

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
TASMANIA CHAPTER**

**Financial Report
For The Year Ended
30 June 2014**

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association – Tasmania Chapter (“the association”) for the financial year ended 30 June 2014.

Committee Members

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

J Heerey	W Fromberg (resigned 12/06/14)
A Farr	A Damen
D Frame (elected 12/06/14)	W Hobson (elected 12/06/14)
L Davies (elected 12/06/14)	M Jackson (elected 12/06/14)
D Joyce (resigned 11/09/13)	G Sharman (resigned 12/06/14)
J Tinslay (resigned 20/02/14)	S Hill (resigned 11/09/13)
David Suresh Manickam (appointed 20/02/14 to fill casual vacancy and elected 02/07/14)	

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

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

The principal activities of the reporting unit are the provision of advice, service and representation of members in relation to workplace relations, health and safety, training, apprentices, and legal and contractual negotiations. In the reporting period each of those activities were maintained and expanded.

The result of the principal activities of the reporting unit is a loss of \$4,493 (2013: \$24,848 profit).

Significant Changes in financial affairs

There have been no significant changes in the financial affairs of the reporting unit during the year.

After Balance Date Events

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

Number of Members

The association had 57 (2013: 62) members at financial year end.

Number of Employees

The association had 0 (2013: 0) employees at financial year end.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Operating Report by the Committee (cont'd)

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

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

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Members Right to Resign

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

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

Signature of designated officer: 

Name and title of designated officer: **ANDREW FAIR - TAS PRESIDENT**

Dated: **15/11/14**

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

Committee of Management Statement

On 15th November 2014 the Committee of Management of the National Electrical Contractor Association – Tasmania Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2014.

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer: Wayne Hobson

Name and title of designated officer: Wayne Hobson Treasurer

Dated: 15/11/14

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
REVENUE			
Membership subscription		50,731	53,730
Capitation fees	2A	-	-
Levies	2B	-	-
Other revenue	2C	2,207	-
TOTAL REVENUE		<u>52,938</u>	<u>53,730</u>
OTHER INCOME			
Grants and/or donations	2D	-	-
Other Income	2E	118,981	118,728
TOTAL OTHER INCOME		<u>118,981</u>	<u>118,728</u>
TOTAL INCOME		<u>171,919</u>	<u>172,458</u>
EXPENSES			
Capitation fees	3A	12,089	11,560
Affiliation fees	3B	-	-
Administration expenses	3C	41,243	48,242
Employee expenses	3D	-	-
Grants or donations	3E	-	-
Legal costs	3F	138	-
Audit fees	3G	5,130	4,500
Other expenses	3H	117,812	83,308
TOTAL EXPENSES		<u>176,412</u>	<u>147,610</u>
PROFIT/(LOSS) FOR THE YEAR		<u>(4,493)</u>	<u>24,848</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(4,493)</u>	<u>24,848</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4A	72,566	93,056
Trade and other receivables	4B	41,273	23,723
Prepayments	4C	6,681	7,241
TOTAL CURRENT ASSETS		<u>120,520</u>	<u>124,020</u>
TOTAL ASSETS		<u>120,520</u>	<u>124,020</u>
CURRENT LIABILITIES			
Deferred Income	5A	46,440	34,547
Trade and other payables	5B	11,499	22,399
TOTAL CURRENT LIABILITIES		<u>57,939</u>	<u>56,946</u>
TOTAL LIABILITIES		<u>57,939</u>	<u>56,946</u>
NET ASSETS		<u>62,581</u>	<u>67,074</u>
EQUITY			
Retained Profits		<u>62,581</u>	<u>67,074</u>
TOTAL EQUITY		<u>62,581</u>	<u>67,074</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Profits \$	Total \$
Balance at 1 July 2012	42,226	42,226
Surplus/(Deficit) for the year	24,848	24,848
Balance at 30 June 2013	67,074	67,074
Surplus/(Deficit) for the year	(4,493)	(4,493)
Balance at 30 June 2014	62,581	62,581

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014	2013
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		151,905	158,116
Receipts from other reporting units/controlled entities	8(b)	1,528	240
Payments to suppliers and employees		(100,457)	(119,869)
Payments to other reporting units/controlled entities	8(b)	(74,962)	(33,731)
Interest Received		1,496	2,165
Net cash provided by /(used in) operating activities	8(a)	<u>(20,490)</u>	<u>6,921</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
Proceeds on sale of plant and equipment		-	-
Payments for investments		-	-
Net cash provided by /(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(20,490)	6,921
Cash at beginning of financial year		93,056	86,135
Cash at end of financial year	4A	<u>72,566</u>	<u>93,056</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Basis of Preparation

Functional and presentation currency

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

Reporting Basis and Conventions

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

Accounting Policies

(a) Income Tax

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

(b) Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

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

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

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

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

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

(v) *Financial liabilities*

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

Impairment

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

(c) Cash and Cash Equivalents

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

(d) Impairment of Assets

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

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

(e) Revenue

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

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

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

Promotional activities revenue, which includes sponsorship, excellence awards, and other events, is recognised upon commencement of said activities.

Commission on sales made to members is recognised when the right to receive a commission has been established.

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

(f) Goods and Services Tax (GST)

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

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

(g) Comparative Figures

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

(h) Critical accounting estimates and judgments

The association evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates — Impairment

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

No impairment has been recognised for the year ended 30 June 2014.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

(i) New Australian accounting standards

Adoption of new Australian accounting standard requirements

During the current year, the Association adopted the following new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 2: INCOME		
NOTE 2A: CAPITATION FEES	<u>-</u>	<u>-</u>
NOTE 2B: LEVIES	<u>-</u>	<u>-</u>
NOTE 2C: OTHER REVENUE		
Sales of Products and Services	1,170	-
Insurance Commission	1,037	-
Total other revenue	<u>2,207</u>	<u>-</u>
NOTE 2D: GRANTS & DONATIONS	<u>-</u>	<u>-</u>
NOTE 2E: OTHER INCOME		
Interest Income	1,496	2,165
Promotional Activities	117,485	116,563
Total other income	<u>118,981</u>	<u>118,728</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 3 EXPENSES		
NOTE 3A: CAPITATION FEES		
National Office	12,089	11,560
Total Capitation Fees	<u>12,089</u>	<u>11,560</u>
NOTE 3B: AFFILIATION FEES		
	<u>-</u>	<u>-</u>
NOTE 3C: ADMINISTRATION EXPENSES		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	3,544	3,936
Cost of sales to members	973	-
Management Fees	23,820	43,608
Other Administration Expenses	6,369	-
Travel & Accommodation	6,537	698
Subtotal administration expense	<u>41,243</u>	<u>48,242</u>
NOTE 3D: EMPLOYEE EXPENSES		
Holders of office	-	-
Employees	-	-
Total employee expenses	<u>-</u>	<u>-</u>
NOTE 3E: GRANTS AND DONATIONS		
Grants	-	-
Donations	-	-
Total grants and donations	<u>-</u>	<u>-</u>
NOTE 3F: LEGAL COSTS		
Litigation	-	-
Other legal matters	138	-
Total legal costs	<u>138</u>	<u>-</u>
NOTE 3G: AUDIT FEES		
Financial statement audit services	5,130	4,500
Other services	-	-
Total Audit Fees	<u>5,130</u>	<u>4,500</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<hr/>		
NOTE 3 EXPENSES (cont'd)		
NOTE 3H: OTHER EXPENSES		
Penalties - via RO Act or RO Regulations	-	-
Promotional Activities	111,946	75,305
Sundry Other Expenses	5,866	8,003
Total other expenses	<u>117,812</u>	<u>83,308</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 4A: CASH AND CASH EQUIVALENTS		
Cash at bank	72,566	93,056
	<u>72,566</u>	<u>93,056</u>
NOTE 4B: TRADE & OTHER RECEIVABLES		
Receivable from other reporting unit(s)	-	-
Total receivables from other reporting unit(s)	-	-
Less provision for doubtful debts	-	-
Receivable from other reporting unit(s) (net)	-	-
Other Receivables:		
General membership	41,273	23,723
Insurance Commission	-	-
Total Trade & Other Receivables	<u>41,273</u>	<u>23,723</u>
NOTE 4C: PREPAYMENTS		
Prepayments	6,681	7,241
	<u>6,681</u>	<u>7,241</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 5A: DEFERRED INCOME		
Income Received in Advance	46,440	34,547
	<u>46,440</u>	<u>34,547</u>
NOTE 5B: TRADE & OTHER PAYABLES		
Payable to other reporting unit(s)		
- 370 Degrees Group	3,272	7,074
- NECA National Office	396	6,358
Total payable to other reporting unit(s)	<u>3,668</u>	<u>13,432</u>
Other Payables:		
Consideration to employers for payroll deductions	-	-
Legal Costs	-	-
Trade and other payables	7,831	8,967
	<u>11,499</u>	<u>22,399</u>
NOTE 5C: EMPLOYEE PROVISIONS		
Holders of office	-	-
Employees	-	-
Total employee provisions	<u>-</u>	<u>-</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

2014 2013
\$ \$

NOTE 6 : RELATED PARTY AND OTHER REPORTING UNIT TRANSACTIONS

(a) Related Parties

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

(b) Transactions with other reporting units

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

<i>i) Income received</i>		
- 370 Degrees Group (related party)	600	218
- National Office (other reporting unit)	764	-
<i>ii) Capitation Fees</i>		
- National Office (other reporting unit)	12,089	11,560
<i>iii) Management Fees</i>		
- 370 Degrees Group (related party)	35,141	16,840
- VIC Chapter (other reporting unit)	-	4,167
<i>iv) Other Expenses</i>		
- 370 Degrees Group (related party)	-	700
- VIC Chapter (other reporting unit)	136	-
- NSW Chapter (other reporting unit)	822	-
- National Office (other reporting unit)	1,519	3,736

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2014, the association has not recorded any impairment of receivables relating to amounts owed by related parties and declared persons or bodies (2013: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

2014 **2013**
\$ \$

NOTE 7: KEY MANAGEMENT PERSONNEL

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

J Heerey	W Fromberg (resigned 12/06/14)
A Farr	A Damen
D Frame (elected 12/06/14)	W Hobson (elected 12/06/14)
L Davies (elected 12/06/14)	M Jackson (elected 12/06/14)
D Joyce (resigned 11/09/13)	G Sharman (resigned 12/06/14)
J Tinslay (resigned 20/02/14)	S Hill (resigned 11/09/13)
David Suresh Manickam (appointed 20/02/14 to fill casual vacancy and elected 02/07/14)	

No remuneration was paid or payable to key management personnel.

NOTE 8: CASH FLOW INFORMATION

(a) Cash Flow Reconciliation

Reconciliation of cash flow from operations with surplus/deficit

Surplus/(Deficit) from ordinary activities	(4,493)	24,848
Add/(less) non-cash items:		
Amounts set aside to provisions	-	-
	<u>(4,493)</u>	<u>24,848</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables/prepayments	(16,990)	(11,937)
Increase/(decrease) in payables/deferred income	993	(5,990)
Cash flows from operations	<u>(20,490)</u>	<u>6,921</u>

(b) Cash Flow Information

Cash Inflows

- 370 Degrees Group (related party)	660	240
- QLD Chapter (other reporting unit)	28	-
- National Office (other reporting unit)	840	-

Total Cash Inflows

1,528 240

Cash Outflows

- 370 Degrees Group (related party)	42,457	12,220
- VIC Chapter (other reporting unit)	166	4,685
- NSW Chapter (other reporting unit)	904	-
- National Office (other reporting unit)	31,435	16,826

Total Cash Outflows

74,962 33,731

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

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

The association does not have any derivative instruments at 30 June 2014.

i. Treasury Risk Management

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

ii. Financial Risks

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

Interest rate risk

The association has no interest bearing liabilities and consequently is not exposed to fluctuations in debt interest rates. For further details on interest rate risk refer to Note 9(c).

Foreign Currency risk

The association is not exposed to fluctuations in foreign currencies.

Liquidity risk

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

Credit risk

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

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

Price risk

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

(b) Financial Instrument Composition and Maturity Analysis

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: FINANCIAL INSTRUMENTS (CONT'D)

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

	Weighted Average		Floating Interest		Within 1 Year	
	Effective Interest		Rate			
	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	1.5	2.5	72,566	93,056	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			72,566	93,056	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and sundry payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		1 to 5 Years		Over 5 Years	
	Effective Interest					
	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	1.5	2.5	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Deferred Income	-	-	-	-	-	-
Trade and sundry payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		Non-Interest		Total	
	Effective Interest		Bearing			
	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	1.5	2.5	-	-	72,566	93,056
Trade & other receivables	-	-	41,273	23,723	41,273	23,723
Total Financial Assets:			41,273	23,723	113,839	116,779
Financial Liabilities:						
Deferred Income	-	-	46,440	34,547	46,440	34,547
Trade and sundry payables	-	-	11,499	22,399	11,499	22,399
Total Financial Liabilities:			57,939	56,946	57,939	56,946

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 9: FINANCIAL INSTRUMENTS (CONT'D)

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

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

	2014	2013
	\$	\$
Less than 6 months	11,499	22,399
	<u>11,499</u>	<u>22,399</u>

(c) Net Fair Value

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

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

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

	2014		2013	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	41,273	41,273	23,723	23,723
Total financial assets	<u>41,273</u>	<u>41,273</u>	<u>23,723</u>	<u>23,723</u>
Financial liabilities				
Deferred Income	46,440	46,440	34,547	34,547
Trade and sundry payables	11,499	11,499	22,399	22,399
Total financial liabilities	<u>57,939</u>	<u>57,939</u>	<u>56,946</u>	<u>56,946</u>

Sensitivity analysis

Interest Rate risk

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

Foreign Currency risk

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – TASMANIA CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 10: EVENTS AFTER BALANCE SHEET DATE

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

NOTE 11: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30th June 2014.

NOTE 12: ASSOCIATION DETAILS

The principal place of business of the association is:

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

NOTE 13: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER - FAIR WORK AUSTRALIA

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

NOTE 14: RECOVERY OF WAGES ACTIVITY

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

NOTE 15: BUSINESS COMBINATIONS

The reporting unit did not acquire any asset or liability during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or
- b) a restructure of the branches of the organisation; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

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

Report on the financial report

We have audited the accompanying financial report of National Electrical Contractors Association – Tasmania Chapter (the Chapter), which comprises the statement of financial position as at 30 June 2014 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statements by members of the committee.

Committees' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Chapter's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's opinion

In our opinion, the general purpose report of the National Electrical Contractors Association – Tasmania Chapter for the year ended 30 June 2014 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Other Matters

I declare that, as part of the audit of the financial statements for the year ended 30 June 2014, I have concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

I also declare that I am an approved auditor as defined in Regulation 4 of the RO Regulations

I am currently

- A fellow of the Institute of Chartered Accountants in Australia (#26502)
- A registered company auditor (#7516), and
- Hold a Certificate of Public Practice with the ICAA dated 7 March 1989

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

John J Gavens

JOHN GAVENS
Partner

Melbourne, Victoria
Dated this 17th day of November 2014