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# ANNUAL REPORT

**Master Electricians Association Limited** ACN 163 222 642

**Master Electricians Association Queensland** ABN 40 669 256 171

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# PRESIDENT'S REPORT

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## Welcome

I find it difficult to comprehend that it's been a year since I officially took over the custodianship of Master Electricians Australia as President. Whilst general market conditions among the membership have been mixed, my overall feeling and impression is that while it's been a challenging year, there has been some positive signs and opportunities for many of us.

Over the past year I've spoken to many members and listened to the needs of the contemporary contractor. The MEA Council and Board have made a determined effort to influence a member-first culture in the organisation, delivering greater value, opportunities, business improvement, industrial relations and technical support to all members. While we have achieved some great things this year, we know that there's still more to be done.

We're pleased to report moderate growth in the membership nationally despite significant obstacles in some segments. Our success, I believe, comes as an output of hard work, active engagement and a continued culture of delivering more value for less. This will be a continuing theme throughout my tenure and I invite all of our members to engage with the team at MEA to ensure you are getting the maximum value out of your membership.

We have been extremely busy this year in our advocacy efforts to both state and federal governments, with a particular focus on equipment safety, licensing, apprenticeships, and the ABCC. In Queensland, the decision to merge Ergon and Energex, and in turn establish a private services business for emerging technologies, has been one of our focus areas. The decision to have a financially state-backed, private sector organisation competing with regional contractors presents a significant commercial risk to many Queensland contractors. Continued efforts are being made to protect all contractors from any perceived or actual anti-competitive behaviours that may be experienced.

We have made significant headway with national regulators in our efforts to advocate for stricter controls on electrical equipment and imports. Unfortunately, both state and federal organisations have been too slow to act in identifying and recalling many non-compliant products, causing significant loss of property and in some cases loss of life. This is an area we must be vigilant in, by only supporting products that are compliant and fit for their purpose. The best way to do this is by ensuring products are purchased from established wholesalers, holding the appropriate recall insurance, and supporting local manufactures with a proven track record.

Licensing is an area which affects many of our contractors who work across state and territory borders. Whilst national licensing would seem to be an obvious solution, this has been a difficult objective that we continue to work towards. Tasmania has recently adopted a model of Continued Professional Development (CPD) for all electrical license holders, so that they may continue to hold a valid license. MEA has worked closely with the Tasmania regulator to ensure acceptable outcomes for all industry stakeholders. A similar program is likely be adopted by all states and territories, and is something MEA supports as a means of ensuring quality and regulatory compliance in our industry.

The area of apprentice training is one that I personally consider to be of utmost importance to contractors. A way of developing skills and knowledge in first- and second-year apprentices without causing productivity losses and cost impacts for contractors is an enticing idea, but is difficult to achieve under the current model. Exciting developments have been achieved and we look forward to offering alternate apprentice training pathways in the near future. This would see apprentices conducting much of their first year college studies and practical work experience while at school, making them job ready when they hit the work force. This will achieve some significant productivity gains for contractors and provide apprentices with a heightened level of confidence when commencing.

Probably the most important development—one that will affect all sectors of the building and construction market—is the successful passage of the proposed ABCC legislation. The government has stated that it is ‘absolutely committed’ to pass the legislation. With the tenuous makeup of the newly elected federal government and even more tenuous senate, the pathway to change looks rocky to say the least. Whilst the importance of this legislation may be questionable to some in the detached housing or cottage sectors, it should be considered that if it was to fail, it will open the door to a heightened level of activity for all small to medium contractors. I believe this is both a significant risk and opportunity for all industry stakeholders, as if the ABCC legislation is passed it should be done so in a way that is fair and promotes national productivity gains, and tighter control over illegal or anti-productive activity.

To say my first year as President was busy would be an understatement. While challenging, I have enjoyed growing, learning and influencing the direction of the organisation with a group of focussed and committed individuals committed to providing outstanding services for our membership. The coming year will see some significant and exciting developments aimed at delivery of further value to the membership and collaborating with international partners. I look forward to reporting further positive information in the coming year and to catching up with many contractors at the national MEA Conference in beautiful Fremantle.

A handwritten signature in black ink, appearing to read 'Tony Arnold', with a stylized, flowing script.

**TONY ARNOLD**

President

# CEO'S REPORT

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## Welcome

As with many Not-For-Profits (NFP), revenues are hard to come by and member's needs and wants are incredibly varied. Staff are often stretched and systems compromised as resources are spread sparingly in an attempt to meet all needs and wants. My conclusion is MEA is not much different, and this extends to the honorary personnel involved—in this case—those involved in the Advisory Area Committee's (AAC) and MEA's Boards. In short, we worked hard to keep the doors open, provide value to our members, and represent Australia's electrical contractors at the highest level across a variety of channels.

The focus on representing members—whether in national or state government forums, in relevant and related industry groups, in enterprise bargaining and commission hearings, as well as in forums looking to the future through a variety of Industry and Standards Committees—often leaves little room for profitable endeavors.

Overall, I believe members will be understanding with the 2015–16 'transition year' because our commitment has been palpable at every level, and the achievements of the staff has been solid through very difficult times. MEA will emerge from this with a stronger member offer and a more sustainable business platform. The national structure, with its single line of decision making, is a tremendous advantage in supporting regions as they emerge into sustainable profits. MEA has a deep history, and as it heads into its 80<sup>th</sup> year, should be able to capitalise on this to the benefit of all members.

A stylized, handwritten signature in black ink, consisting of a large 'M' followed by a series of loops and a final upward stroke.

**MALCOLM RICHARDS**

CEO



“OUR SUCCESS COMES AS  
AN OUTPUT OF HARD WORK,  
ACTIVE ENGAGEMENT, AND  
A CONTINUED CULTURE OF  
DELIVERING MORE VALUE  
FOR LESS”

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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Master Electricians Association Limited ACN 163 222 642



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# DIRECTORS' REPORT

For the year ended 30 June 2016

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Your directors present their report on the general purpose financial statements of the company for the year ended 30 June 2016.

The following persons were directors of the company at any time during or since the end of financial year and up to the date of this report:

## Gregory Owen **Allen**

- Director
- Director of Master Electricians Australia Limited
- Self-employed
- Appointed as a director on 30 October 2015

## Anthony Hamilton **Arnold**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- MEAQ President
- Self-employed

## Stephen **Downey**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed

## Glen Michael **Eccles**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed
- Resigned as director 13 July 2015

## Richard Gerard **Flanagan**

- Appointed Chairman on 9 April 2013
- Director and Chairman of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed

## James Edwin **Johnson**

- Director
- Director of Master Electricians Australia Limited
- Master of Business - Marketing
- Harvard BS - Global Strategic Management

# DIRECTORS' REPORT cont'd

## Edward John Whitney **McCoppin**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed
- Appointed as director on 27 July 2015
- Resigned as director on 12 October 2015

## Joshua **Nicholls**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed

## Erik **Scholz**

- Director
- Director of Master Electricians Australia Limited
- Self-employed
- Appointed as director on 27 July 2015

## Iain Milton **Sibbald**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed

## Troy John **Smith**

- Director
- Director of Master Electricians Australia Limited
- Licensed electrical contractor
- Self-employed

## Principal activities

The principal activity of the company during the financial year was the provision of membership services.

## Overview of company's results

	2016 (\$)	2015 (\$)
Profit before income tax	8,841	8,547
Income tax expense	-	-
Profit after income tax	8,841	8,547

## Objectives

The objective of the Company is to provide a high standard of membership services and improve the safety and efficiency of Master Electricians business.

## Strategies to achieve objectives

Outlined below are the strategies we have employed in order to achieve the above objectives:

- Identify member needs in relation to safety and efficiency; and source and develop innovative responses to address these needs
- Collaborate with key stakeholders in the Electrical and Communications industry and with Government to promote safety, efficiency and training through the facilitation and delivery of innovative programs, services and information dissemination to Master Electrician businesses, industry and the wider community.

# DIRECTORS' REPORT cont'd

## Progress on objectives

During the year the company has been working with key suppliers to improve the provision of membership services including the launch of ME Safety; the new Master Electricians Safety Management System and implementation of key process improvements.

## Key performance indicators

- Action taken to identify industry, including master electrician businesses and community needs in relation to safety and efficiency.
- Action taken to source and develop innovative responses to member needs.
- Establishment of collaborative arrangements with key industry, government and community stakeholders.
- Action taken to improve key membership service processes.

## Company Secretary

Mr Malcolm Ross Richards was appointed to the position of company secretary on 9 April 2013.

## Members guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a

maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$2,140 (2015 - \$2,550).

## Meetings of directors

The company's board of directors held six meetings during the year ended 30 June 2016. The attendance by each director was as follows:

DIRECTOR	MEETINGS ATTENDED	MEETINGS WHILE DIRECTOR
Gregory Owen Allen	4	4
Anthony Hamilton Arnold	6	6
Stephen Downey	4	6
Glen Michael Eccles	0	0
Richard Gerard Flanagan	5	6
James Edwin Johnson	3	6
Edward John Whitney McCoppin	1	1
Joshua Nicholls	5	6
Erik Scholz	5	5
Iain Milton Sibbald	5	6
Troy John Smith	6	6



# DIRECTORS' REPORT cont'd

## Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the company during the financial year under review.

## Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## Auditor's declaration of independence

The Auditor's Independence Declaration for 30 June 2016 has been received and can be found on page 23. This report is made in accordance with a resolution of the board of directors.

A handwritten signature in black ink, appearing to be 'A. Deery', written in a cursive style.

**Director**

Brisbane, 24 August 2016

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	NOTE	2016 (\$)	2015 (\$)
Revenue	2	884,104	854,720
Agency fee - MEAQ		(875,263)	(846,173)
<b>PROFIT BEFORE INCOME TAX</b>		8,841	8,547
Income tax expense	1.b	-	-
<b>PROFIT AFTER INCOME TAX</b>		8,841	8,547
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		8,841	8,547

The accompanying notes form part of these financial statements

Master Electricians Association Limited | ACN 163 222 642

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	NOTE	2016 (\$)	2015 (\$)
<b>CURRENT ASSETS</b>			
Prepayments		128,105	131,170
Loans to related parties	4	23,203	14,431
<b>TOTAL ASSETS</b>		151,308	145,601
<b>CURRENT LIABILITIES</b>			
Trade and other payables	3	129,469	132,603
<b>TOTAL LIABILITIES</b>		129,469	132,603
<b>NET ASSETS</b>		21,839	12,998
<b>EQUITY</b>			
Retained earnings		21,839	12,998
<b>TOTAL EQUITY</b>		21,839	12,998

The accompanying notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	RETAINED EARNINGS (\$)	TOTAL (\$)
<b>BALANCE AT 1 JULY 2014</b>	4,451	4,451
Total comprehensive income for the year	8,547	8,547
<b>BALANCE AT 30 JUNE 2015</b>	12,998	12,998
<b>BALANCE AT 1 JULY 2015</b>	12,998	12,998
Total comprehensive income for the year	8,841	8,841
<b>BALANCE AT 30 JUNE 2016</b>	21,839	21,839

The accompanying notes form part of these financial statements

**Master Electricians Association Limited** | ACN 163 222 642



# STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	NOTE	2016 (\$)	2015 (\$)
<b>CASH FROM OPERATING ACTIVITIES</b>			
Cash receipts from members		969,380	893,040
Cash paid to suppliers		(969,380)	(893,040)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	5	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		-	-

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

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## Note 1: Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) to the extent that they apply to not-for-profit entities and other authoritative pronouncements of the Australian Accounting Standard Board.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### a. REPORTING BASIS AND CONVENTIONS

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention and do not take into account changing money values or, except where specifically stated current valuations of non current assets.

The financial statements are presented in Australian dollars which is the company's functional and presentational currency.

New and or revised accounting standards issued between the previous financial year and the current reporting date and new accounting standards for application in future periods do not have a significant impact on the company.

### b. INCOME TAX

Member income is excluded under the principle of mutuality.

Non member income of the Company is assessable for income tax.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-allowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of differences arising between the tax bases of assets and liabilities and their carrying amounts in the general purpose financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit & loss and other comprehensive

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 1: Summary of significant accounting policies cont'd

income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be claimed.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### **c. REVENUE**

Membership income is recognised over the period to which the membership relates. All revenue is stated net of the amount of goods and services tax (GST).

### **d. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

### **e. UNEARNED INCOME**

Fees received in advance are deferred and matched against billings as services are performed.

### **f. TRADE PAYABLES**

Trade and other payables are stated at amortised cost, which approximates fair value due to the short term nature of these liabilities.

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

### **h. CHANGE IN ACCOUNTING POLICY**

The company has adopted all the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

### **i. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are either not applicable to the company's activities, or have no material impact on the company.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 1: Summary of significant accounting policies cont'd

### j. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

There were no significant estimates or judgements used by the Board in the preparation of these financial statements.

## Note 2: Revenue

	2016 (\$)	2015 (\$)
Revenue from membership fees	884,104	854,720
	884,104	854,720

## Note 3: Trade and other payables

Revenue received in advance	129,399	132,495
Other payables	70	108
	129,469	132,603

## Note 4: Loan to related party

<b>LOAN TO MASTER ELECTRICIANS ASSOCIATION QUEENSLAND</b>	23,203	14,431
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## Note 5: Cash flow information

Reconciliation of Cash Flow from Operations with profit after Income Tax

	2016 (\$)	2015 (\$)
<b>NET PROFIT AFTER INCOME TAX</b>	8,841	8,547
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	3,065	(37,069)
(Increase)/decrease in loans to related parties	(8,772)	(8,966)
Increase/(decrease) in payables	(3,134)	37,488
<b>NET CASH FLOW FROM OPERATIONS</b>	-	-

## Note 6: Auditor's remuneration

<b>AUDITING THE FINANCIAL STATEMENTS</b>	4,200	4,500
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## Note 7: Events after the end of the reporting period

There have been no significant events which have occurred subsequent to the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 8: Contingent liabilities and contingent assets

The company has provided an unlimited guarantee to the lenders of the parent entity (Master Electricians Association Queensland Industrial Organisation of Employers). The parent entity had a borrowing facility of \$6.05 million as at 30 June 2016 (2015 - \$6.12 million). No material liability is expected to arise from this guarantee.

## Note 9: Members guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each Accredited Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$2,140 (2015 - \$2,550).

## Note 10: Company details

The registered office and principal place of business of the Company is:

### **MASTER ELECTRICIANS ASSOCIATION LIMITED**

57 Berwick Street

Fortitude Valley, Queensland, 4006

# DIRECTOR'S DECLARATION

For the year ended 30 June 2016

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The directors of the company declare that:

1. The financial statements and notes set out on pages **38** to **45** are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors:



**Director**

Brisbane, 24 August 2016

The Directors  
Master Electricians Association Limited  
57 Berwick Street  
Fortitude Valley QLD 4006

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Master Electricians Association Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

  
**William Buck (Qld)**  
ABN 11 603 627 400

**J A Latif**  
A member of the Firm  
Brisbane, 24 August 2016

**CHARTERED ACCOUNTANTS  
& ADVISORS**  
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Brisbane QLD 4000  
GPO Box 563  
Brisbane QLD 4001  
Telephone: +61 7 3229 5100  
**williambuck.com**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER ELECTRICIANS ASSOCIATION LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Master Electricians Association Limited (the company), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives and true and fair view and is free from 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 conducted 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 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 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 and 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 directors, 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.

CHARTERED ACCOUNTANTS  
& ADVISORS

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER ELECTRICIANS ASSOCIATION LIMITED (CONTINUED)

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### *Auditor's Opinion*

In our opinion the financial report of Master Electricians Association Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

*William Buck*

**William Buck (Qld)**  
ABN 11 603 627 400



**J A Latif**  
A member of the Firm

Brisbane, 24 August 2016

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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Telephone: +61 7 3229 5100

**[williambuck.com](http://williambuck.com)**

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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Master Electricians Association Queensland Industrial Organisation  
of Employers

Incorporated under the Industrial Relations Act 1999 ABN 40 669 256 171

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# STATEMENTS OF PROFIT OR LOSS

For the year ended 30 June 2016

		CONSOLIDATED		PARENT	
	NOTE	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
Sales revenue	2	3,878,144	4,079,996	3,873,810	3,221,282
Cost of sales		(2,625,377)	(3,410,829)	(2,625,777)	(2,936,465)
<b>GROSS SURPLUS</b>		1,252,767	669,167	1,248,033	284,817
Other income	3	7,032,390	9,004,712	6,939,975	9,410,507
Employee costs		(5,352,001)	(5,955,606)	(5,352,001)	(5,954,741)
Depreciation and amortisation		(292,318)	(297,242)	(339,818)	(344,742)
Finance cost		(381,779)	(421,873)	(381,778)	(421,873)
Other expense		(2,565,656)	(2,875,407)	(2,561,385)	(2,845,014)
<b>OPERATING RESULT</b>		(306,597)	123,751	(446,974)	128,954
Impairment of loans to group companies		-	-	92,878	(52,705)
<b>(LOSS)/PROFIT BEFORE INCOME TAX</b>		(306,597)	123,751	(354,096)	76,249
<b>INCOME TAX</b>	11.a	-	-	-	-
<b>(LOSS)/PROFIT FOR THE YEAR AFTER INCOME TAX</b>		(306,597)	123,751	(354,096)	76,249

The accompanying notes form part of these financial statements

# STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
(Loss)/Profit for the year	(306,597)	123,751	(354,096)	76,249
Other comprehensive income	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	(306,597)	123,751	(354,096)	76,249

The accompanying notes form part of these financial statements

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		CONSOLIDATED		PARENT	
	NOTE	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,748,047	2,877,798	1,252,443	1,356,284
Trade and other receivables	6.a	997,543	1,120,071	997,539	876,058
TOTAL CURRENT ASSETS		2,745,590	3,997,869	2,249,982	2,232,342
NON-CURRENT ASSETS					
Property, plant, and equipment	7	7,844,916	8,078,507	7,844,916	8,078,507
Intangibles	8	151,674	139,168	959,174	994,168
Investments	14	-	-	1	1
Loans to group companies	6.b	-	-	495,607	1,673,824
TOTAL NON-CURRENT ASSETS		7,996,590	8,217,675	9,299,698	10,746,500
TOTAL ASSETS		10,742,180	12,215,544	11,549,680	12,978,842

The accompanying notes form part of these financial statements

# STATEMENT OF FINANCIAL POSITION cont'd

		CONSOLIDATED		PARENT	
	NOTE	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>LIABILITIES</b>					
CURRENT LIABILITIES					
Trade and other payables	9	2,104,001	2,909,262	2,104,001	2,817,561
Financial liabilities	10.a	5,678,882	298,721	5,678,882	298,721
Provision for employee entitlements		356,553	395,586	356,553	395,586
<b>TOTAL CURRENT LIABILITIES</b>		8,139,436	3,603,569	8,139,436	3,511,868
<b>NON-CURRENT LIABILITIES</b>					
Financial liabilities	10.b	12,440	5,734,824	12,440	5,734,824
Provision for employee entitlements		148,486	128,736	148,486	128,736
<b>TOTAL NON-CURRENT LIABILITIES</b>		160,926	5,863,560	160,926	5,863,560
<b>TOTAL LIABILITIES</b>		8,300,362	9,467,129	8,300,362	9,375,428
<b>NET ASSETS</b>		2,441,818	2,748,415	3,249,318	3,603,414
<b>EQUITY</b>					
Reserves		2,789,429	2,789,429	2,789,429	2,789,429
Retained earnings		(347,611)	(41,014)	459,889	813,985
<b>TOTAL EQUITY</b>		2,441,818	2,748,415	3,249,318	3,603,414

The accompanying notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	RETAINED EARNINGS (\$)	ASSET REVALUATION RESERVE (\$)	TOTAL (\$)
<b>PARENT</b>			
Balance at 1 July 2014	737,736	2,789,429	3,527,165
Profit for the year	76,249	-	76,249
Other comprehensive income	-	-	-
<b>BALANCE AT 30 JUNE 2015</b>	<b>813,985</b>	<b>2,789,429</b>	<b>3,603,414</b>
Balance at 1 July 2015	813,985	2,789,429	3,603,414
Loss for the year	(354,096)	-	(354,096)
Other comprehensive income	-	-	-
<b>BALANCE AT 30 JUNE 2016</b>	<b>459,889</b>	<b>2,789,429</b>	<b>3,249,318</b>
<b>CONSOLIDATED</b>			
Balance at 1 July 2014	(164,765)	2,789,429	2,624,664
Profit for the year	123,751	-	123,751
Other comprehensive income	-	-	-
<b>BALANCE AT 30 JUNE 2015</b>	<b>(41,014)</b>	<b>2,789,429</b>	<b>2,748,415</b>
Balance at 1 July 2015	(41,014)	2,789,429	2,748,415
Loss for the year	(306,597)	-	(306,597)
Other comprehensive income	-	-	-
<b>BALANCE AT 30 JUNE 2016</b>	<b>(347,611)</b>	<b>2,789,429</b>	<b>2,441,818</b>

The accompanying notes form part of these financial statements



# STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

		CONSOLIDATED		PARENT	
	NOTE	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>CASH FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers and members		11,407,686	14,181,110	12,430,438	13,795,651
Cash paid to suppliers and employees		(11,775,995)	(13,175,983)	(11,764,325)	(12,647,350)
		368,309	1,005,127	666,113	1,148,301
Interest received		29,106	47,801	20,593	14,536
Interest paid		(381,779)	(421,873)	(381,778)	(421,873)
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	12	(720,982)	631,055	304,928	740,964
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of furniture and equipment		-	427	-	427
Proceeds from disposal of motor vehicles		25,818	20,909	25,818	20,909
Purchase of furniture and equipment		(23,539)	(10,846)	(23,539)	(10,846)
Purchase of intangibles		(68,825)	(51,176)	(68,825)	(51,176)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		(66,546)	(40,686)	(66,546)	(40,686)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of borrowings		(342,223)	(513,183)	(342,223)	(513,183)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		(342,223)	(513,183)	(342,223)	(513,183)
Net (decrease)/increase in cash and cash equivalents		(1,129,751)	77,186	(103,841)	187,095
Cash and cash equivalents at the beginning of the year		2,877,798	2,800,612	1,356,284	1,169,189
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	5	1,748,047	2,877,798	1,252,443	1,356,284

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

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## Note 1: Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations to the extent that they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Industrial Relations Act 1999 of Queensland.

The financial statements cover Master Electricians Association Queensland Industrial Organisation of Employers as an individual entity (parent entity or the association) and Master Electricians Association Queensland Industrial Organisation of Employers and its controlled entities (consolidated entity). Master Electricians Association Queensland Industrial Organisation of Employers is an association incorporated in Queensland under the Industrial Relations Act 1999.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### a. REPORTING BASIS AND CONVENTIONS

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

The financial statements have also been prepared on a going concern basis. The consolidated entity is reliant on the continued support of its bankers. Current borrowing facilities mature on 31 December 2016. The ability of the consolidated entity to pay its debts as and when they fall due is dependant upon the borrowing facilities being renewed under the current terms and conditions. The council has no reason to believe the borrowing facilities will not be renewed.

### b. INCOME TAX

The Association is exempt from income tax in accordance with the provisions of Section 50 of the Income Tax Assessment Act 1997, accordingly no tax liability is recognised for the parent entity. The controlled entities are subject to income tax.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-allowable items.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

It is calculated using tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is credited in the statement of profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be claimed.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the controlled entities will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

## **c. REVENUE**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of membership services is recognised upon the delivery of the service to the members.

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

## **d. CASH AND CASH EQUIVALENTS**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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 financial liabilities in current liabilities in the consolidated statement of financial position.

## **e. UNEARNED INCOME**

Fees received in advance are deferred and matched against billings as services are performed.

Customer deposits consist of payments received in advance from customers, deposits on credit sales for undelivered services and membership fees and cash collections on sales of undelivered merchandise.

## **f. PROPERTY, PLANT, AND EQUIPMENT**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

## Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

## Depreciation

The depreciable amount of all fixed assets excluding capitalised leased assets, are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	
Buildings	2.5% prime cost
Furniture, fixtures, and fittings	7.5% to 33% prime cost
IT and office equipment	6.5% to 40% prime cost
Motor vehicles	20% prime cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## g. INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The amortisation rates used for each class of intangible assets are:

Computer software	25% to 33% prime cost
Brands and trademarks	5% prime cost

## h. EMPLOYEE BENEFITS

### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of the expected future payments to be made in respect of services

# NOTES TO THE FINANCIAL STATEMENTS cont'd

provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## i. PROVISIONS

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

## j. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

## k. LEASES

Leases are classified as finance or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a finance lease. At the inception of a finance lease, an asset and an obligation are recorded at an

amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under finance leases are amortised on a diminishing value basis over the term of the lease that is the estimated useful lives of the assets. All other leases are accounted for as operating leases wherein rental expenses are recognised on a straight line basis.

## l. TRADE PAYABLES

Trade and other payables are stated at amortised cost, which approximates fair value due to the short term nature of these liabilities.

## m. FAIR VALUE MEASUREMENT

All assets and liabilities of the association for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- \* Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- \* Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- \* Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the association's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the year.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## **n. GRANTS**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statements of financial position, with a corresponding amount of income recognised in the statement of profit or loss.

## **o. GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows.

## **p. IMPAIRMENT**

At the end of each reporting period, the consolidated entity reviews the carrying values of its tangible and intangible 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 statement of profit or loss.

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

## **q. PRINCIPLES OF CONSOLIDATION**

A controlled entity is an entity that the parent entity has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities are consistent with those policies applied by the parent entity.

## **r. CHANGE IN ACCOUNTING POLICY**

The consolidated entity has adopted all the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

## **s. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are either not applicable to the association activities, or have no material impact on the association.

## **t. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Council evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events that may have a financial impact on the entity and are based on current trends and economic data, obtained externally and within the Association.

There were no significant estimates or judgements used by the Council in the preparation of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 2: Sales revenue

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
Insurance commissions	463,345	505,817	463,345	505,817
Magazine sales	143,867	239,059	143,867	249,059
Training	1,135,780	1,307,759	1,135,780	1,307,759
Apprentice Connect	26,776	26,582	26,776	26,582
Events	58,844	13,891	58,844	13,891
Sundry	411,255	269,491	411,255	269,491
Project income	763,014	871,224	758,680	2,510
Agency fee - Master Electricians Association Limited	875,263	846,173	875,263	846,173
<b>TOTAL SALES REVENUE</b>	<b>3,878,144</b>	<b>4,079,996</b>	<b>3,873,810</b>	<b>3,221,282</b>



# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 3: Other income

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
Administration and management fees	-	-	-	807,706
Rental income	255,104	415,843	255,104	415,843
Grants received	443,833	708,415	359,931	339,769
Interest received	29,106	47,801	20,593	14,536
Sponsorship income	837,907	1,045,328	837,907	1,045,328
Revenue from membership fees	5,466,440	6,787,325	5,466,440	6,787,325
<b>TOTAL OTHER INCOME</b>	<b>3,878,144</b>	<b>4,079,996</b>	<b>3,873,810</b>	<b>3,221,282</b>

## Note 4: Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its controlled entities:

Audit of financial statements	37,700	44,319	37,700	44,319
Prior year under accrual	681	1,571	681	1,571
	<b>38,381</b>	<b>45,890</b>	<b>38,381</b>	<b>45,890</b>

## Note 5: Cash and cash equivalents

### CURRENT ASSETS

Cash on hand	350	773	349	773
Cash at bank	1,747,697	2,877,025	1,252,094	1,355,511
	<b>1,748,047</b>	<b>2,877,798</b>	<b>1,252,443</b>	<b>1,356,284</b>

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 6: Trade and other receivables

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>a. CURRENT</b>				
Trade receivables	425,085	746,876	425,085	719,999
Provision for impairment of receivables	(169,250)	(289,555)	(169,250)	(289,555)
	255,835	457,321	255,835	430,444
Prepayments	341,557	445,308	341,553	445,304
Other receivables	400,151	217,442	400,151	310
	997,543	1,120,071	997,539	876,058
<b>b. NON-CURRENT</b>				
Loans to group companies	-	-	1,041,814	2,312,910
Provision for impairment	-	-	(546,207)	(639,086)
	-	-	495,607	1,673,824

The loans to group companies are unsecured, interest free and have no fixed repayment terms.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 7: Property, plant, and equipment

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>LAND AND BUILDINGS</b>				
Freehold land at independent valuation (level 2)*	3,920,000	3,920,000	3,920,000	3,920,000
Total freehold land	3,920,000	3,920,000	3,920,000	3,920,000
Buildings at independent valuation (level 2)*	4,030,000	4,030,000	4,030,000	4,030,000
Less accumulated depreciation	(403,000)	(302,250)	(403,000)	(302,250)
Total buildings	3,627,000	3,727,750	3,627,000	3,727,750
<b>TOTAL LAND AND BUILDINGS</b>	<b>7,547,000</b>	<b>7,647,750</b>	<b>7,547,000</b>	<b>7,647,750</b>
<b>PLANT AND EQUIPMENT</b>				
Furniture, fixtures, and fittings at cost	499,531	493,192	499,531	493,192
Less accumulated depreciation	(292,425)	(240,142)	(292,425)	(240,142)
Total furniture, fixtures, and fittings	207,106	253,050	207,106	253,050
Computer equipment at cost	189,864	180,083	189,864	180,083
Less accumulated depreciation	(175,155)	(157,849)	(175,155)	(157,849)
Total computer equipment	14,709	22,234	14,709	22,234
Office equipment at cost	140,441	133,021	140,441	133,021
Less accumulated depreciation	(128,248)	(125,298)	(128,248)	(125,298)
Total office equipment	12,193	7,723	12,193	7,723
Motor vehicles at cost	247,708	332,062	247,708	332,062
Less accumulated depreciation	(183,800)	(184,312)	(183,800)	(184,312)
Total motor vehicles	63,908	147,750	63,908	147,750
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>297,916</b>	<b>430,757</b>	<b>297,916</b>	<b>430,757</b>
<b>TOTAL PROPERTY, PLANT, AND EQUIPMENT</b>	<b>7,844,916</b>	<b>8,078,507</b>	<b>7,844,916</b>	<b>8,078,507</b>

\*The freehold land and buildings were revalued on 30 June 2012 at market value by an independent valuer using level 2 fair value input, which is based on market observables.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 7: Property, plant, and equipment cont'd

### MOVEMENTS IN CARRYING AMOUNTS

	LAND (\$)	BUILDINGS (\$)	FURNITURE, FIXTURES, AND FITTINGS (\$)	COMPUTER EQUIP. (\$)	OFFICE EQUIP. (\$)	MOTOR VEHICLES (\$)	TOTAL (\$)
<b>PARENT: 2015</b>							
Balance at the beginning of year	3,920,000	3,828,500	307,741	50,011	18,238	246,129	8,370,619
Additions	-	-	4,611	6,236	-	-	10,847
Disposals	-	-	(7,365)	(2,008)	(4,248)	(26,808)	(40,429)
Depreciation expense	-	(100,750)	(51,937)	(32,005)	(6,267)	(71,571)	(262,530)
<b>CARRYING AMOUNT AT END OF YEAR</b>	3,920,000	3,727,750	253,050	22,234	7,723	147,750	8,078,507
<b>PARENT: 2016</b>							
Balance at the beginning of year	3,920,000	3,727,750	253,050	22,234	7,723	147,750	8,078,507
Additions	-	-	6,339	9,781	7,419	-	23,539
Disposals	-	-	-	-	-	(21,131)	(21,131)
Depreciation expense	-	(100,750)	(52,283)	(17,306)	(2,949)	(62,711)	(235,999)
<b>CARRYING AMOUNT AT END OF YEAR</b>	3,920,000	3,627,000	207,106	14,709	12,193	63,908	7,844,916
<b>CONSOLIDATED: 2015</b>							
Balance at the beginning of year	3,920,000	3,828,500	307,741	50,011	18,238	246,129	8,370,619
Additions	-	-	4,611	6,236	-	-	10,847
Disposals	-	-	(7,365)	(2,008)	(4,247)	(26,808)	(40,429)
Depreciation expense	-	(100,750)	(51,937)	(32,005)	(6,267)	(71,571)	(262,530)
<b>CARRYING AMOUNT AT END OF YEAR</b>	3,920,000	3,727,750	253,050	22,234	7,724	147,750	8,078,507
<b>CONSOLIDATED: 2016</b>							
Balance at the beginning of year	3,920,000	3,727,750	253,050	22,234	7,723	147,750	8,078,507
Additions	-	-	6,339	9,781	7,419	-	23,539
Disposals	-	-	-	-	-	(21,131)	(21,131)
Depreciation expense	-	(100,750)	(52,283)	(17,306)	(2,949)	(62,711)	(235,999)
<b>CARRYING AMOUNT AT END OF YEAR</b>	3,920,000	3,627,000	207,106	14,709	12,193	63,908	7,844,916

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 8: Intangibles

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
Computer software at cost	247,836	179,010	247,836	179,010
Less accumulated amortisation	(96,162)	(39,842)	(96,162)	(39,842)
Brands and trademarks	-	-	950,000	950,000
Less accumulated amortisation	-	-	(142,500)	(95,000)
<b>TOTAL INTANGIBLES</b>	<b>151,674</b>	<b>139,168</b>	<b>959,174</b>	<b>994,168</b>

### MOVEMENTS IN CARRYING AMOUNTS

Balance at the beginning of the year	139,168	123,281	994,168	1,025,781
Additions	68,825	51,176	68,825	51,176
Disposals	-	(577)	-	(577)
Depreciation expense (IT software)	(56,319)	(34,712)	(56,319)	(34,712)
Amortisation expense (brands and trademarks)	-	-	(47,500)	(47,500)
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>151,674</b>	<b>139,168</b>	<b>959,174</b>	<b>994,168</b>

## Note 9: Trade and other payables

Trade payables	194,274	411,406	194,274	411,406
Amounts received in advance	1,238,462	1,744,412	1,238,462	1,660,510
Other payables	671,265	753,444	671,265	745,645
	<b>2,104,001</b>	<b>2,909,262</b>	<b>2,104,001</b>	<b>2,817,561</b>

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 10: Financial liabilities

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>a. CURRENT</b>				
Secured liabilities				
Hire purchase	78,882	166,154	78,882	166,154
Commercial loan	-	73,234	-	73,234
Commercial bills	5,600,000	59,333	5,600,000	59,333
<b>TOTAL CURRENT FINANCIAL LIABILITIES</b>	<b>5,678,882</b>	<b>298,721</b>	<b>5,678,882</b>	<b>298,721</b>
<b>b. NON-CURRENT</b>				
Secured liabilities				
Hire purchase	12,440	134,824	12,440	134,824
Commercial bills	-	5,600,000	-	5,600,000
<b>TOTAL NON-CURRENT FINANCIAL LIABILITIES</b>	<b>12,440</b>	<b>5,734,824</b>	<b>12,440</b>	<b>5,734,824</b>

The commercial bills are secured by an unlimited guarantee by Master Electricians Australia Limited and Sneca Pty Ltd, a first registered mortgage over all land and buildings owned by the parent entity and a business mortgage over all assets located at 57 Berwick Street and a blocked cash deposit of \$20,728. Hire purchase loans are secured by the related plant and equipment included in Note 7.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 11: Taxes

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>a. RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE</b>				
(Loss)/Profit before income tax	(306,597)	123,751	(354,096)	76,249
Prima facie income tax expense at 30%	(91,979)	37,125	(106,229)	22,875
Non-assessable income	184,982	(52,937)	(106,229)	22,875
Tax losses not brought to account	-	15,812	-	-
Tax losses utilised	(93,003)	-	-	-
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b. TAX LOSSES</b>				
Tax losses available to the group but not recognised as deferred tax assets:				
Master Electricians Australia Ltd	545,829	855,840	-	-
ECA SafetyConnect Pty Ltd	-	-	-	-
ME Contractors Pty Ltd	-	-	-	-
	545,829	855,840	-	-
<b>TAX BENEFIT AT 30%</b>	<b>163,749</b>	<b>256,752</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 12: Cash flow information

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>a. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (LOSS)/PROFIT AFTER INCOME TAX</b>				
<b>NET (LOSS)/PROFIT FOR THE PERIOD</b>	(306,597)	123,751	(354,096)	76,249
<b>NON-CASH FLOW ITEMS</b>				
Depreciation and amortisation	292,318	297,242	339,818	344,742
Loss/(profit) on disposal of fixed assets	(4,687)	19,668	(4,687)	19,668
<b>CHANGES IN ASSETS AND LIABILITIES</b>				
(Increase)/decrease in receivables	122,528	(124,923)	(121,481)	(213,904)
(Increase)/decrease in loans to group companies	-	-	1,178,217	82,383
Increase/(decrease) in deferred tax liabilities	-	-	-	-
Increase/(decrease) in payables	(805,261)	270,703	(713,560)	387,212
Increase/(decrease) in provisions	(19,283)	44,614	(19,283)	44,614
<b>NET CASH FLOW FROM OPERATIONS</b>	(720,982)	631,055	304,928	740,964
<b>b. CREDIT STANDBY ARRANGEMENTS WITH BANKS</b>				
Credit facility	450,000	450,000	450,000	450,000
Amount utilised	(11,208)	(10,830)	(11,208)	(10,830)
	438,792	439,170	438,792	439,170
<b>c. LOAN FACILITIES</b>				
Credit facility	5,600,000	5,673,234	5,600,000	5,673,234
Amount utilised	(5,600,000)	(5,673,234)	(5,600,000)	(5,673,234)
	-	-	-	-



# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 13: Capital and leasing commitments

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>a. OPERATING LEASE COMMITMENTS</b>				
Non-cancellable operating leases contracted for but not capitalised in the financial statements are payable as follows:				
Lease - minimum lease payments				
- not later than 12 months	147,096	140,002	147,096	140,002
- between 12 months and 5 years	96,879	143,420	96,879	143,420
- greater than 5 years	-	-	-	-
	243,975	283,422	243,975	283,422
<b>b. HIRE PURCHASE LEASE COMMITMENTS</b>				
Non-cancellable hire purchase leases contracted for and capitalised in the financial statements are payable as follows:				
Lease - minimum lease payments				
- not later than 12 months	78,882	166,154	78,882	166,154
- between 12 months and 5 years	12,440	134,824	12,440	134,824
- reater than 5 years	-	-	-	-
<b>MINIMUM LEASE PAYMENTS</b>	91,322	300,978	91,322	300,978
<b>c. CAPITAL COMMITMENTS</b>				
Non-cancellable capital commitments contracted for but not capitalised in the financial statements are payable as follows:				
Capital - minimum capital commitments				
- not later than 12 months	-	50,000	-	50,000
- between 12 months and 5 years	-	-	-	-
- greater than 5 years	-	-	-	-
<b>MINIMUM CAPITAL COMMITMENTS</b>	-	50,000	-	50,000

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 14: Controlled entities

NAME	COUNTRY OF INCORPORATION	2016		2015	
		% OWNED	\$	% OWNED	\$
ME Contractors Pty Ltd***	Australia	100%	1	100%	1
Sneca Pty Ltd**	Australia	100%	-	100%	-
Master Electricians Australia Limited*	Australia	-	-	-	-
Energy Management Institute Limited*	Australia	-	-	-	-
Project Safety Switch Limited	Australia	-	-	-	-
			1		1

\* Controlled by virtue of common management and as a sole member of the company limited by guarantee.

\*\* Sneca Pty Ltd is a wholly owned entity of ME Contractors Pty Ltd

\*\*\* Controlled by being a sole shareholder of the company.

### a. BALANCES IN CONTROLLED ENTITIES

	TOTAL ASSETS		TOTAL LIABILITIES		TOTAL REVENUE		OPERATING RESULT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
ME Contractors Pty Ltd	1	1	-	-	-	-	-	-
Sneca Pty Ltd	1	1	-	-	-	-	-	-
Master Electricians Australia Limited	495,607	1,765,527	1,041,437	2,404,235	96,749	1,270,623	92,878	(52,704)
Energy Management Institute Limited	-	-	377	377	-	-	-	-
Project Safety Switch Limited	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 14: Controlled entities cont'd

### b. TRANSACTIONS AND BALANCES WITH CONTROLLED ENTITIES

	CONSOLIDATED		PARENT	
	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
Transaction with controlled entities:				
Administration and management fees				
Master Electricians Australia Limited	-	-	-	807,706
	-	-	-	807,706
Balances with controlled entities				
Master Electricians Australia Limited	-	-	1,041,437	2,312,533
Energy Management Institute Limited	-	-	377	377
	-	-	1,041,814	2,312,910

## Note 15: Events occurring after the reporting period

There have been no significant events which have occurred subsequent to the end of the reporting period.

## Note 16: Contingent liabilities and contingent assets

The members of council are not aware of any significant contingent liabilities at the date of this report.

## Note 17: Association details

The registered office of the Association is:

MASTER ELECTRICIANS ASSOCIATION QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS  
57 Berwick Street  
Fortitude Valley BC Queensland 4006

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 18: Financial instruments

### a. FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for operations.

#### Treasury risk management

The Management Committee meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### Financial risks

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

#### Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are 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 statement of financial position and notes to the financial statements.

The consolidated entity 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.

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 18: Financial instruments cont'd

### b. INTEREST RATE RISK

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		FLOATING INTEREST RATE		FIXED INTEREST RATE MATURING			
	2016 (%)	2015 (%)	2016 (\$)	2015 (\$)	WITHIN 1 YEAR		1-5 YEARS	
	2016 (%)	2015 (%)	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)	2016 (\$)	2015 (\$)
<b>CONSOLIDATED</b>								
<b>Financial assets</b>								
Cash on hand	0.0%	0.0%	350	773	-	-	-	-
Cash at bank	1.3%	1.9%	1,747,697	2,877,025	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>			1,748,047	2,877,798	-	-	-	-
<b>Financial liabilities</b>								
Hire purchase	8.4%	8.5%	-	-	78,882	166,154	12,440	134,824
Commercial bills	6.7%	6.7%	-	-	5,600,000	59,333	-	5,600,000
Commercial loan	-	8.6%	-	-	-	73,234	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>			-	-	5,678,882	298,721	12,440	5,734,824
<b>PARENT</b>								
<b>Financial assets</b>								
Cash on hand	0.0%	0.0%	349	773	-	-	-	-
Cash at bank	1.3%	2.4%	1,252,094	1,355,511	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>			1,252,443	1,356,284	-	-	-	-
<b>Financial liabilities</b>								
Hire purchase	8.4%	8.5%	-	-	78,882	166,154	12,440	134,824
Commercial bills	6.7%	6.7%	-	-	5,600,000	59,333	-	5,600,000
Commercial loan	-	8.6%	-	-	-	73,234	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>			-	-	5,678,882	298,721	12,440	5,734,824

# NOTES TO THE FINANCIAL STATEMENTS cont'd

## Note 18: Financial instruments cont'd

### c. NET FAIR VALUES

The carrying value of the Association's financial assets and liabilities approximate their fair values.

## Note 19: Remuneration to councillors

The following remuneration was paid to councillors:

	2016 (\$)	2015 (\$)
Chris Lehman	3,000	-
Tamantha Stanton	3,000	-
Vince Whelan	3,000	-
John Horan	2,000	-
Owen Blamires	3,000	-
Robert Pearson (resigned)	2,000	-
	16,000	-

# CERTIFICATE BY ACCOUNTING OFFICER OF UNION

---

I, Carol Caton CPA, hereby certify:

**i)** As the Chief Financial Officer, I am the person responsible for keeping the accounting and other records of the Master Electricians Association Queensland Industrial Organisation of Employers for the year ended 30 June 2016;

**ii)** The number of financial members at the end of the year was 1,583;

**iii)** The number of non-financial members at the end of the financial year was 97;

**iv)** In respect of the financial year, in my opinion:

**a)** the accounts show a true and fair view of the organisation's financial affairs at the end of the year;

**b)** a record was kept of all amounts paid by, or collected from, the organisation's members;


**c)** all amounts so paid or collected have been credited to a financial institution account to which the amounts must be credited under the organisation's rules;

**d)** each expenditure item by the organisation, was approved under the organisation's rules before it was incurred;

**e)** no payment was made for a special account of the organisation's other than the purpose for which the fund was operated and, all payments were approved in accordance with the rules of the organisation;

**f)** no loans or other financial benefits were granted to persons holding office/or employees of the organisation; and

**g)** the register of members of the Industrial Organisation is maintained in accordance with the Industrial Relations Act 1999.

  
.....  
Chief Financial Officer

Dated this **24** day of August 2016.  
Fortitude Valley, Brisbane Queensland.

# CERTIFICATE BY TREASURER


---

I, Tamartha Stanton, being the Treasurer of the Master Electricians Association Queensland Industrial Organisation of Employers, state that in my opinion:

- i) The attached Statement of Profit or Loss, Statement of Comprehensive Income shows a true and fair view of the transactions of the Association for the financial period ended 30 June 2016 and the attached Statement of Financial Position gives a true and fair view of the financial position of the Association as at that date;
- ii) A record has been kept of all monies paid by, or collected from members of the Association, and all monies so paid or collected have been credited to the Bank Account to which those monies are to be credited, in accordance with the rules of the Association;
- iii) Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- iv) No loans or other financial benefits have been granted to persons holding office in the Association; and:

v) (v) the register of members of the Industrial Organisation is maintained in accordance with the Industrial Relations Act 1999.

Members are advised that in accordance with section 556 of the Industrial Relations Act 1999, members may apply for additional information as prescribed by Regulation 46 and 47 of the Industrial Relations Regulations.

  
.....  
Treasurer

Dated this 24<sup>th</sup> day of August 2016.

Fortitude Valley, Brisbane Queensland.



# CERTIFICATE BY MEMBERS OF COUNCIL

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In accordance with a resolution of the Council of the Master Electricians Association, Queensland Industrial Organisation of Employers, we state that:

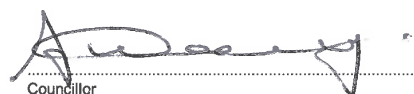
In the opinion of the Council:

- i) The attached accounts give a true and fair view of the financial affairs of the Industrial Organisation as at 30 June 2016;
- ii) The attached accounts were prepared in accordance with the Industrial Relations Act 1999;
- iii) The organisation was solvent during the whole period;
- iv) During the period, meetings of the Council were held in accordance with the rules of the Industrial Organisation;
- v) During the period, there have been no instances where any of the Organisation's records or rules, or copies of them, have not been given to the Organisations Members under the Industrial Relations Act 1999, Regulations or Rules, or made available in accordance with the Act; and

vi) the audit report and relevant accounts for the financial period ended 30 June 2015 have been:

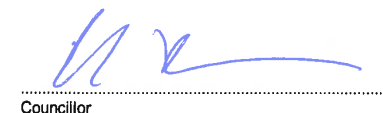
- a) Presented to a Council's meeting on 18th August 2015 under section 565 of the Industrial Relations Act 1999
- b) Given to its members under section 566 of the Industrial Relations Act 1999

On behalf of the Council.



Councillor

Dated this 24 day of August 2016.  
Fortitude Valley, Brisbane Queensland.




Councillor

# CERTIFICATE BY PRESIDENT

Industrial Relations Act 1999, Section 570

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I, Anthony Arnold, being the President of the Master Electricians Association, Queensland Industrial Organisation of Employers, hereby certify that the documents lodged herewith are copies of the documents presented to and endorsed by the management Council of Master Electricians Association, Queensland Industrial Organisation of Employers on 24th August 2016, and that a copy will be provided to the members in accordance with the provisions of the Act.

  
.....  
President

Dated this 24<sup>th</sup> day of August 2016.

Fortitude Valley, Brisbane Queensland.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER ELECTRICIANS ASSOCIATION QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS AND CONTROLLED ENTITIES

### Report on the Financial Report

We have audited the accompanying financial report of Master Electricians Association Queensland Industrial Organisation of Employers (the Association), which comprises the statement of financial position as at 30 June 2016, the statements of profit or loss, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Accounting Officer, President, Treasurer and Council of the Association and the consolidated entity comprising the Association and the entities it controlled at the year's end or from time to time during the financial year.

### *Council's Responsibility for the Financial Report*

The Council's responsibility for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Industrial Relations Act 1999 and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from 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 conducted 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 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 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 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 council, 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.

CHARTERED ACCOUNTANTS  
& ADVISORS

Level 21, 307 Queen Street  
Brisbane QLD 4000  
GPO Box 563  
Brisbane QLD 4001  
Telephone: +61 7 3229 5100  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER ELECTRICIANS ASSOCIATION QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS AND CONTROLLED ENTITIES (CONT)

### *Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### *Auditor's Opinion*

In our opinion:

- a) Satisfactory accounting records have been kept by the Association including:
  - i. records of sources and nature of the income of the Association (including income from membership subscriptions and other income from members); and
  - ii. records of the nature and purpose of the expenditure of the Association;
- b) The accounts and statements required to be prepared under the Industrial Relations Act 1999 have been properly drawn up so as to give a true and fair view of:
  - i. the financial affairs of the Association and consolidated entity as at 30 June 2016; and
  - ii. the income and expenditure and any surplus or deficit of the Association and consolidated entity for the year;
- c) The accounts have been prepared in accordance with applicable Australian Accounting Standards and the Industrial Relations Act 1999;
- d) The financial disclosure statement and mid-year financial disclosure statement for the year were prepared in accordance with the Industrial Relations Act 1999;
- e) The organisation has the policies it is required to have under section 553(A)(1) of the Industrial Relations Act 1999; and
- f) Information and explanations required from the Association's officers or employees were given.

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASTER ELECTRICIANS ASSOCIATION QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS AND CONTROLLED ENTITIES (CONT)

### *Emphasis of Matter Regarding Going Concern*

Without qualifying our opinion, attention is drawn to Note 1(a) to the financial statements which indicates that the consolidated entity's borrowing facilities mature on 31 December 2016. The ability of the consolidated entity to continue as a going concern is dependent upon the renewal of the borrowing facilities.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of the Association for the year ended 30 June 2016 included on the Association's web site. The Council's responsible for the integrity of the Association's web site. We have not been engaged to report on the integrity of the Association's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.



**William Buck (Qld)**  
ABN 11 603 627 400



**J A Latif**  
A member of the Firm

Brisbane, 24 August 2016

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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