

**THE NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION NSW CHAPTER
ABN 27 056 174 413**

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

CONTENTS

	Page
Independent Audit Report	2
Designated Officer's Certificate	4
Operating Report	5
Committee of Management Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to and forming part of the Financial Statements	13
Certificate by Members of the Executive Committee	46

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF NECA NSW CHAPTER**

Report on the Financial Report

We have audited the accompanying financial report of National Electrical Contractors Association New South Wales Chapter (the Association) which comprises the statement of financial position as at 30 June 2016, 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
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF NECA NSW 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 New South Wales Chapter is in accordance with Part 3 of Chapter 8 of *Fair Work (registered Organisations) Act 2009* including:

- i. Presents fairly in all material aspects, the Association's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii. Complies with Australian Accounting Standards and all the requirements of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and
- iii. There is no recovery of wages activity; and
- iv. The management's use of the going concern basis of accounting in the preparation of the Associations financial statements is appropriate.



Charles Oosthuizen

Partner

Moore Stephens NSW

Dated: 24/10/2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

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 New South Wales Chapter* certify:

- That the documents lodged herewith are copies of the full report for the *National Electrical Contractors Association New South Wales Chapter* for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to members of the reporting unit on 31.11.2016; and
- That the full report was presented to a general meeting of members of the reporting unit on 23.11.2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*

Mr O Judd

Secretary

Dated:



23.11.2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**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 result 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 members in the electro technology industry. The main activities were providing industrial advice, WHS advice, training and discounted goods and services.

Significant changes in financial affairs

No significant change in 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 – New South Wales Chapter. Rule 11 conforms with Section 174, Resignation from Membership of the Fair Work (Registered Organisations Act 2009).

Officers & members who are superannuation fund trustees

Name of officer/member	Position details	Is the position held because they are an officer/member of NECA or were nominated by NECA?
Reg Young	Director of NESS Super	Yes
Tony Glossop	Director of NESS Super	Yes
Chris Madson	Alternate Director of NESS Super	Yes

Number of Members

As at 30 June 2016, there were 1,687 members of the National Electrical Contractors Association – New South Wales Chapter.

Number of Employees

As at 30 June 2016 there were 13 full time employees and 3 part-time employees of the National Electrical Contractors Association – New South Wales Chapter.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**OPERATING REPORT
FOR THE PERIOD ENDED 30 JUNE 2016**

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

Name	Position	Period position held during the financial year
Bruce DUFF	President	1 July 2015-30 June 2016
Alan BROWN	Vice President	1 July 2015-30 June 2016
Chris Madson	Treasurer	1 July 2015-30 June 2016
Jeffrey BROWN	Committee Member	1 July 2015-30 June 2016
Garrie CHAPPELOW	Committee Member	1 July 2015-30 June 2016
Stephen KERFOOT	Committee Member	1 July 2015-30 June 2016
Domenic MACCHIA	Committee Member	1 July 2015-30 June 2016
David ORR	Committee Member	1 July 2015-30 June 2016
Oliver JUDD	Secretary	1 July 2015-30 June 2016

Mr B Duff
President
Dated:



19.10.2016

Mr. O. Judd
Secretary
Dated:



19.10.2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2016**

On the ^{19.10.2016} the Committee of Management of the NECA NSW 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 declare that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year to which the GPRF relates and since the end of that year:
 - a. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - b. 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
 - c. The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. 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 organisations; and
 - e. 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
 - f. 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 Duff
President
Dated:


19.10.2016

Mr. O. Judd
Director
Dated:


19.10.2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
Revenue		
Sales – Product	321,603	343,044
Membership Subscription	1,603,386	1,578,930
Membership Services	484,250	560,292
Interest	3A 170,032	228,852
Rental Revenue	3B 56,600	56,025
Other Revenue	73,589	160,368
Total Revenue	<u>2,709,460</u>	<u>2,927,511</u>
Other Income		
Grants or Donations	3C 410,000	1,093,293
Contributions from other entities	565,841	487,131
Net gain from sale of assets	4G 10,168	-
Conference	324,385	242,016
Total Other Income	<u>1,310,394</u>	<u>1,822,440</u>
Total Income	<u>4,019,854</u>	<u>4,749,951</u>
Expenses		
Purchases	136,406	193,939
Employee Expenses	4A 1,637,603	1,981,304
Capitation Fees	4B 355,260	322,976
Administration Expenses	4C 598,393	837,176
Grants – to other reporting units of organisation	4D 23,000	40,800
Depreciation and Amortisation	4E 181,502	188,644
Legal Costs – Other	4F 12,482	29,584
Audit Fees	11 30,315	20,830
Member Services	306,493	253,812
Other Expenses	4H 621,674	601,327
Total Expenses	<u>3,903,128</u>	<u>4,470,392</u>
Profit for the year	<u>116,726</u>	<u>279,559</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2016	2015
		\$	\$
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>116,726</u>	<u>279,559</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5A	701,915	926,571
Trade and Other Receivables	5B	1,072,439	1,220,357
Other Assets	5C	7,111,407	6,104,880
Total Current Assets		<u>8,885,761</u>	<u>8,251,808</u>
Non-Current Assets			
Land and Buildings	6A	2,777,986	2,873,912
Plant and Equipment	6B	135,393	206,212
Other Non-Current Assets	6C	3	3
Intangible Assets	6D	10,000	-
Total Non – Financial Assets		<u>2,923,382</u>	<u>3,080,127</u>
Total Assets		<u>11,809,143</u>	<u>11,331,939</u>
LIABILITIES			
Current Liabilities			
Trade Payables	7A	2,702,685	2,671,540
Other Payables	7B	4,014,067	3,721,193
Employee Provisions	8A	126,156	103,250
Total Current Liabilities		<u>6,842,908</u>	<u>6,495,983</u>
Non – Current Liabilities			
Employee Provisions	8A	73,626	60,070
Total Non – Current Liabilities		<u>73,626</u>	<u>60,070</u>
Total Liabilities		<u>6,916,534</u>	<u>6,556,052</u>
Net Assets		<u>4,892,609</u>	<u>4,775,883</u>
EQUITY			
Reserves		960,404	960,404
Retained Earnings		3,932,205	3,815,479
Total Equity		<u>4,892,609</u>	<u>4,775,883</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	960,404	3,535,920	4,496,324
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Profit for the year	-	279,559	279,559
Other comprehensive income for the year	-	-	-
Balance at 30 June 2015	<u>960,404</u>	<u>3,815,479</u>	<u>4,775,883</u>
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Profit for the year	-	116,726	116,726
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	<u>960,404</u>	<u>3,932,205</u>	<u>4,892,609</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from other reporting units/controlled entity(s)	9B	806,225	1,334,775
Interest		72,253	95,675
Other		2,282,768	2,709,120
Cash Used			
Payments to Suppliers and Employees		(2,688,589)	(3,169,253)
Payment to other reporting units/controlled entity(s)	9B	(672,556)	(1,016,096)
Net Cash From Operating Activities	9A	<u>(199,899)</u>	<u>(45,781)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of vehicles		10,168	-
Other		10,168	7,500
Cash Used			
Purchase of Plant and Equipment		(24,925)	(124,882)
Purchase of Land and Buildings		-	-
Other – intangible assets		(10,000)	-
Net cash (used by) investing activities		<u>(24,757)</u>	<u>(117,382)</u>
Net increase (decrease) in cash held		<u>(224,656)</u>	<u>(163,163)</u>
Cash & Cash Equivalents at the beginning of the reporting period		926,571	1,089,734
Cash & Cash Equivalents at the end of the reporting period		<u>701,915</u>	<u>926,571</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

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 New South Wales Chapter (NECA - NSW 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.

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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 AASB 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 Investment in associates

An associate is an entity over which the National Electrical Contractors Association New South Wales Chapter has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the National Electrical Contractors Association New South Wales Chapter discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the Fair Work Commissions reporting guidelines under item 12. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to National Electrical Contractors Association New South Wales Chapter for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009/a restructure of the branches of the National Electrical Contractors Association New South Wales Chapter/a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009/ a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

The assets and liabilities are recognised as at the date of transfer.

1.8 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
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Grant income: From time to time NECA - NSW Chapter receives revenue from MERT as a dividend. These funds are to be used for the benefit of the industry and as such are quarantined in a provision and released when required.

1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the National Electrical Contractors Association New South Wales 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 New South Wales 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 New South Wales 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 New South Wales Chapter with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.10 Gains

Sale of assets

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

1.11 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.

1.12 Employee benefits

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

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

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.13 Leases

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

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

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

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

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

National Electrical Contractors Association New South Wales Chapter provides rental accommodation to NECA National on a month by month basis. Currently there is no contract signed by the parties. NECA National pays a rental of \$56,600 p.a. and pays for all outgoings.

1.14 Borrowing costs

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

1.15 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.

1.16 Financial instruments

Financial assets and financial liabilities are recognised when a National Electrical Contractors Association New South Wales Chapter entity becomes a party to the contractual provisions of the instrument.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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

1.17 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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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.

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's 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.

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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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.

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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

1.18 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.

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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

1.19 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.

1.20 Land, buildings, plant and equipment

Asset recognition threshold

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

Revaluations-land and buildings

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

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

Depreciation

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

Class of fixed asset:	Depreciation Rate:
Leasehold improvements – at cost	2.5% – 25%
Buildings – at independent valuation	2.5%
Motor Vehicles – at cost	20%
Office furniture and equipment – at cost	20%
Furniture and fittings – at cost	10-20%
Software – at cost	50%

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

Derecognition

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

1.21 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.22 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 New South Wales Chapter were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held - for - sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

1.24 Taxation

National Electrical Contractors Association New South Wales 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.

1.25 Fair value measurement

The National Electrical Contractors Association New South Wales 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 New South Wales 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 New South Wales 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

1.26 Going Concern

National Electrical Contractors Association New South Wales Chapter has agreed to provide NECA Training Limited, NECA Legal Pty Ltd and NECA Trade Services Pty Ltd with financial support to ensure they can continue on a going concern basis. This agreed financial support is to continue until further notice.

Repayments are to be made on an ad hoc basis but interest on the loan is charged at 6.33% p.a. NECA Legal Pty Ltd started to pay interest on the loan from financial year 2016, while NECA Training Limited and NECA Trade Services Pty Ltd will commence the interest payment from financial year 2017.

Grants to NECA QLD do not require repayments.

No financial support was received from other reporting units during the financial year.

1.27 Business Combinations

No business combinations occurred during the financial year.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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 New South Wales Chapter.

	2016	2015
	\$	\$
<u>NOTE 3: INCOME</u>		
3A: Interest		
Deposits	72,253	95,675
Loans	97,779	133,177
Total Interest	170,032	228,852
3B: Rental Revenue		
Property	56,600	56,025
3C: Grants or Donations		
Grants Income – Government	35,000	718,293
Grants Income – MERT Grant	375,000	375,000
Total Grants Or Donations	410,000	1,093,293

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 4: EXPENSES</u>		
4A: Employee Expenses		
Holders of Office:		
Wages and Salaries	306,026	209,363
Superannuation	29,064	19,889
Leave and Other Entitlements	10,819	15,479
Other Employee Expenses	3,044	393
Subtotal employee expenses holders of office	348,953	245,124
Employees other than office holders:		
Wages and Salaries	999,779	1,438,536
Superannuation	103,438	145,399
Leave and Other Entitlements	25,628	31,279
Other Employee Expenses	159,805	120,966
Subtotal employee expenses employees other than office holders	1,288,650	1,736,180
Total Employee Expenses	1,637,603	1,981,304
4B: Capitation Fees		
NECA National	355,260	322,976
4C: Administration Expenses		
Conference and Meeting Expenses	212,145	289,128
Contractors/Consultants	114,793	231,687
Computer Expenses	46,045	76,123
Occupancy Expenses	95,322	112,630
Office Expenses	58,957	46,777
Subscriptions	10,002	9,093
Information Communications Technology	47,982	57,322
Other – Bank Fees	13,147	14,416
Subtotal Administration Expense	598,393	837,176

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
4D: Grants or Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	23,000	40,800
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total Grants Or Donations	23,000	40,800
4E: Depreciation and Amortisation		
Depreciation		
Land & Buildings	84,166	84,165
Property, Plant and Equipment	97,336	104,479
Total Depreciation	181,502	188,644
Amortisation		
Intangibles	-	-
Total Amortisation	-	-
Total Depreciation and Amortisation	181,502	188,644
4F: Legal Costs		
Other Legal Matters	12,482	29,584
Total Legal Costs	12,482	29,584
4G: Net gain from sale of assets		
Plant and Equipment	10,168	-
Total Net Losses from Asset Sales	10,168	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
4H: Other Expenses		
Insurance	18,120	20,467
Motor Vehicle Expenses	14,307	71,301
Travelling Expenses	24,831	48,067
Other Expenses	189,416	86,492
Fund Transferred to Provision	375,000	375,000
Total Other Expenses	621,674	601,327

NOTE 5: CURRENT ASSETS

5A: Cash and cash equivalents

Cash at Bank	701,695	926,265
Cash on Hand	220	306
Total Cash And Cash Equivalents	701,915	926,571

5B: Trade and other receivables

Receivables from other reporting unit(s)/related parties		
NECA Training Limited (Related parties)	124	597
NECA Legal Pty Ltd (Related parties)	34,406	1,324
ECA Training Pty Ltd (Related parties)	2,686	2,894
NECA ACT Chapter (Other reporting unit)	14,496	14,687
NECA National (Other reporting unit)	-	-
NECA WA (Other reporting unit)	-	-
NECA VIC (Other reporting unit)	973	-
NECA Trade Services Pty Ltd (Other reporting unit)	25,351	-
NECA Tasmania (Other reporting unit)	-	2,193
NECA QLD Chapter (Other reporting unit)	-	15
Total Receivables From Other Reporting Unit(s)/Related Parties (carried forward)	78,036	21,710

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
Total Receivables From Other Reporting Unit(s)/Related Parties (brought forward)	78,036	21,710
 Other Receivables:		
Sundry Debtors	-	14,000
Other Trade and Receivables	1,015,717	1,192,787
Total Other Receivables	<u>1,015,717</u>	<u>1,206,787</u>
 Total Trade and Other Receivables	 <u>1,093,753</u>	 <u>1,228,497</u>
Less Provisions for doubtful debts	(21,314)	(8,140)
Total trade and Other Receivables (net)	<u>1,072,439</u>	<u>1,220,357</u>
 5C: Other Current Assets		
Financial Investments	6,384,979	5,778,987
Inventory – Finished Goods at Cost	26,825	35,284
Deferred costs	72,951	100,869
Prepayments	21,652	16,740
Intercompany loan – NECA Legal Pty Ltd	607,458	607,458
Intercompany loan – NECA Training Pty Ltd	305,000	150,000
Intercompany loan – NECA National Pty Ltd	-	23,000
Intercompany loan – NECA Trade Services Pty Ltd	300,000	-
Less Provision for Impairment of Loan	(607,458)	(607,458)
Total Other Current Assets	<u>7,111,407</u>	<u>6,104,880</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 6: NON – CURRENT ASSETS</u>		
6A: Land and Buildings		
Land and Buildings:		
Fair Value - Land	957,030	957,030
Fair Value – Buildings	2,010,010	2,010,010
Accumulated Depreciation – Buildings	(189,054)	(93,128)
Total Land And Buildings	2,777,986	2,873,912

Reconciliation of the opening and closing balances of land and buildings

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As at 1 July		
Gross Book Value	2,967,040	2,967,040
Accumulated Depreciation and Impairment	(93,128)	(7,786)
Net Book Value 1 July	2,873,912	2,959,254
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(95,926)	(85,342)
Disposals:	-	-
From disposal of entities (including restructuring)	-	-
Other	-	-
Net Book Value 30 June	2,777,986	2,873,912
Net book value as of 30 June represented by:		
Gross book value	2,967,040	2,967,040
Accumulated depreciation and impairment	(189,054)	(93,128)
Net Book Value 30 June	2,777,986	2,873,912

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property. As at the date of revaluation 23 June 2014 for Atchison Street and 3 July 2014 for Burwood Road, the properties' fair values are based on valuations performed by Herrod Todd White, an accredited independent valuer.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
6B: Plant and Equipment		
Plant and Equipment		
At Cost	739,466	793,779
Accumulated Depreciation	(604,073)	(587,567)
Total Plant And Equipment	135,393	206,212

Reconciliation of the opening and closing balances of land and buildings

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As at 1 July		
Gross Book Value	793,799	676,398
Accumulated depreciation and impairment	(587,567)	(484,264)
Net Book Value 1 July	206,212	192,134
Additions:		
By purchase	35,814	124,881
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation Expense	(85,576)	(103,302)
Other movement (give details below)	-	-
Disposals:		
Write back accumulated depreciation of equipment written off	-	-
Equipment Write Off	(21,077)	(7,501)
Net book value 30 June	135,393	206,212
Net book value as of 30 June represented by:		
Gross book value	739,466	793,779
Accumulated depreciation and impairment	(604,073)	(587,567)
Net Book Value 30 June	135,393	206,212

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
6C: Other Non – Current Assets		
Other – Investment in Ness and Mert	3	3
Total Other Non – Financial Assets	3	3

6D: Intangible Assets		
Development of Website	10,000	-
Accumulated Amortization	-	-
Total Other Non – Financial Assets	10,000	-

NOTE 7: CURRENT LIABILITIES

7A: Trade Payables		
Trade Creditors and Accruals	530,350	554,773
Other Creditors	251,723	261,024
Subtotal Trade Creditors	782,073	815,797

Payables to other Reporting Unit(s)/Related Parties		
Fund held on behalf of ECA Training Pty Ltd	1,917,051	1,848,137
NECA Training Limited	2,280	263
NECA Group Training	-	7,343
NECA VIC Chapter	959	-
NECA Trade Services Pty Ltd	233	-
NECA Legal Pty Ltd	89	-
Subtotal Payables To Other Reporting Unit(s)/Related Parties	1,920,612	1,855,743
Total Trade Payables	2,702,685	2,671,540
Settlement is usually made within 30days		

7B: Other Payables		
Provision for unspent grant money	2,613,877	2,238,877
Income in Advance	1,400,190	1,482,316
Total Other Payables	4,014,067	3,721,193

Total other payables are expected to be settled in:		
No more than 12 months	4,014,067	3,721,193
More than 12 months	-	-
Total Other Payables	4,014,067	3,721,193

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 8: PROVISIONS</u>		
8A: Employee Provisions		
Office Holders:		
Annual Leave	10,035	2,938
Long Service Leave	41,727	18,653
Separations and Redundancies	-	-
Other	-	-
Subtotal Employee Provisions – Office Holders	51,762	21,591
Employees other than office holders:		
Annual Leave	69,355	63,354
Long Service leave	78,665	78,374
Separations and Redundancies	-	-
Other	-	-
Subtotal Employee Provisions – Employees Other than Office Holders	148,020	141,728
Total Employee Provisions	199,782	163,319
Current	126,156	103,249
Non – Current	73,626	60,070
Total Employee Provisions	199,782	163,319

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 9: CASH FLOW</u>		
9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and Cash Equivalents as per:		
Cash Flow Statement	701,915	926,571
Balance Sheet	701,915	926,571
Difference	-	-
Reconciliation of profit to net cash from operating activities:		
Profit for the year	106,559	279,559
Adjustment for Non – Cash Items		
Depreciation/Amortisation	181,502	188,644
Net write – down of Non-Financial Assets	-	-
Fair Value movements in Investment Property	-	-
Gain on Disposal of Assets	10,168	-
Changes in Assets/Liabilities		
(increase)/decrease in net receivables	(890,077)	(617,951)
(Increase)/decrease in other assets	23,009	(1,278)
Increase/(decrease) in supplier payables	(49,340)	(8,178)
Increase/(decrease) in other payables	(1,642)	(224,580)
(Increase)/decrease in inventories	8,459	8,848
Increase/(decrease) in employee provisions	36,463	(45,845)
Increase/(decrease) in other provisions	375,000	375,000
Net Cash from (used by) Operating Activities	(199,899)	(45,781)

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 9: CASH FLOW</u>		
9B: Cash Flow Information		
Cash Inflows		
NECA Training Limited (related party)	98,145	87,984
NECA Legal Pty Ltd (related party)	110,058	242,227
ECA Training Pty Ltd (related party)	296,616	294,852
NECA ACT Chapter (other reporting unit)	97,841	94,519
NECA National (other reporting unit)	122,922	558,894
NECA WA Chapter (other reporting unit)	56,215	4,823
NECA VIC Chapter (other reporting unit)	13,947	23,682
NECA QLD Chapter (other reporting unit)	4,923	25,595
NECA TAS Chapter (other reporting unit)	2,743	219
NECA SA Chapter (other reporting unit)	-	1,980
ACRS	2,815	-
Total Cash Inflows	806,225	1,334,775
Cash Outflows		
NECA Training Limited (related party)	793	194,990
NECA Legal Pty Ltd (related party)	68,149	87,781
ECA Training Pty Ltd (related party)	7,343	3,000
NECA ACT Chapter (other reporting unit)	50,304	44,709
NECA National (other reporting unit)	473,366	501,221
NECA WA Chapter (other reporting unit)	5,637	118,537
NECA VIC Chapter (other reporting unit)	36,590	18,585
NECA QLD Chapter (other reporting unit)	25,300	44,919
Australian Cabler Registration Services (related party)	957	1,694
NECA SA Chapter	4,117	660
Total Cash Outflows	627,556	1,016,096

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
10A: 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		
Revenue received from NECA Training Limited includes the following:		
Management Fee	48,732	51,267
Other	40,106	16,925
Revenue received from NECA ACT Chapter includes the following:		
Management Fee	60,000	60,000
Advertising Revenue	7,727	9,343
Other	12,408	11,098
Share of Profit	13,101	13,351
Revenue received from ECA Training Pty Ltd includes the following:		
Sponsorship	41,116	17,985
Management Fee	142,517	181,626
Events	1,863	19,940
Fuel	33,692	32,337
Uniform Revenue	-	-
Other	3,907	10,181
Advertising	46,367	5,401
Revenue received from NECA National includes the following:		
Mailmarshall – email service revenue	4,612	6,579
Map – E-Oz project	1,200	438,591
Rental	56,104	56,025
Other	4,937	6,498
Revenue received from NECA WA Chapter includes the following:		
Stock Sale	4,713	1,675
Other	51,031	1,281
Revenue received from NECA SA Chapter includes the following:		
Stock	-	700
Other	-	1,100
Revenue received from NECA VIC Chapter includes the following:		
Stock	2,945	2,854
Mailmarshall – email service revenue	10,618	15,309

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
Revenue received from NECA Legal Pty Ltd includes the following:		
Management Fee	80,578	47,396
Consulting Fee	30,996	32,970
Other	22,158	16,476
Revenue received from NECA QLD Chapter includes the following:		
Advertising Revenue	-	13,477
Stock Sale	2,605	2,135
Other	1,857	480
Revenue received from NECA TAS Chapter includes the following:		
Stock Sale	-	199
Advertising	500	1,994
Revenue received from ACRS		
Advertising	2,000	-
Other	559	-
Revenue received from NECA Trade Services Pty Limited		
Stock	27,393	-
Other	1,357	-
Expenses		
Expenses paid to NECA Training Limited includes the following:		
Management Fee – Administration Fee for Map Project	-	9,623
Other	2,810	15,202
Expenses paid to NECA Legal includes the following:		
Legal Secretary Consulting Fee	48,995	49,772
Legal Service	12,693	27,437
Other	347	647
Expenses paid to ECA Training Pty Ltd includes the following:		
Administration Fee for MAP project	-	-
Administration Fee for NECA ACT	-	6,675
Other	-	2,727
Expenses paid to NECA ACT Chapter includes the following:		
Sponsorship	45,731	40,644

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
Expenses paid to NECA National includes the following:		
Management Fee	-	18,533
Event	26,064	25,717
Capitation fee	355,259	322,876
Other	24,928	56,605
Expenses paid to NECA SA includes the following:		
E-OZ annual conference on charge of Platinum sponsor	3,333	-
Marketing	409	-
NECA SA - Advertising	-	600
Expenses paid to NECA VIC Chapter includes the following:		
Event	872	1,525
Stock Purchases	-	1,018
Call Centre Service	33,263	13,771
Other	-	580
Expenses paid to NECA QLD Chapter includes the following:		
Grant paid that were \$1,000 or less	-	-
Grant paid that exceeded \$1,000	23,000	40,800
Stock	-	35
Expenses paid to NECA WA Chapter includes the following:		
Marketing Expense	3,164	1,363
Event	2,157	117,036
Expenses paid to Australian Cabler Registration Services includes the following:		
Administration Fee	957	1,693
Expenses paid to NECA Trade Services includes the following:		
Clothes	24,350	-
Other	2,888	-
Amounts Owing <i>from</i>		
NECA Training Limited	124	-
NECA Legal Pty Ltd	34,406	-
ECA Training Pty Ltd	2,686	-
NECA ACT Chapter	14,496	14,687
NECA VIC Chapter	973	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
NECA QLD Chapter	-	15
NECA TAS Chapter	-	2,193
NECA Trade Services Pty Limited	25,351	-

Amounts owing to the related entities include the following:

NECA Training Limited	2,280	597
NECA Legal Pty Ltd	88	1,324
NECA Group Training (ECA)	-	2,894
NECA VIC Chapter	959	-
NECA Trade Services Pty Limited	233	-

Loans to Related Parties Ltd includes the following:

Loan – NECA Legal Pty Ltd	607,458	607,458
NECA Training Pty Ltd	305,000	150,000
NECA Trade Service Pty Ltd	300,000	-

Investment Balance in ECA Training Pty Ltd:

Fund held on behalf of ECA Training Pty Ltd	1,917,051	1,848,136
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Terms and Conditions of transactions with related parties

The sales to and purchase 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 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 2016, NECA NSW Chapter has an impairment of receivables of \$607,458 of a loan to NECA Legal Pty Ltd (2015: \$607,458). 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.

10B: Key Management personnel remuneration for the reporting period

Short – Term Employee Benefits:

Salary (including annual leave taken)	433,602	384,639
Annual Leave Accrued	4,005	-
Compensation Paid to the Secretary	210,044	209,363
Total Short-Term Employee Benefits	647,651	594,002

Post – Employment Benefits:

Superannuation	61,138	54,041
Total Post – Employment Benefits	61,138	54,041

Other long-term benefits:

Long-service Leave	4,059	-
Total Other Long-term Benefits	4,059	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 10: RELATED PARTY DISCLOSURES</u>		
Termination Benefits	-	59,070
Total Termination Benefits	-	59,070
Total Remuneration	712,848	707,113

NOTE 11: REMUNERATION OF AUDITORS

Value of Service provided:		
Financial Statement Audit Services	25,200	20,830
Other Services	5,115	-
Total Remuneration of Auditors	30,315	20,830

No other services were provided by the auditor of the financial statements

NOTE 12: FINANCIAL INSTRUMENTS

The associations finance manager is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Finance manager monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The Finance manager's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

12A: Categories of financial instruments

Financial Assets		
Fair Value through profit or loss:		
Cash and Cash Equivalents	701,915	926,571
Total	701,915	926,571

Available – for – Sale Assets:

Shares in Associated Entities	3	3
Asgard Managed Investments	6,384,981	5,778,987
Total	6,384,984	5,778,990

Loans and Receivables:

NECA Training Pty Ltd – Intercompany	305,000	150,000
NECA National Pty Ltd	-	23,000
NECA Trade Services Pty Ltd - Intercompany	300,000	-
NECA Legal Pty Ltd – Intercompany	607,458	607,458
Less Impairment of Loan	(607,458)	(607,458)
Total	605,000	173,000

Carrying Amount Of Financial Assets	6,989,984	6,878,561
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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

	2016	2015
	\$	\$
<u>NOTE 12: FINANCIAL INSTRUMENTS</u>		
Other Financial Liabilities:		
Fund held on behalf of ECA Training Pty Ltd	1,917,051	1,848,137
Total	1,917,051	1,848,137
 Carrying Amount Of Financial Liabilities	 1,917,051	 1,848,137

12B: Net Income and Expense from Financial Assets

Available for sale:

Interest revenue	170,032	228,852
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12C: Credit risk

The risk profiles for investments are determined by the executive committee. They are conservative and the profile has a range between 30% - 70% between defensive and growth assets. The current risk profile is fifty-fifty. The committee takes advice from professional advisors whom manage the investment portfolio.

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

	2016	2015
	\$	\$
Financial Assets		
Cash at Bank/on Hand	701,915	926,571
Investment Portfolio – Market Value	6,384,984	5,778,987
NECA Training Pty Ltd – Loan Receivable	305,000	150,000
NECA National Pty Ltd – Loan Receivable	-	23,000
NECA Trade Services Pty Ltd – Loan Receivable	300,000	-
NECA Legal Pty Ltd – Loan Receivable	607,458	607,458
Less: Impairment of Loan	(607,458)	(607,458)
Total	7,691,899	6,878,558
 Financial Liabilities		
Payables held on behalf of ECA Training Pty Ltd	1,917,051	1,848,137
Total	1,917,051	1,848,137

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 12: FINANCIAL INSTRUMENTS

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

	Not Past due nor impaired 2016 \$	Past due or impaired 2016 \$	Not past due nor impaired 2015 \$	Past due or impaired 2015 \$
Cash at Bank/on Hand	701,915	-	926,571	-
Investment Portfolio – Market Value	6,384,984	-	5,778,987	-
NECA Training Pty Ltd	305,000	-	150,000	-
NECA National Pty Ltd	-	-	23,000	-
NECA Trade Services Pty Ltd	300,000	-		
NECA Legal Pty Ltd – Loan Receivable	-	607,458	-	607,458
Total	7,691,899	607,458	6,878,558	607,458

The Chapter has provided a letter of support for NECA Legal Pty Ltd to support the entity. The commitment of \$607,458 has been impaired.

The Chapter has also provided a letter of support for NECA Trade Services Pty Ltd and NECA Training Pty Ltd. There is no impairments against these loans.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016

NOTE 13: FAIR VALUE MEASUREMENT

13A: Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest – bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. Their own performance risk as at 30 June 2015 was assessed to be insignificant.
- Fair Value of available – for – sale financial assets is derived from quoted market prices in active markets.
- Long – term fixed – rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the NECA NSW Chapter financial assets and liabilities:

	Carrying amount 2016 \$	Fair Value 2016 \$	Carrying amount 2015 \$	Fair Value 2015 \$
Financial Assets				
Cash at Bank/on Hand	701,915	701,915	926,571	926,571
Investment Portfolio – Market Value	6,384,984	6,384,984	5,778,987	5,778,987
NECA Training Pty Ltd	305,000	305,000	150,000	150,000
NECA National Pty Ltd	-	-	23,000	23,000
NECA Trade Services Pty Ltd	300,000	300,000	-	-
NECA Legal Pty Ltd – Loan Receivable	607,458	607,458	607,458	607,458
Less Impairment	(607,458)	(607,458)	(607,458)	(607,458)
Total	7,691,899	7,691,899	6,878,558	6,878,558
Financial Liabilities				
Payables held on behalf of ECA Training Pty Ltd	1,917,051	1,917,051	1,848,137	1,848,137
Total	1,917,051	1,917,051	1,848,137	1,848,137

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2016**

NOTE 14: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or General Manager:

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE

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

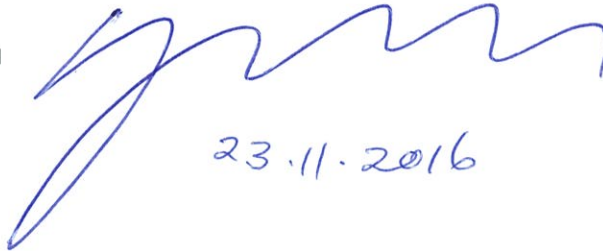
- a) We are members of the Executive Committee of the Association
- b) We attended the annual general meeting of the Association
- c) We are authorised by the attached resolution of the Executive Committee to sign this certificate
- d) The annual statement was submitted to the member of the Association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

Mr B Duff
President
Dated:



23/11/16

Oliver Judd
Director
Date:



23.11.2016

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTERS

To Moore Stephens NSW,

In connection with your examination of the financial statements of National Electrical Contractors Association New South Wales 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 *New South Wales Chapter*, 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

Commitments have been entered into for the purchase of Buildings, Plant, Machinery and other facilities as at the above date, as follows:

5. Pledged assets

At the above date no assets (including assets of other) 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 ASSOCIATION
NEW SOUTH WALES CHAPTER
ABN 27 056 174 413**

STATEMENT CONCERNING LIABILITIES AND CERTAIN OTHER MATTERS

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.

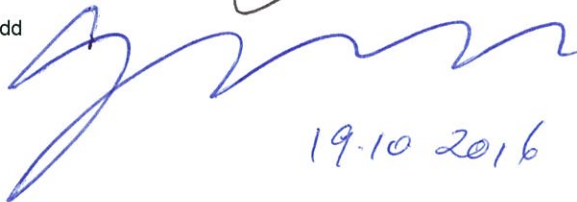
The financial statements are free of material misstatements, including omissions.

Mr B Duff
President
Dated:



19.10.2016

Mr. O. Judd
Director
Dated:



19.10.2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NECA NSW CHAPTER

Report on the Financial Report

We have audited the accompanying financial report of National Electrical Contractors Association New South Wales Chapter (the Association) which comprises the statement of financial position as at 30 June 2016, 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 MEMBER OF NECA NSW 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 New South Wales Chapter is in accordance with Part 3 of Chapter 8 of *Fair Work (registered Organisations) Act 2009* including:

- i. Presents fairly in all material aspects, the Association's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii. Complies with Australian Accounting Standards and all the requirements of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and
- iii. There is no recovery of wages activity; and
- iv. The management's use of the going concern basis of accounting in the preparation of the Associations financial statements is appropriate.



Charles Oosthuizen

Partner

Moore Stephens NSW

Dated: 24/10/2016



national
electrical and
communications
association

NEW SOUTH WALES CHAPTER

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E necansw@neca.asn.au
W www.neca.asn.au
ABN: 27 056 174 413

19 October 2016

Moore Stephens NSW
62 Burwood Road
BURWOOD NSW 2134

Dear Sir

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, note that NECA Legal Pty Ltd might be unable, by itself, to meet its liabilities as they fall due without the continuing support of the National Electrical Contractors Association - New South Wales Chapter.

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, hereby confirms its support for NECA Legal Pty Ltd and agree to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet its present and future liabilities.

On behalf of the Executive Committee

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Duff', is written over a light blue circular stamp.

Bruce Duff
**President – NSW Chapter
National Electrical Contractors Association**





national
electrical and
communications
association

NEW SOUTH WALES CHAPTER

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ABN: 27 056 174 413

19 October 2016

Moore Stephens NSW
62 Burwood Road
BURWOOD NSW 2134

Dear Sir

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, note that NECA Trade Services Pty Limited might be unable, by itself, to meet its liabilities as they fall due without the continuing support of the National Electrical Contractors Association - New South Wales Chapter.

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, hereby confirms its support for NECA Trade Services Pty Limited and agree to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet its present and future liabilities.

On behalf of the Executive Committee

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Duff', is written over a light blue circular stamp or watermark.

Bruce Duff
**President – NSW Chapter
National Electrical Contractors Association**



19 October 2016

Moore Stephens NSW
62 Burwood Road
BURWOOD NSW 2134

Dear Sir

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, note that NECA Training Pty Limited might be unable, by itself, to meet its liabilities as they fall due without the continuing support of the National Electrical Contractors Association - New South Wales Chapter.

The Executive Committee of the National Electrical Contractors Association - New South Wales Chapter, hereby confirms its support for NECA Training Pty Limited and agree to provide such financial support as may be required during the next twelve months to ensure that the company can, and will meet its present and future liabilities.

On behalf of the Executive Committee

Yours sincerely



Bruce Duff
President – NSW Chapter
National Electrical Contractors Association



Moore Stephens NSW
PO Box 1035
BURWOOD NORTH NSW 2134

Representation Letter

This representation letter is provided in connection with your audits of the financial reports of NECA NSW, NECA Training Limited, NECA Legal Pty Ltd, NECA ACT and ECA NSW, for the year ended 30th June 2016, for the purpose of you expressing an opinion as to whether the financial reports are, in all material respects, presented fairly in accordance with applicable Australian Accounting Standards and, where applicable, the Corporation Act 2001 and Fair Work (Registered Organisations) Act 2009.

We acknowledge our responsibility for ensuring that the financial reports are in accordance with applicable Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009, and the Corporation Act 2001, and confirm that the financial reports are free of material misstatements, including omissions.

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

1. We have made available to you:
 - (a) all financial records and related data, other information, explanations and assistance necessary for the conduct of the audits; and
 - (b) minutes of all meetings of members, directors and committees of directors.
2. There has been no:
 - (a) Fraud, suspected fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control ;
 - (b) Fraud, suspected fraud, error or non-compliance with laws and regulations that could have a material effect on the financial reports ; and
 - (c) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial reports.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and error. We have established and maintained adequate internal controls to facilitate the preparation of reliable financial reports and adequate financial records have been maintained. We do not believe the accounts are susceptible to material misstatement due to fraud or error. There are no material transactions that have not been properly recorded in the accounting records underlying the financial reports.
4. We have no plans or intentions that may materially affect the carrying values, or classifications, of assets and liabilities.
5. We have considered the requirements of all relevant Accounting Standards including impairment requirements when assessing the carrying value of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
6. The following, (where applicable), have been properly recorded and/or disclosed in the financial reports:
 - (a) related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
 - (b) warrants, conversions or other requirements;
 - (c) arrangements involving restrictions on cash balances, compensating balances & line of credit or similar arrangements;
 - (d) agreements to repurchase assets previously sold;
 - (e) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments.
 - (f) unasserted claims or assessments that our lawyer has advised are probable of assertion;

(g) losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

7. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial reports or as a basis for recording an expense.
8. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral other than as disclosed in the financial reports. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
9. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial reports in the event of non-compliance.
10. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than as disclosed in the financial reports.
11. 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 realisable value.
12. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial reports, other than as disclosed in the financial report.
13. All insurable risks are adequately covered in accordance with current values.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing opinions on the financial reports of the entities taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.



Finance Manager

19110116

Date



Director

19/10/16

Date