	**4,105**	**4,053**
Total other long-term benefits	**4,105**	**4,053**
Termination benefits		-
Total	**164,163**	**156,028**

Note 14 Remuneration of Auditors

	2018	2017
Value of the services provided		
Financial statement audit services	**12,988**	15,300
Other services	-	-
Total remuneration of auditors	**12,988**	15,300

	2018	2017
	$	$

Note 15 Financial Instruments

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

Note 15A: Categories of Financial Instruments

Financial Assets

	2018	2017
Loans and receivables:		
Trade and other receivables	**135,032**	133,429
Loans Receivable	**202,362**	-
Cash and cash equivalents	**88,547**	114,277
Carrying amount of financial assets	**425,941**	247,706

Financial Liabilities

	2018	2017
Other financial liabilities:		
Trade and other payables	**214,968**	271,972
Borrowings	**200,000**	-
Finance leases	**47,395**	-
Total	**462,363**	271,972
Carrying amount of financial liabilities	**462,363**	271,972

Note 15B: Net Income and Expense from Financial Assets

	2018	2017
Cash and cash equivalents		
Interest revenue	**2,289**	4,062
Net gain from cash and cash equivalents	**2,289**	4,062

Note 15C: Net Income and Expense from Financial Liabilities

	2018	2017
Finance leases		
Interest expense	**1,115**	117
Net loss financial liabilities – finance leases	**1,115**	117

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.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2018	2017
Financial assets	**$**	$
Trade receivables	**135,032**	133,429

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

	Not Past Due Nor Impaired 2018	**Past due or impaired 2018**	Not Past Due Nor Impaired 2017	Past due or impaired 2017
	$	**$**	$	$
Trade receivables	**118,276**	**21,083**	**110,732**	**22,697**
Total	**118,276**	**21,083**	**110,732**	**22,697**

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	**$**
Trade receivables	**4,261**	**1,407**	**305**	**15,110**	**21,083**
Total	**4,261**	**1,407**	**305**	**15,110**	**21,083**

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade receivables	**16,151**	**2,557**	**200**	**3,789**	**22,697**
Total	**16,151**	**2,557**	**200**	**3,789**	**22,697**

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 2018

	On Demand	**< 1 year $**	**1– 2 years $**	**2– 5 years $**	**>5 years $**	**Total $**
Trade and other payables	214,968	-	-	-	-	214,968
Borrowings	-	100,000	100,000	-	-	200,000
Finance leases	-	11,046	-	36,348	-	47,394
Total	214,968	111,046	100,000	36,348	-	462,362

Maturities for financial liabilities 2017

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	271,972	-	-	-	-	271,972
Finance leases	-	-	-	-	-	-
Total	271,972	-	-	-	-	271,972

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 15G: Asset Pledged/or Held as Collateral

	2018	2017
Assets pledged as collateral	**$**	$
Financial assets pledged as collateral	-	-
Total assets pledged as collateral	-	-
Assets held as collateral		
Fair value of assets held as collateral:		
Financial assets	-	-
Non-financial assets	-	-
Total assets held as collateral	-	-

Note 15H: Changes in liabilities arising from financing activities

	1 July 2017	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	30 June 2018
	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)	-	100,000	-	-	-	-	100,000
Current obligations under finance leases and hire purchase contracts	-	(4,106)	-	-	-	15,152	11,046
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	100,000	-	-	-	-	100,000
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	36,348	36,348
Dividends Payable	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Total liabilities from financing activities	-	195,894	-	-	-	51,500	247,394

	1 July 2016	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	30 June 2017
	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	5,955	(5,955)	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Total liabilities from financing activities	5,955	(5,955)	-	-	-	-	-

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 2018 was assessed to be insignificant.

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

Note 16A: Financial Assets and Liabilities (cont)

- 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 2018 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 2018 $	**Fair value 2018 $**	Carrying amount 2017 $	Fair value 2017 $
Financial Assets				
Cash and cash equivalents	88,547	88,547	114,277	114,277
Trade and other receivables	135,032	135,032	133,429	133,429
Loans Receivable	202,362	202,362	-	-
Total	425,941	425,941	247,706	247,706
Financial Liabilities				
Trade and other payables	214,968	214,968	271,972	271,972
Borrowings	200,000	200,000	-	-
Finance leases	47,395	47,395	-	-
Total	462,363	462,363	271,972	271,972

Note 16 Fair Value Measurement (cont)

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 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and buildings (gross)	**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 Commissioner:

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

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

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH AUSTRALIA/NORTHERN TERRITORY CHAPTER

OFFICER DECLARATION STATEMENT

I, Larry Moore, being the Secretary of the National Electrical Contractors Association South Australia/ Northern Territory Chapter, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concem (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- pay affiliation fees to other entity
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that exceeded $1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer: ....

Name and title of designated officer: Larry Moore, Secretary

Dated: 19/11/18

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666
F +61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of National Electrical Contractors Association South Australian/Northern Territory Chapter

Report on the audit of the financial report

Opinion

We have audited the financial report of National Electrical Contractors Association South Australian/Northern Territory Chapter (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the operating report by the Committee of Management, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report of the National Electrical Contractors Association South Australian/Northern Territory Chapter:

a presents fairly, in all material respects, the entity's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and

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

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

Basis for opinion

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

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

Other matter

We draw attention to Note 2 of the financial statements, which details that the reporting entity was required to issue a new financial report for the year ended 30 June 2018 as a result of presentation and disclosure amendments requested by the Registered Organisations Commission. None of the amendments had an effect on the overall financial position, performance or cash flows of the reporting entity as previously reported.

Information other than the financial report and auditor's report thereon

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

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

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

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

Responsibilities of Committee of Management for the financial report

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

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

The Committee of Management is responsible for overseeing the Reporting Unit's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

We declare that Bronwyn Wundersitz is an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/163

Adelaide, 19 November 2018