



FAIR WORK
COMMISSION

30 November 2016

Mr Oliver Judd
Secretary, Australian Capital Territory Chapter
The National Electrical Contractors Association

By email: oliverj@neca.asn.au

Dear Mr Judd

Re: Lodgement of Financial Statements and Accounts – The National Electrical Contractors Association - Australian Capital Territory Chapter - for year ended 30 June 2016 (FR2016/287)

I refer to the financial report for the Australian Capital Territory Chapter of The National Electrical Contractors Association. The report was lodged with the Fair Work Commission on 29 November 2016.

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

You are not required to take any further action in respect of the report lodged but I make the following comments to assist you when preparing next year's report. Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Non-compliance with previous requests

While I filed last year's financial report, I raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely the omission of an explicit nil activity disclosure in respect of donations² in accordance with Reporting Guideline 17, and the omission of disclosure in respect of legal cost payables³ in accordance with reporting Guidelines 20(b) or 21.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Failure to address these issues in future reports may lead to the General Manager exercising her powers under section 330 of the RO Act.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a

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

² The fact that a nil Donations disclosure is made in the Statement of loans, grants and donations lodged under section 237 does not relieve the Branch from making the appropriate disclosures in the general purpose financial report.

³ i.e. as distinct from the legal cost expenses disclosure required by Reporting Guideline 16(j), which appears to have been partly complied with by the disclosure at note 8 on page 26 of the report

model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 30 November 2016 4:32 PM
To: 'oliverj@neca.asn.au'
Cc: 'coosthuizen@moorestephens.com.au'; 'pamela.renneberg@neca.asn.au'
Subject: Financial reporting - NECA ACT Branch - y/e 30 June 2016 - filing

Dear Mr Judd

Please see attached my letter in relation to the above. I attach, for convenient reference, a copy of my previous letter in relation to the financial report for the year ended 30 June 2015, and a copy of the current Reporting Guidelines of the General Manager, FWC.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

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(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov



s253-reporting-guide NECA ACT FR2015 NECA ACT FR2016
lines-fourth-edition.p116 (primary final).p1287 (primary final).p1

From: Pamela Renneberg [<mailto:pamela.renneberg@neca.asn.au>]
Sent: Tuesday, 29 November 2016 12:18 PM
To: Orgs
Subject: ON CMS FR2016/287 NECA ACT - FINANCIAL RETURN

Please see attached information for National Electrical Contractors Association ACT Chapter.

Regards
Pamela

Pamela Renneberg
Executive Secretary



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national
electrical and
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association

ACT CHAPTER

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29 November 2016

Tribunal Services and Organisations
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

I enclose the following documents for your consideration:

- Designated Officer's Certificate pursuant to the Fair Work Act 2009.
- Financial statements of the National Electrical Contractors Association ACT Chapter for the year ending on 30 June 2016.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'O. Judd', is written over the typed name and title.

Oliver Judd
Secretary - ACT Chapter
NECA



national
electrical and
communications
association

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Designated Officer's Certificate
s.268 of the Fair Work Act 2009

I, Oliver Rupert Judd being the Secretary of the National Electrical Contractors Association ACT Chapter certify:

- That the documents lodged herewith are copies of the full report referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 31 October 2016, and
- That the full report was presented to a general meeting of members of the reporting unit on 24 November 2016, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature:

A handwritten signature in blue ink, appearing to read 'O. Judd', is written over the dotted line for the signature field.

Date: 29 November 2016



AGENDA

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the National Electrical Contractors Association ACT Chapter will be held at **4.00 pm on Thursday 24 November 2016 at NECA ACT Office, 1/2 Yallourn Street, Fyshwick**

1. Apologies.
2. Confirmation of Minutes of the Annual General Meeting held on 19 November 2015.
3. Presentation of the audited Financial Report and Balance Sheet for the twelve months ended 30 June 2016.
4. General Business.

OLIVER JUDD
SECRETARY

**THE NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016**

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

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**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - ACT CHAPTER**

Report on the Financial Report

We have audited the accompanying financial report of National Electrical Contractors Association - ACT Chapter (the association) which comprises the statement of financial position as at 30 June 2016 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by members of the committee.

Executive Committee's Responsibility for the Financial Report

The executive committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the executive committee determines is necessary to enable the preparation of the financial report that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. 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 complied with the independence requirements of Australian professional ethical pronouncements.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - ACT CHAPTER**

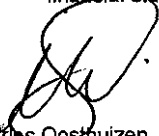
Declaration by Auditor

Charles Oosthuizen (Registered Auditor 490783) is a member of the audit firm Moore Stephens NSW. Charles Oosthuizen is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Auditor's Opinion

In our opinion, the financial report of National Electrical Contractors Association -ACT Chapter is in accordance with Part 3 of Chapter 8 of *Fair Work (Registered Organisations) Act 2009* including:

- I. presents fairly, in all material respects, the Entity's financial position as at 30 June 2016 and of its performance and cash flows for the year ended; and
- II. complying with Australian Accounting Standards and;
- III. the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and
- IV. there is no recovery of wages activity; and
- V. the management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.


Charles Oosthuizen

Partner

Moore Stephens NSW

Dated: 24-10-2016.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

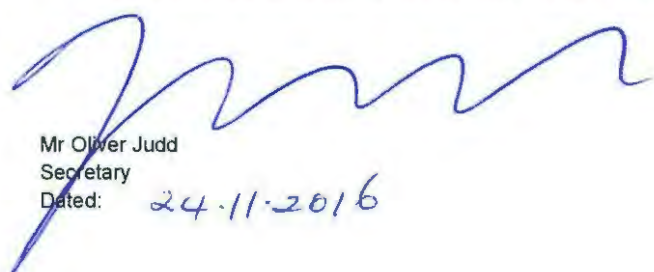
s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

I, Oliver Judd being the secretary of the National Electrical Contractors Association – ACT Chapter certify:

- that the documents lodged herewith are copies of the full report for the National Electrical Contractors Association – ACT Chapter for the period ended 30 June 2016 referred to in s.268 of *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on/...../.....; and
- that the full report was presented to a general meeting of members of the reporting unit on/...../..... in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Mr Oliver Judd
Secretary

Dated: 24.11.2016

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

OPERATING REPORT
For the period ended 30 June 2016

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

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

The principal activities of the Association during the financial year were to represent the interests of the member in the electro technology industry.

These activities included Industrial Relations advice, representation in bargaining, WHS advice, lobbying and membership, benefits such as training, events and discounted services. There was no significant change with these activities; the operating result of the entity was a profit amounting to \$10,000.

Significant changes in financial affairs

No significant change in the financial affairs of the reporting unit.

Right of members to resign

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purposes in the rules of the organisation or a branch of the organisation in accordance with Rule 11, Resignation from Membership, of the Federal Rules of National Electrical Contractors Association – ACT Chapter. Rule 11 conforms to Section 174, Resignation from Membership of the *Fair Work (Registered Organisation Act 2009)*.

Officers & 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 our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of NECA, is;

(i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Number of members

As at 30 June 2016 there were 118 members of the National Electrical Contractors Association - ACT Chapter.

Number of employees

As at 30 June 2016 there were no full time employees, part time employees or contractors under the National Electrical Contractors Association - ACT Chapter.

**NATIONAL ELECTRICAL CONTRACTORS
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OPERATING REPORT
For the period ended 30 June 2016

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

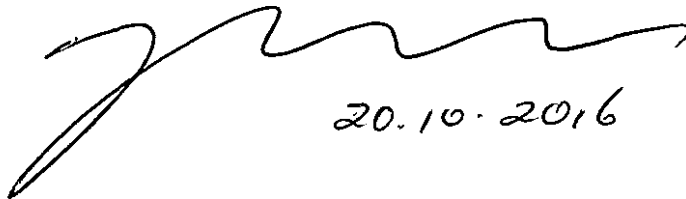
Name	Position	Period position held during the financial year
Barry SKINNER	President	1 July 2015-30 June 2016
Peter HART	Vice President	1 July 2015-30 June 2016
Stephen BUCKLEY	Treasurer	1 July 2015-30 June 2016
Grant BAWDEN	Committee Member	1 July 2015-30 June 2016
Robert DONNELLY	Committee Member	1 July 2015-30 June 2016
Jade COLEMAN	Committee Member	November 2015-30 June 2016
Oliver JUDD	Secretary	1 July 2015-30 June 2016

Mr B. Skinner
President
Dated:



20.10.2016

Mr O Judd
Secretary
Dated:



20.10.2016

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

COMMITTEE OF MANAGEMENT STATEMENT
For the period ended 30 June 2016

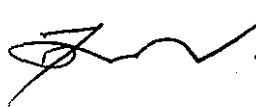
On the the Committee of Management of the National Electrical Contractors Association - ACT Chapter passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2016:

The Committee of Management declares that in their opinion:

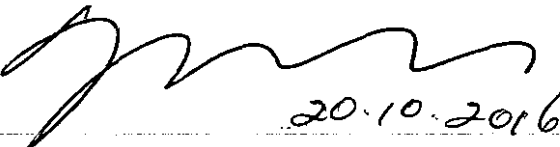
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - I. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - II. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - III. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - IV. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - V. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - VI. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Mr B. Skinner
President
Dated:

 20.10.2016

Mr O Judd
Secretary
Dated:

 20.10.2016

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Membership Subscription		125,055	124,835
Interest	3A	5,153	4,720
Other Revenue	3B	102,688	103,254
Total Revenue		<u>232,896</u>	<u>232,809</u>
Total Income		<u>232,896</u>	<u>232,809</u>
Expenses			
Capitation Fees	4A	28,088	29,744
Administration Expenses	4B	18,705	18,065
Audit Fees	9	7,200	6,100
Support to NECA QLD	4C	3,000	5,000
Other Expenses	4D	165,903	163,900
Total Expenses		<u>222,896</u>	<u>222,809</u>
Profit (Loss) for the Year		<u>10,000</u>	<u>10,000</u>
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total Comprehensive Income for the Year		<u>10,000</u>	<u>10,000</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016	2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	265,276	243,691
Trade and Other Receivables	5B	84,538	91,777
Other Assets	5C	9,888	11,639
TOTAL CURRENT ASSETS		359,702	347,107
TOTAL ASSETS		359,702	347,107
LIABILITIES			
CURRENT LIABILITIES			
Trade	6A	14,946	14,687
Other Payables	6B	146,349	144,013
TOTAL CURRENT LIABILITIES		161,295	158,700
TOTAL LIABILITIES		161,295	158,700
NET ASSETS		198,407	188,407
EQUITY			
General Funds		-	-
Retained Earnings (accumulated deficit)		198,407	188,407
TOTAL EQUITY		198,407	188,407

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained earnings	Total
		\$	\$
Balance at 1 July 2014		178,407	178,407
Profit (Loss) for the Year		10,000	10,000
Other Comprehensive Income for the Year		-	-
Balance at 30 June 2015		188,407	188,407
Profit (Loss) for the Year		10,000	10,000
Other Comprehensive Income for the Year		-	-
Balance at 30 June 2016		198,407	198,407

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received			
Receipts from other Reporting units/Controlled entity(s)	7B	54,739	44,709
Interest		5,153	4,720
Other		183,275	124,809
Cash Used			
Suppliers		(64,925)	(47,300)
Payment to other Reporting units/Controlled entity(s)	7B	(156,657)	(156,478)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	7A	21,585	29,540
NET INCREASE (DECREASE) IN CASH HELD		21,585	29,540
Cash and Cash Equivalents at the beginning of the Reporting Period		243,691	214,151
CASH & CASH EQUIVALENT AT THE END OF THE REPORTING PERIOD	5A	265,276	243,691

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 ACT Chapter (NECA – ACT 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 figures

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

No 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Future Australian Accounting Standards Requirements

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

AASB 9: Future Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, and simplified requirements for hedge accounting.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of ASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

1.5 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

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.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the National Electrical Contractors Association ACT Chapter will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the National Electrical Contractors Association ACT Chapter recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the National Electrical Contractors Association ACT Chapter should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the National Electrical Contractors Association ACT Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Capitation fees and levies

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

1.8 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.9 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 short-term borrowings in current liabilities on the consolidated statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when a National Electrical Contractors Association ACT Chapter 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.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1.11 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.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserves is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Other financial liabilities

Other 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.

1.13 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.

There are no contingent liabilities or contingent assets.

1.14 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 National Electrical Contractors Association ACT Chapter were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1.15 Taxation

National Electrical Contractors Association ACT Chapter 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.

1.16 Fair value measurement

The National Electrical Contractors Association ACT Chapter measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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 National Electrical Contractors Association ACT Chapter. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 National Electrical Contractors Association – ACT Chapter determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

1.17 Going Concern

National Electrical Contractors Association ACT Chapter operations are administered by National Electrical Contractors Association NSW Chapter. There is no agreement in place and a monthly fee of \$5,500 is charged. It does not rely on its support to continue on a going concern basis.

1.18 Financial Support to other reporting unit of the organisation

In accordance with an agreement reached at the national level of the organisation with the Chapters at the commencement of the reporting period, the ACT Chapter has, during the reporting period, made grants totalling \$3000 to the QLD Chapter of the organisation. The terms of the grants are paid on a monthly invoice basis conditional upon the QLD Chapter maintaining the delivery of NECA services to its QLD members.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

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

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 3: INCOME

	2016	2015
	\$	\$
Note 3A: Interest		
Interest	7	8
Interest from investment	5,146	4,712
TOTAL INTERESTS	5,153	4,720
 Note 3B: Other Revenue		
Events	93,673	97,246
Referral fees	7,735	6,008
Miscellaneous income	1,280	-
TOTAL OTHER REVENUE	102,688	103,254

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

<u>NOTE 4: EXPENSES</u>	2016	2015
	\$	\$
Note 4A: Capitation fees		
NECA - National	28,088	29,744
TOTAL CAPITATION FEE	<u>28,088</u>	<u>29,744</u>
 Note 4B: Administration expenses		
Consultancy	320	6,073
Bank fees	1,201	1,346
Advertising	4,305	573
Meetings	4,419	218
Subscription - membership	733	511
Printing and stationary	7,727	9,344
TOTAL ADMINISTRATION EXPENSES	<u>18,705</u>	<u>18,065</u>
 Note 4C: Support levy to NECA QLD Chapter		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	3,000	5,000
	<u>3,000</u>	<u>5,000</u>
 Note 4D: Other expenses		
Excellence/apprentice awards	90,483	90,299
Insurance	273	249
Administration fee to NECA NSW Chapter	73,100	73,352
Bad debts	1,400	-
NECA National	115	-
Miscellaneous costs	532	-
TOTAL OTHER EXPENSES	<u>165,903</u>	<u>163,900</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

<u>NOTE 5: CURRENT ASSETS</u>	2016	2015
	\$	\$
Note 5A: Cash and Cash Equivalents		
Cash at Bank	69,547	51,990
Cash Management Account	195,729	191,701
TOTAL CASH AND CASH EQUIVALENTS	265,276	243,691
Note 5B: Trade and Other Receivables		
Trade Receivables	83,101	90,958
Other Debtors	1,437	819
TOTAL TRADE AND OTHER RECEIVABLES (NET)	84,538	91,777
Note 5C: Other Current Assets		
Prepayments	188	170
Deferred Costs	9,700	11,469
TOTAL OTHER CURRENT ASSETS	9,888	11,639
<u>NOTE 6: CURRENT LIABILITIES</u>		
Note 6A: Trade Payables		
Trade Creditors and Accruals	-	-
SUBTOTAL TRADE CREDITORS	-	-
Payable to other Reporting Unit(s)		
NECA National	-	-
NECA NSW Chapter	14,946	14,687
SUBTOTAL PAYABLES TO TOHER REPORTING UNIT(S)	14,946	14,687
TOTAL TRADE PAYABLES	14,946	14,687
Note 6B: Other Payables		
Prepayments received/unearned revenue	128,401	130,695
GST Payable	7,748	7,818
Other	10,200	5,500
TOTAL OTHER PAYABLES	146,349	144,013

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 7: CASH FLOW

	2016	2015
	\$	\$
Note 7A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and Cash Equivalent as per:		
Cash flow statement	265,276	243,691
Balance sheet	265,276	243,691
DIFFERENCE	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	10,000	10,000
Changes in Assets/Liabilities		
(Increase)/decrease in net receivables	8,519	43,763
(Increase)/decrease in prepayments	1,752	(170)
Increase/(decrease) in supplier payables	259	7,640
Increase/(decrease) in other payables	1,055	(31,693)
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-
NET CASH FROM (USED BY) OPERATING ACTIVITIES	21,585	29,540
Note 7B: Cash Flow Information		
Cash Inflows		
NECA – National	4,000	-
NECA – NSW Chapter (other reporting unit)	50,304	44,709
ECA Training Ltd (related party)	435	-
TOTAL CASH INFLOWS	54,739	44,709
Cash Outflows		
NECA – National (other reporting units)	55,516	55,294
NECA – VIC Chapter (other reporting unit)	-	862
NECA – QLD Chapter (other reporting unit)	3,300	5,500
NECA – NSW Chapter (other reporting unit)	97,841	94,519
ECA Training (related party)	-	-
NECA Legal (related party)	-	303
NECA TAS	-	-
TOTAL CASH OUTFLOWS	156,657	156,478

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 8: RELATED PARTY DISCLOSURES

	2016	2015
	\$	\$
Note 8A: Related party transactions for the reporting period		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Revenue received from NECA – NSW Chapter includes the following:		
Sponsorship	45,731	40,644
Revenue received from ECA Training Pty Ltd includes the following:		
Events	395	-
Expenses paid to NECA – NSW Chapter includes the following:		
Administration fee	60,000	60,000
Advertisement	7,727	9,343
Other	21,046	24,449
Expenses paid to NECA National includes the following:		
Capitation fee	28,088	29,774
Other	388	2,249
Event	20,177	17,616
Loan	-	2,000
Expenses paid to NECA – VIC Chapter includes the following:		
Events	136	203
Other	-	580
Expenses paid to NECA – QLD Chapter includes the following:		
QLD Grant – total paid that were \$1,000 or less		-
QLD Grant – total paid that exceeded \$1,000	3,000	5,000
Expenses paid to NECA Legal Pty Ltd includes the following:		
Legal consulting	-	275

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

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 yearend are unsecured and interest free settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended 30 June 2016, the National Electrical Contractors Association – ACT Chapter has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$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: REMUNERATION OF AUDITORS

	2016	2015
	\$	\$
Value of the services provided		
Financial statement audit services	7,200	6,100
Other Services	-	-
Total remuneration of auditors	<u>7,200</u>	<u>6,100</u>

No other services were provided by the auditors of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 10: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Name of Entity providing service:	National Electrical Contractors Associations – NSW Chapter (NECA – NSW)
Terms and Conditions:	NECA – NSW will manage all of NECA – ACT Chapters operations for which it will charge an administration fee of \$5,500 per month. If at the end of the financial year NECA – ACT has in excess of \$10,000 in profits, NECA – NSW will appropriate the excess.
Nature of expenses/consultancy service:	Administration and Membership Services

Detailed breakdown of revenues collected and/or expenses incurred

	2016	2015
	\$	\$
EXPENSES		
Administration expenses	73,101	73,352
TOTAL EXPENSES	<u>73,101</u>	<u>73,352</u>

**NATIONAL ELECTRICAL CONTRACTORS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 11: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting 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 12: BUSINESS COMBINATION

No business combination occurred during the financial year.

**NATIONAL ELECTRICAL CONTRACTORS
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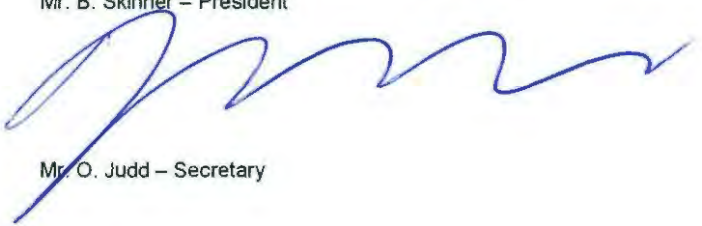
CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE

I, Mr. B. Skinner – President and I, Mr.O.Judd – Secretary of, certify that:

- a) We are members of the Executive Committee of the Association
- b) We attended the annual general meeting of the Association
- c) We are authorised by the attached resolution of the Executive Committee to sign this certificate
- d) The annual statement was submitted to the members of the Association at its annual general meeting

Dated: 24/11/2016


Mr. B. Skinner – President


Mr. O. Judd – Secretary

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION – ACT CHAPTER
ABN 86 870 297 399**

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTER

To Moore Stephens NSW,

In connection with your examination of the financial statements of National Electrical Contractors Association ACT Chapter as at 30 June 2016 and for the period then ended, this representation letter is provided for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with your understanding of National Electrical Contractors Association ACT financial position, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm that to the best of our knowledge and belief, the following representations made to you during your audit:

1. Liabilities

As at the above date all liabilities – including amounts payable or accrued for purchase, salaries and wages, taxed, expenses, and loans have been recorded in the accounts.

2. Contingent Liabilities and Other claims

The terms 'contingent liabilities' and 'claims' apply, but are not limited to such items as discounted or assigned debts; accommodation endorsements; guarantees; warranties; sureties; open balance on letters of credit; unsatisfied judgements; additional taxes of which there is present knowledge based upon either formal or informal advice; and pending or prospective claims for injuries, damages, defective goods, patent infringements, additional payments, refunds, and penalties, arising from alleged violation of laws or regulations of governmental agencies;

At the above date there were no contingent liabilities or other claims.

3. Contractual obligations and other commitments

At the above date there were no commitments to buy or sell securities; repurchase agreements, purchase commitments or sales commitments at prices involving prospective loss, bonus or profit – sharing arrangements, or other undertakings which were not in the ordinary course or business or which might have an adverse effect upon this company.

4. Capital expenditure

There have been no commitments into for capital expenditure as at the above date.

5. Pledged assets

At the above date no assets were pledged or assigned as collateral to liabilities.

6. Ownership of Assets

As at the above date the company has the equitable interest in or beneficial ownership of all the assets, including land and investments, as shown in the financial statements and all assets that have been disposed of during the year have been properly recorded in the books of accounts.

7. Subsequent Happenings

Since the above date there have been no happenings which have had or may have an important effect upon the financial position or the results of operations as shown in the financial statements and all assets that have been disposed of during the year have been properly recorded in the books of accounts.

**NATIONAL ELECTRICAL CONTRACTORS
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ABN 86 870 297 399
STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTER**

8. Accounts Receivable

All accounts receivable (debtors) are fully collectable except for those covered by provision for doubtful accounts.

9. Fraud

There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected as a result of fraud.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

10. Related Parties

We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties.

11. Minutes

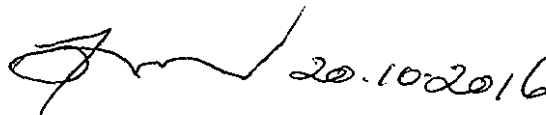
We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders, the board of directors and committees of directors. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meeting have been made available to you.

12. Inventory

We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.

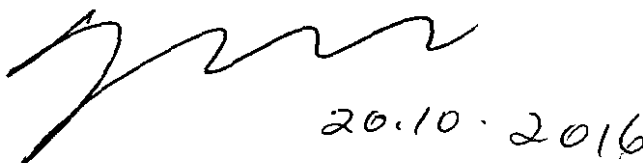
The financial statements are free of material misstatements, including omissions.

Mr. B. Skinner
President
Dated:



20.10.2016

Mr. O. Judd
Secretary
Dated:



20.10.2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - ACT CHAPTER**

Report on the Financial Report

We have audited the accompanying financial report of National Electrical Contractors Association - ACT Chapter (the association) which comprises the statement of financial position as at 30 June 2016 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by members of the committee.

Executive Committee's Responsibility for the Financial Report

The executive committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the executive committee determines is necessary to enable the preparation of the financial report that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. 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 complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - ACT CHAPTER**


Declaration by Auditor

Charles Oosthuizen (Registered Auditor 490783) is a member of the audit firm Moore Stephens NSW. Charles Oosthuizen is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Auditor's Opinion

In our opinion, the financial report of National Electrical Contractors Association -ACT Chapter is in accordance with Part 3 of Chapter 8 of *Fair Work (Registered Organisations) Act 2009* including:

- I. presents fairly, in all material respects, the Entity's financial position as at 30 June 2016 and of its performance and cash flows for the year ended; and
- II. complying with Australian Accounting Standards and;
- III. the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and
- IV. there is no recovery of wages activity; and
- V. the management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.


Charles Oosthuizen
Partner

Moore Stephens NSW

Dated: 24-10-2016.



15 July 2016

Mr Oliver Judd
Secretary
National Electrical Contractors Association-Australian Capital Territory Chapter
By email: oliverj@neca.asn.au

Dear Mr Judd,

**Re: Lodgement of Financial Report - [FR2016/287]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Electrical Contractors Association-Australian Capital Territory Chapter (the reporting unit) ended on 30 June 2016.

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

Timelines

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

Fact sheets, guidance notes and model statements

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

Loans, grants and donations: our focus this year

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

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

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

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

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

Civil penalties may apply

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

Contact

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

Yours sincerely,

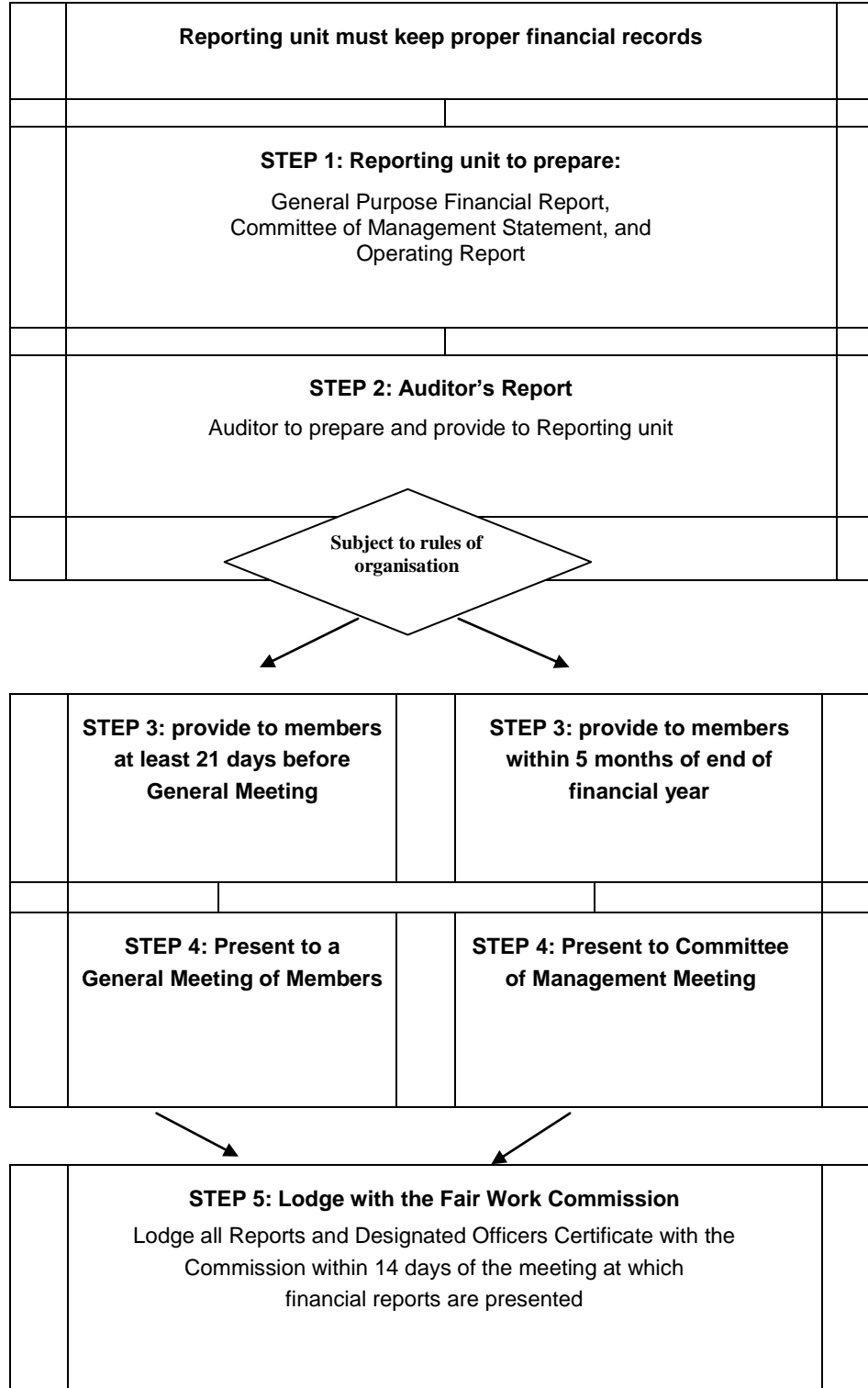


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

the amount,

the purpose,

the security (if it is a loan),

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







the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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