



15 July 2014

Ms Victoria Greenfield
Chapter Secretary - Tasmania
National Electrical Contractors Association, The Tasmanian Chapter

By email: necatas@neca.asn.au

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

CC: John Gavens, Crowe Horwath, by email: melbourne@crowehorwath.com.au

Dear Ms Greenfield,

**National Electrical Contractors Association, The Tasmanian Chapter
Financial Report for the year ended 30 June 2013 - FR2013/184**

I acknowledge receipt of the financial report of the National Electrical Contractors Association, The Tasmanian Chapter. The documents were lodged with the Fair Work Commission on 23 December 2013.

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

The financial report was filed based on an advanced compliance review. The advanced compliance review demonstrated a series of minor issues, however, when the nature of the issues was weighed against the impending preparation of the 2013-2014 financial report, it has been determined to file this report. The following comments are to assist you when you next prepare a financial report. While you are not required to take any further action in respect of the report lodged the Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Reports must be provided to members at least 21 days before the General Meeting of members

The Designated Officer's Certificate states that the financial report was provided to members on 20 November 2013, and presented to a General Meeting of members on 11 December 2013. Under section 265(5)(a) of the RO Act, where the report is presented to a General Meeting of members, the report must be provided to members at least 21 days before that meeting.

If these dates are correct, the reporting unit provided the financial report to members only 20 days before the General Meeting. The legislation requires clear entire days. This means the day that the report is sent and the day that the meeting occurred are not counted within the 21 day count.

While this was raised last year it appears that this is an oversight caused by a misunderstanding of the legislation. However, please note that subsection 265(5) is a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Fair Work Australia

Last year it was raised with the reporting unit that references to Fair Work Australia were out of out as Fair Work Australia is now titled the Fair Work Commission. Please ensure that all references to Fair Work Australia are corrected prior to submitting your next report.

Operating Report

The Operating Report failed to provide a non-financial result for the Principal Activities and did not provide a statement as to whether there had been any significant changes to the financial affairs of the reporting unit.

The Committee of Management Statement

The Committee of Management Statement did not include that:

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 manner consistent with each of the other reporting units of the organisation;

This is within the requirements of the reporting guidelines, if it cannot be included in next year's Committee of Management Statement please provide a brief explanation as to why.

Auditor's Statement

Auditor's qualifications

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

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

Declaration relating to management use of the going concern basis of accounting

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

Please ensure that this information is provided in next year's Auditor's Statement.

Notes

The notes are required to identify whether the reporting unit is a for-profit or a not-for-profit entity. The notes do not do so.

The notes are required to identify a list of new Australian Accounting Standards adopted during the period, if any, and a list of Australia Accounting Standards that are not yet effective and the impact assessment.

Statement that certain activities did not occur

The Reporting Guidelines require a number of items to appear in the General Purpose Financial Report or, if they did not occur, a statement be included to this effect. This can be done by including a statement in the notes or by leaving a NIL line item within the report. The following items were not reported as required:

- Financial Support Received from another reporting unit (RG 10 and 14);
- Financial Support Provided to another reporting unit (RG 11 and 14);
- Whether a Business Combination occurred (RG 13 and 14);

- Revenue from Donations, grants or voluntary contributions (RG 15(d) and 16);
- Expenses and payables from payroll deductions (RG 17(a), 18, 21 and 22);
- Legal costs and other expenses and payables related to litigation and other legal matters (RG 17(j), 18, 21 and 22);

Changes to the reporting guidelines and model financial statement

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

The Reporting Guidelines and Model Financial Statements are available on the website here:

<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

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

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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TASMANIA CHAPTER

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23 December 2013

General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir/Madam

CERTIFICATE OF SECRETARY

I, James Clifford Tinslay, being the Secretary of the National Electrical Contractors Association – Tasmania Chapter, certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisation) Act 2009 (RO Act) and
2. that the full financial report was provided to members on 20 November 2013; and.
3. that the full financial report is posted on the NECA Tasmania website; and
4. that the full financial report for 2012/2013 was presented to a special general meeting of members of the NECA Tasmania Chapter on 11 December 2013 in accordance with Rule 10 (a) of the Chapter Rules and Rule 31 (c) of the NECA National Rules and in accordance with s266 of the RO Act.

Yours faithfully

JAMES C TINSLAY
SECRETARY

Attach.



**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
TASMANIA CHAPTER**

**Financial Report
For The Year Ended
30 June 2013**

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association . Tasmania Chapter (the association) for the financial year ended 30 June 2013.

Committee Members

The name of committee members of the association throughout the financial year and at the date of this report are:

J Heerey	W Fromberg
A Farr	A Damen
D Joyce	G Sharman
J Tinslay	S Hill

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

Principal Activity

The principal activity of the association during the financial year was representing the interests of its members in the electrical and communication industry. No significant change in the nature of these activities occurred during the year.

No Significant Changes in State of Affairs

No significant changes in the state of affairs of the association occurred during the financial year.

Operating Results

The profit of the association for the financial year amounted to \$24,848 (2012: \$42,361).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Number of Members

The association had 62 (2012: 61) members at financial year end.

Number of Employees

The association had 0 (2012: 0) employees at financial year end.

Officers and Employees who are superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee

Name of officer/employee	Is the position held because they are an officer/employee of NECA or were nominated by NECA?
James Tinslay	No
Donald Joyce	No
Andrew Farr	No

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Operating Report by the Committee (cont'd)


Officers and Employees who are directors of a company or members of a board

Name of officer/employee	Name of company/board	Principal activities of Company/Board	Is the position held because they are an officer/employee of NECA or were nominated by NECA?
James Tinslay	ECA Training Pty Ltd T/A NECA Group Training	Group Training	Yes
	Australian Construction Industry Forum Limited	Industry group	Yes
	Standards Australia Limited	Standard setting	No
	New South Wales Electrical Superannuation Scheme Pty Ltd (alternate director)	Administration of super fund	Yes
	Australian Cabling Registration Services Pty Ltd	Cabling Registration under authority of ACMA	Yes
Andrew Farr	Tas Building Group Apprentice Scheme	Group Training	Yes
Donald Joyce	Bonalbo Holdings Pty Ltd	Electrical Contracting	No

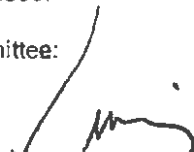
Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Committee:



ANDREW FARR
 President



JAMES TINSLAY
 Secretary

Dated this 1st day of November, 2013

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Committee of Management Statement

On 11th September 2013 the Committee of Management of the National Electrical Contractor Association – Tasmania Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2013.

The Committee of Management declares in relation to the GPFR 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 Fair Work Australia;
- (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;
- (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 organization 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 organization 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 Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) during the financial year to which the GPFR relates no recovery of wages activities were undertaken.

For the Committee of Management:



JAMES TINSLAY
Secretary

Dated this 15th day of November 2013

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013	2012
		\$	\$
Revenue	2	172,458	154,325
Audit Fees		(4,500)	(2,573)
Capitation Fees		(11,560)	(10,593)
Management Services		(43,608)	(28,596)
Meeting & Conference Expenses		(3,936)	(1,543)
Promotional Expenses		(7,743)	-
Sponsored Events (inc Excellence Awards)		(67,562)	(61,707)
Travel and accommodation expenses		(698)	(4,351)
Other expenses		(8,003)	(2,600)
Net Surplus/(Deficit)	2	<u>24,848</u>	<u>42,362</u>
Other Comprehensive Income		-	-
Total Comprehensive Surplus/(Deficit)		<u>24,848</u>	<u>42,362</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	3	93,056	86,135
Trade and other receivables	4	23,723	16,502
Prepayments	5	7,241	2,525
TOTAL CURRENT ASSETS		<u>124,020</u>	<u>105,162</u>
TOTAL ASSETS		<u>124,020</u>	<u>105,162</u>
CURRENT LIABILITIES			
Deferred Income	6	34,547	53,096
Trade and other payables	7	22,399	9,840
TOTAL CURRENT LIABILITIES		<u>56,946</u>	<u>62,936</u>
TOTAL LIABILITIES		<u>56,946</u>	<u>62,936</u>
NET ASSETS		<u>67,074</u>	<u>42,226</u>
EQUITY			
Retained Profits		<u>67,074</u>	<u>42,226</u>
MEMBER FUNDS		<u>67,074</u>	<u>42,226</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

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

	Accumulated Losses \$	Total \$
Balance at 1 July 2011	(136)	(136)
Surplus/(Deficit) for the year	42,362	42,362
Balance at 30 June 2012	42,226	42,226
Surplus/(Deficit) for the year	24,848	24,848
Balance at 30 June 2013	67,074	67,074

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013	2012
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		158,116	152,446
Receipts from other reporting units/controlled entities	10(b)	240	1,715
Payments to suppliers and employees		(119,869)	(106,283)
Payments to other reporting units/controlled entities	10(b)	(33,731)	(30,578)
Interest Received		2,165	932
Net cash provided by /(used in) operating activities	10(a)	<u>6,921</u>	<u>18,232</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
Proceeds on sale of plant and equipment		-	-
Payments for investments		-	-
Net cash provided by /(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		6,921	18,232
Cash at beginning of financial year		86,135	67,903
Cash at end of financial year	3	<u>93,056</u>	<u>86,135</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

NECA Tasmania Chapter is a branch of the National Electrical Contractors Association (NECA), which comprises Chapters in each State and the ACT and the National Office, and as a consequence the members of the Tasmania Chapter should be aware that the financial position of NECA as a whole is the relevant financial position that impacts membership.

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

Basis of Preparation

Functional and presentation currency

The functional currency of the association is measured using the currency of the primary economic environment in which the association operates. The financial statements are presented in Australian dollars which is functional and presentation currency of the association.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

No provision for income tax is necessary for the State association as %Associations of Employers+are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Impairment of Assets

At each reporting date, the association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Revenue

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Comparative Figures

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Critical accounting estimates and judgments

The association evaluates estimates and judgments 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 both externally and within the association.

Key estimates · Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2013.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<hr/>		
NOTE 2: NET SURPLUS		
Surplus has been determined after:		
(a) Crediting as income		
Operating activities		
- Member subscriptions	53,730	51,375
- Capitation Fees	-	-
- Levies	-	-
- Insurance Commission	-	961
	<hr/>	<hr/>
	53,730	52,336
	<hr/>	<hr/>
Non-operating activities		
- Interest revenue from other corporations	2,165	932
- Other (Excellence Awards, AGM Dinner, Sundry)	116,563	101,057
	<hr/>	<hr/>
	118,728	101,989
	<hr/>	<hr/>
Total revenues	172,458	154,325
	<hr/>	<hr/>
(b) Charging as an expense		
Auditors Remuneration:		
- Auditing the financial report	4,500	2,573
Affiliation Fees	-	-
Bank Charges	472	470
Capitation Fees	11,560	10,593
Fees/Allowances . meetings & conferences	-	-
Grants or Donations	-	-
Levies	-	-
Management Services	43,608	28,596
Meeting & Conference Expenses	3,936	1,543
Penalties - via RO Act or RO Regulations	-	-
Promotional Expenses	7,743	-
Sponsored Events (inc Excellence Awards)	67,562	61,707
Sundry Expenses	7,531	2,130
Travel & Accommodation	698	4,351
	<hr/>	<hr/>
	93,056	86,135
	<hr/>	<hr/>
	93,056	86,135
	<hr/>	<hr/>
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash at bank	93,056	86,135
	<hr/>	<hr/>
	93,056	86,135
	<hr/>	<hr/>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 4: TRADE & OTHER RECEIVABLES		
Receivable from other reporting unit(s)	-	-
Total receivables from other reporting unit(s)	-	-
Less provision for doubtful debts	-	-
Receivable from other reporting unit(s) (net)	-	-
Other Receivables:		
General membership	23,723	15,445
Insurance Commission	-	1,057
Total Trade & Other Receivables	<u>23,723</u>	<u>16,502</u>
NOTE 5: PREPAYMENTS		
Prepayments	7,241	2,525
	<u>7,241</u>	<u>2,525</u>
NOTE 6: DEFERRED INCOME		
Income Received in Advance	34,547	53,096
	<u>34,547</u>	<u>53,096</u>
NOTE 7: TRADE & OTHER PAYABLES		
Payable to other reporting unit(s)		
- 370 Degrees Group	7,074	-
- NECA National Office	6,358	3,021
Total payable to other reporting unit(s)	<u>13,432</u>	<u>3,021</u>
Other Payables:		
Trade and other payables	8,967	6,819
	<u>22,399</u>	<u>9,840</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2013 2012
\$ \$

NOTE 8 : RELATED PARTY AND OTHER REPORTING UNIT TRANSACTIONS

(a) Related Parties

Committee members, directors and their related entities are able to use the services provided by the National Electrical Contractors Association. Such services are made available on terms and conditions no more favourable than those available to all other members.

(b) Transactions with other reporting units

The following table provides the total amount of transactions that have been entered into with other reporting units for the relevant year.

<i>i) Income received</i>		
- 370 Degrees Group	218	1,341
- National Office	-	218
 <i>ii) Capitation Fees</i>		
- National Office	11,560	10,593
 <i>iii) Management Fees</i>		
- 370 Degrees Group	16,840	-
- VIC Chapter	4,167	10,000
 <i>iv) Other Expenses</i>		
- 370 Degrees Group	700	-
- National Office	3,736	7,112

Terms and conditions of transactions with related parties

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 2013, the association has not recorded any impairment of receivables relating to amounts owed by related parties and declared persons or bodies (2012: \$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.

NOTE 9: KEY MANAGEMENT PERSONNEL

The following committee members were key management personnel of the association:

A Damen	A Farr	W Fromberg
J Heerey	S Hill	D Joyce
G Sharman	J Tinslay	

No remuneration was paid or payable to key management personnel.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2013
\$

2012
\$

NOTE 10: CASH FLOW INFORMATION

(a) Cash Flow Reconciliation

Reconciliation of cash flow from operations with surplus/deficit

Surplus/(Deficit) from ordinary activities	24,848	42,362
Add/(less) non-cash items:		
Amounts set aside to provisions	-	-
	24,848	42,362
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables/prepayments	(11,937)	768
Increase/(decrease) in payables/deferred income	(5,990)	(24,898)
Cash flows from operations	6,921	18,232

(b) Cash Flow Information

Cash Inflows

- 370 Degrees Group	240	1,475
- National Office	-	240

Total Cash Inflows

240 1,715

Cash Outflows

- 370 Degrees Group	12,220	-
- VIC Chapter	4,685	11,103
- National Office	16,826	19,475

Total Cash Outflows

33,731 30,578

NOTE 11: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for the association's operations.

The association does not have any derivative instruments at 30 June 2013.

i. Treasury Risk Management

Committee members of the association meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management (cont'd)

ii. Financial Risks

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The association has no interest bearing liabilities and consequently is not exposed to fluctuations in debt interest rates. For further details on interest rate risk refer to Note 11(c).

Foreign Currency risk

The association is not exposed to fluctuations in foreign currencies.

Liquidity risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

Price risk

The association is not exposed to any material commodity price risk.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average		Floating Interest Rate		Within 1 Year	
	Effective Interest Rate		2013	2012	2013	2012
	2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$
Financial Assets:						
Cash and cash equivalents	2.5	3.2	93,056	86,135	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			93,056	86,135	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and sundry payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 11: FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Instrument Composition and Maturity Analysis (cont'd)

	Weighted Average		1 to 5 Years		Over 5 Years	
	Effective Interest Rate		2013	2012	2013	2012
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.5	3.2	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and sundry payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		Non-Interest Bearing		Total	
	Effective Interest Rate		2013	2012	2013	2012
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.5	3.2	-	-	93,056	86,135
Trade & other receivables	-	-	23,723	16,502	23,723	16,502
Total Financial Assets:			23,723	16,502	116,779	108,637
Financial Liabilities:						
Deferred Income	-	-	34,547	53,096	34,547	53,096
Trade and sundry payables	-	-	22,399	9,840	22,399	9,840
Total Financial Liabilities:			56,946	62,936	56,946	62,936

Trade and sundry payables are expected to be paid as follows:

	2013	2012
	\$	\$
Less than 6 months	22,399	9,840
	<u>22,399</u>	<u>9,840</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 11: FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Value

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to and forming part of the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2013		2012	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade and other receivables	23,723	23,723	16,502	16,502
Total financial assets	<u>23,723</u>	<u>23,723</u>	<u>16,502</u>	<u>16,502</u>
Financial liabilities				
Deferred Income	34,547	34,547	53,096	53,096
Trade and sundry payables	22,399	22,399	9,840	9,840
Total financial liabilities	<u>56,946</u>	<u>56,946</u>	<u>62,936</u>	<u>62,936</u>

Sensitivity analysis

Interest Rate risk

No interest rate sensitivity analysis has been performed as the association only exposure to interest rate risk is in relation to cash and cash equivalents. There has been minimal movement in cash interest rates for the past 12 months and a 2% increase or decrease in these rates would have a negligible effect on profit and equity.

Foreign Currency risk

No sensitivity analysis has been performed on foreign currency risk as the association is not exposed to foreign currency fluctuations.

NOTE 12: SEGMENT REPORTING

The association operates predominantly in one business and geographical segment, being in the electrical and communication industry providing benefits to the professional advisory services in Australia.

NOTE 13: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the association.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 14: ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association . Tasmania Chapter
Level 1, 6 Bayfield St
Rosny Park TAS 7018

NOTE 15: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER - FAIR WORK AUSTRALIA

- (1) A member of a reporting unit, or the General Manager - FWA, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 16: RECOVERY OF WAGES ACTIVITY

There was no recovery of wage activity undertaken by the association during the financial year.

Independent Auditor's Report to the Members of National Electrical Contractors Association – Tasmania Chapter

Report on the financial report

We have audited the accompanying financial report of National Electrical Contractors Association – Tasmania Chapter (the Chapter), which comprises the statement of financial position as at 30 June 2013 and the statement of profit or loss, statement 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 and the statements by members of the committee.

Committees' responsibility for the financial report

The committee of the Chapter are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Chapter's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Fair Work (Registered Organisations) Act 2009*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's opinion

In our opinion, the general purpose report of the National Electrical Contractors Association – Tasmania Chapter for the year ended 30 June 2013 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

CROWE HORWATH MELBOURNE



John Gavens
Partner

Melbourne, Victoria
Dated this 20th day of November 2013