



FOR THE YEAR ENDED 30 June 2017

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



Welcome

My second year as President has been extremely busy, focusing on efficiency, effective governance and consolidation.

Over the past year, I have closely worked with the MEA Board and Council to develop an all-encompassing strategic plan to drive Master Electricians into the future. This plan is the most comprehensive developed to date, and I am confident that it addresses key elements to drive success for our members, the industry and our organisation over the next five years.

I have worked closely with both the MEA Board and Council to assess and enhance the governance capability of both groups. This process has required a significant investment of time and input by the Board and Council, resulting in an aligned focus and greater cohesion.

For the second year running we are pleased to report a moderate increase in membership. This is largely due to improved retention and consistent recruitment. Our membership retention activity has focused on enhancing the member journey, to cultivate member participation and optimise member benefits.

We have also undertaken major changes to the way that we communicate with members, to clearly demonstrate that we are the only National organisation representing electrical contractors in Australia. Additionally, we have worked hard to streamline communication so that it's more member focused and succinct.

After undertaking rigorous due diligence, we terminated our contract with Careers Australia prior to them entering Voluntary Administration. While we had heard rumors, it was only after we were able to verify their inability to deliver under our contract that we had due cause to cancel our contract without any financial penalty. This measure was not taken lightly as we were acutely conscious of the impact that it would have on members.

After announcing that the contract was terminated and subsequently learning that Careers Australia had gone into Voluntary Administration, we worked with the Queensland State government, Electrogrouop and the Electrical Trades Union to streamline transitional arrangements, to ensure that all apprentices and students would be transitioned as soon as possible. I am now pleased to say that we are well progressed in rebuilding MEA's national training agenda, with solid relationships in place across Australia.

I would like to thank the MEA Board, Council and staff for the ongoing strategic leadership and guidance in continuing to position Master Electricians as the leading association for electrical contractors. Lastly, I would like to thank all members for their continued membership and support; it is your collective voice that underpins our advocacy on behalf of electrical contractors.

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

TONY ARNOLD

President

CEO'S REPORT



Welcome

As the CEO of Master Electricians for eleven years I have seen many changes, yet 2016/17 stands out as a year of unprecedented change across the spectrum - strategy, advocacy, membership and operations.

We have worked tirelessly over the last year in the advocacy space, as we continue to focus on representing members at state and national level in government forums, industry groups, enterprise bargaining and commission hearings, as well as on Industry and Standards Committees.

Master Electricians has been an active participant in the development of the new edition of 'The Wiring Rules' - AS/NZS 3000, with a focus on the extension of safety switch requirements. With the new Wiring Rules providing the biggest changes our industry has seen in over nine years, MEA takes credit for the Safety Switches and our contribution will now see the rules incorporate a provision requiring RCD on all final sub circuits up to 32 amps (domestic, residential and commercial, industrial). This is a long-awaited inclusion and follows years of advocacy by Master Electricians for expanded safety switch requirements Australia-wide.

We were pleased that the final passage of the bill reinstating the Australian Building and Construction Commission (ABCC) was passed on 30 November last year. This followed four years of strenuous advocacy efforts by Master Electricians.

In Western Australia we have seen considerable success in The Department of Finance Building Management and Works (BMW) with the establishment of a dedicated trust account - Project Bank Accounts (PBAs) - to facilitate payments to subcontractors on projects valued over \$1.5 million. This is a welcome step in improving security of payment for sub-contractors, and we are now advocating to extend this to the private sector.

We are also working across other states, including Queensland and NSW, to implement similar schemes, which are supported by improvements to other legislation around enforcement, financial declarations, insurance and payments.

Master Electricians has been dedicated to seeing the return of the Building Regulator since the introduction of the Bill in 2012, writing innumerable letters and submissions to Senators, MPs and media outlets, securing the support of key Senate Cross benchers.

We have been working closely with the Department of Justice in Tasmania since the introduction of mandatory CPD in 2015, with a view to raising the standards and safety of the industry. In negotiating with the Department, our primary aim has been to ensure that the CPD program is achievable for our members and contractors, particularly in the first 3 years as they become accustomed to the program.

Master Electricians has been an active participant on the Victorian Service Installation Rules Committee (VSIR), with our key focus to ensure that EWR's are user friendly for contractors. This has been in response to the overwhelming member feedback received on the problems with EWRs.

We welcomed the passing of new smoke alarm legislation in the Queensland Parliament, which requires every Queensland residence to be fitted with photoelectric, interconnected smoke alarms in all bedrooms, as well as hallways of residences, over a 10-year period.

We were extremely disappointed at that the federal government axed the Industry Skills Fund (ISF) in December 2016, seeing this as a real kick in the teeth to the electrical industry.

From an internal perspective, we undertook a critical review of MEA's structure to transition to a more nationally based servicing model. The impetus behind this was to improve efficiency and optimise the use of member funds. This saw a rationalisation of staff and a migration to centralise core activities, whilst still ensuring we have staff on the ground in each state to service members at the local level.



MALCOLM RICHARDS
CEO

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Master Electricians Association Limited
ACN 163 222 642

DIRECTORS' REPORT

For the year ended 30 June 2017

The directors present their report on the company for the financial year ended 30 June 2017.

Directors

The names of the directors in office at any time during or since the end of the year are:

Anthony Arnold	Erik Scholz	
James Johnson	Greg Allan	
Joshua Nicholls	Rowan Diamond	(Appointed 26/08/2016)
Troy Smith	Iain Sibbald	(Resigned 25/08/2016)
Richard Flanagan	Stephen Downey	(Resigned 07/03/2017; Reappointed 29/05/2017)

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

Principal activities

The principal activity of the company during the financial year was the provision of membership services. No significant change in the nature of these activities occurred during the year.

Operating Results

The directors have reviewed the operations for the year ended 30 June 2017 and report that the operations have been consistent with the 2017 operating budget.

The result from operations was a profit after tax for the year ended 30 June 2017 of \$7,090 (2016: profit after tax of \$8,841).

No significant changes in the company's state of affairs occurred during the financial year.

DIRECTORS' REPORT CONT'D

Dividends Paid or Recommended

No dividends have been paid or declared since the start of the financial year

Significant Changes in State of Affairs

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

Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Gregory **Allen**

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

Anthony **Arnold**

- Licensed electrical contractor
- Self employed; MEAQ President; Director/Chair Master Electricians Australia Limited

Stephen **Downey**

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

Richard **Flanagan**

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

James **Johnson**

- MB Marketing; Harvard BS - Global Strategic Management
- Director Master Electricians Australia Limited

DIRECTORS' REPORT CONT'D

Information on Directors Cont'd

Joshua Nicholls

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

Rowan Diamond

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

Iain Sibbald

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

Troy Smith

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

Company Secretary

Malcolm Richards

- Electrician, Dip Front Line Management, Dip Engineering, Masters Business Administration.
- Appointed CEO MEAQ 2007. Extensive industry experience supported by qualifications.

Key Management Personnel

Remuneration Policy

The Company's policy for determining the nature and amount of remuneration of key management is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

DIRECTOR	MEETINGS ATTENDED	MEETINGS WHILE DIRECTOR
Anthony Arnold	6	6
James Johnson	4	3
Joshua Nicholls	4	4
Troy Smith	6	6
Richard Flanagan	4	4
Erik Scholz	4	4
Greg Allan	4	4
Rowan Diamond	5	5
Stephen Downey	4	3
Iain Sibbald	1	1

DIRECTORS' REPORT CONT'D

Likely Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officers or Auditor

The company has agreements with each of the directors and officers of the company in office at the date of this report indemnifying them against liabilities to any person other than the company that may arise from their acting as directors or officers of the company. The indemnity applies, notwithstanding that they may have ceased to hold office, other than where such liabilities arise out of conduct involving a wilful breach of duty, the improper use by the directors or officers of their position or of information to gain an advantage for themselves or someone else or to cause detriment to the company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability, as such disclosures are prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an

Matters Subsequent to the End of the Financial Year

There have been no matters or circumstances since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors of Master Electricians Association Limited.



Anthony Arnold
Director

Signed at Brisbane 23 August 2017

Auditor's Independence Declaration

As auditor of Master Electricians Association Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor 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.

This declaration is in respect of Master Electricians Association Limited.



Crowe Horwath Brisbane



Cameron Henry
Partner

Signed at Brisbane, 23 August 2017

Crowe Horwath Brisbane is a member of Crowe Horwath International, a Swiss entity. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	NOTE	2017 (\$)	2016 (\$)
Revenue	2	709,025	884,104
Agency fee - MEAQ		(701,935)	(875,263)
PROFIT BEFORE INCOME TAX		7,090	8,841
Income tax expense		-	-
PROFIT AFTER INCOME TAX		7,090	8,841
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,090	8,841

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 2017

	NOTE	2017 (\$)	2016 (\$)
CURRENT ASSETS			
Prepayments	3	169,108	128,105
Loans to related parties	3	30,736	23,203
TOTAL ASSETS		199,844	151,308
CURRENT LIABILITIES			
Trade and other payables	4	170,915	129,469
TOTAL LIABILITIES		170,915	129,469
NET ASSETS		28,929	21,839
EQUITY			
Retained earnings		28,929	21,839
TOTAL EQUITY			
		28,929	21,839

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	RETAINED EARNINGS (\$)	TOTAL (\$)
BALANCE AT 1 JULY 2015	12,998	4,451
Total comprehensive income for the year	8,841	8,841
BALANCE AT 30 JUNE 2016	21,839	21,839
BALANCE AT 1 JULY 2016	21,839	21,839
Total comprehensive income for the year	7,090	7,090
BALANCE AT 30 JUNE 2017	7,090	7,090

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 2017

	NOTE	2017 (\$)	2016 (\$)
CASH FROM OPERATING ACTIVITIES			
Cash receipts from members		750,471	969,380
Cash paid to suppliers		(750,471)	(969,380)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH USED IN INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		-	-

The Accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies

REPORTING COMPANY

Master Electricians Association Limited (“the company”) is an unlisted public company limited by guarantee incorporated and domiciled in Australia. The financial report covers Master Electricians Association Limited as an individual company. The company is primarily involved in the mutual protection and advancement of the members of the Association so as to enable the public and community in general to be best served by the industry. The financial report was authorised for issue by the board of directors on .

BASIS OF PREPERATION

Statement of Compliance

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

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

LOAN TO MASTER ELECTRICIANS ASSOCIATION QUEENSLAND	23,203	14,431
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Note 5: Cash flow information

Reconciliation of Cash Flow from Operations with profit after Income Tax

	2017 (\$)	2016 (\$)
NET PROFIT AFTER INCOME TAX	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
NET CASH FLOW FROM OPERATIONS	-	-

Note 6: Auditor's remuneration

AUDITING THE FINANCIAL STATEMENTS	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 2017 (2016 - \$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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$2,140 (2016 - \$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 REPORT

For the year ended 30 June 2017

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$2,140 (2016 - \$2,550).

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 INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for 30 June 2017 has been received and can be found on page **13**.

This report is made in accordance with a resolution of the board of directors.



Director

Brisbane, 24 August 2017

DIRECTOR'S DECLARATION

For the year ended 30 June 2017

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 2017 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 2017

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Master Electricians Association Queensland

Industrial Organisation of Employers

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

STATEMENTS OF PROFIT OR LOSS

For the year ended 30 June 2017

		CONSOLIDATED		PARENT	
	NOTE	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Sales revenue	2	2,923,468	3,878,144	2,923,468	3,873,810
Cost of sales		(1,339,379)	(2,625,377)	(1,339,379)	(2,625,777)
GROSS SURPLUS		1,584,089	1,252,767	1,584,089	1,248,033
Other income	3	5,404,647	7,032,390	5,401,255	6,939,975
Employee costs		(4,840,874)	(5,352,001)	(4,840,874)	(5,352,001)
Depreciation and amortisation		(289,845)	(292,318)	(337,345)	(339,818)
Finance cost		(288,369)	(381,779)	(288,369)	(381,778)
Other expense		(2,182,793)	(2,565,656)	(2,182,061)	(2,561,385)
OPERATING RESULT		(613,145)	(306,597)	(663,305)	(446,974)
Impairment of loans to group companies		-	-	2,660	92,878
(LOSS)/PROFIT BEFORE INCOME TAX		(613,145)	(306,597)	(660,645)	(354,096)
INCOME TAX		472,824		472,824	
(LOSS)/PROFIT FOR THE YEAR AFTER INCOME TAX		(140,321)	(306,597)	(187,821)	(354,096)

The Accompanying notes form part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
(Loss)/Profit for the year	(140,321)	(306,597)	(187,821)	(354,096)
Other comprehensive income	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(140,321)	(306,597)	(187,821)	(354,096)

The Accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		CONSOLIDATED		PARENT	
	NOTE	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,170,268	1,748,047	1,150,863	1,252,443
Other financial assets	5	23,682	-	23,682	-
Trade and other receivables	6.a	962,842	997,543	962,838	997,539
TOTAL CURRENT ASSETS		2,156,792	2,745,590	2,137,383	2,249,982
NON-CURRENT ASSETS					
Property, plant and equipment	7	8,657,778	7,844,916	8,657,778	7,844,916
Intangibles	8	82,313	151,674	842,313	959,174
Investments	13	-	-	1	1
Loans to group companies	6.b	-	-	19,407	495,607
Total non-current assets		8,740,091	7,996,590	9,519,499	9,299,698
TOTAL ASSETS		10,896,883	10,742,180	11,656,883	11,549,680

The Accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION CONT'D

		CONSOLIDATED		PARENT	
	NOTE	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	2,061,734	2,104,001	2,061,734	2,104,001
Financial liabilities	10.a	5,611,894	5,678,882	5,611,894	5,678,882
Provision for employee entitlements		342,537	356,553	342,537	356,553
TOTAL CURRENT LIABILITIES		8,016,166	8,139,436	8,016,166	8,139,436
NON-CURRENT LIABILITIES					
Financial liabilities	10.b	-	12,440	-	12,440
Provision for employee entitlements		59,699	148,486	59,699	148,486
TOTAL NON-CURRENT LIABILITIES		59,699	160,926	59,699	160,926
TOTAL LIABILITIES		8,075,865	8,300,362	8,075,865	8,300,362
NET ASSETS		2,821,018	2,441,818	3,581,018	3,249,318
EQUITY					
Reserves		3,308,949	2,789,429	3,308,950	2,789,429
Retained earnings		(487,930)	(347,611)	272,068	459,889
TOTAL EQUITY		2,821,018	2,441,818	3,581,018	3,249,318

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	RETAINED EARNINGS (\$)	ASSET REVALUATION RESERVE (\$)	TOTAL (\$)
PARENT			
Balance at 1 July 2015	813,985	2,789,429	3,603,414
Profit for the year	(354,096)	-	(354,096)
Other comprehensive income	-	-	-
BALANCE AT 30 JUNE 2016	459,889	2,789,429	3,249,318
Balance at 1 July 2016	459,889	2,789,429	3,249,318
Loss for the year	(187,821)	-	(187,821)
Revaluation of land	-	519,521	519,521
BALANCE AT 30 JUNE 2017	272,068	3,308,950	3,581,018
CONSOLIDATED			
Balance at 1 July 2015	(41,014)	2,789,429	2,748,415
Profit for the year	(306,597)	-	(306,597)
Other comprehensive income	-	-	-
BALANCE AT 30 JUNE 2016	(347,611)	2,789,429	2,441,818
Balance at 1 July 2016	(347,611)	2,789,429	2,441,818
Loss for the year	(140,321)	-	(140,321)
Revaluation of land	-	519,520	519,520
BALANCE AT 30 JUNE 2017	(487,930)	3,308,949	2,821,018

The Accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

		CONSOLIDATED		PARENT	
	NOTE	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
CASH FROM OPERATING ACTIVITIES					
Cash receipts from customers and members		8,612,858	11,407,686	9,091,717	12,430,438
Cash paid to suppliers and employees		(8,767,514)	(11,775,995)	(8,766,782)	(11,764,325)
Net Cash Before Interest		(154,656)	(368,309)	324,936	666,113
Interest received		9,357	29,106	5,965	20,593
Interest paid		(288,369)	(381,779)	(288,369)	(381,778)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	11	(433,669)	(720,982)	42,531	304,928
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of furniture and equipment		-	-	-	-
Proceeds from disposal of motor vehicles		-	25,818	-	25,818
Purchase of furniture and equipment		(41,000)	(23,539)	(41,000)	(23,539)
Purchase of intangibles		-	(68,825)	-	(68,825)
Payment for term deposit investments		(23,682)		(23,682)	
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(64,682)	(66,546)	(64,682)	(66,546)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(79,428)	(342,223)	(79,428)	(342,223)
NET CASH USED IN FINANCING ACTIVITIES		(79,428)	(342,223)	(79,428)	(342,223)
Net (decrease)/increase in cash and cash equivalents		(577,779)	(1,129,751)	(101,580)	(103,841)
Cash and cash equivalents at the beginning of the year		1,748,047	2,877,798	1,252,443	1,356,284
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		1,170,268	1,748,047	1,150,863	1,252,443

The Accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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 - Reduced Disclosure Requirements, 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 financing arrangements mature on 31 December 2018. The ability of the consolidated entity to pay its debts as and when they fall due is dependant on adherence to the terms and conditions of the finance facility.

The bank loan amounting to \$5,600,000 has been classified as a current liability in the Statement of Financial Position. Whilst the bank loan matures in December 2018, as at balance date, the Association did not have an unconditional right to defer payment of this liability beyond 12 months as a result of a technical breach of one of its covenants. Subsequent to year-end, the Association intends to seek

NOTES TO THE FINANCIAL STATEMENTS CONT'D

a waiver from its bankers in this respect. Notwithstanding the current classification, and consistent with its previous dealings with its bankers, the directors do not expect the bank will demand repayment of the loan prior to its maturity date.

The consolidated entity has current year loss of \$140,321 and accumulated losses amounting to \$487,930, with net current liability position of \$5,859,374 and net operating cash outflow of \$433,669 as of 30 June 2017.

Notwithstanding these, the consolidated entity is a going concern because the net current liability position is due to current classification of \$5,600,00 long-term to short-term for reporting purposes. Moreover, \$1,427,366 of net current liability is the total amount received in advance from customers which will not result in an actual cash outflow.

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. 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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 expenses 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.

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	2.50%
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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

if appropriate, at the end of each reporting period.

g. 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 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.

h. 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.

i. 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.

j. 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.

k. TRADE PAYABLES

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

l. FAIR VALUE MEASUREMENT

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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.

m. 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.

n. 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.

o. 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.

p. PRINCIPLES OF CONSOLIDATION

A controlled entity is an entity that the parent entity has the power to

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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.

q. 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.

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

r. 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.

s. CRITICAL ACCOUNTING ESTIMATES AND

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	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Insurance commissions	501,432	463,345	501,432	463,345
Magazine sales	30,715	143,867	30,715	143,867
Training	726,532	1,135,780	726,532	1,135,780
Apprentice Connect	7,861	26,776	7,861	26,776
Events	30,305	58,844	30,305	58,844
Sundry	448,803	411,255	448,803	411,255
Project income	475,885	763,014	475,885	758,680
Agency fee - Master Electricians Association Limited	701,935	875,263	701,935	875,263
TOTAL SALES REVENUE	2,923,468	3,878,144	2,923,468	3,873,810

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 3: Other income

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Rental income	231,276	255,104	231,276	255,104
Grants received	312,028	443,833	312,028	359,931
Interest received	9,357	29,106	5,965	20,593
Sponsorship income	817,291	837,907	817,291	837,907
Revenue from membership fees	4,034,695	5,466,440	4,034,695	5,466,440
TOTAL OTHER INCOME	5,404,647	7,032,390	5,401,255	6,939,975

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	37,700	37,700	37,700
Prior year audit under accrual	223	681	223	681
	37,923	38,381	37,923	38,381

Note 5: Cash and cash equivalents

CURRENT ASSETS				
Cash on hand	248	350	248	349
Cash at bank	1,170,020	1,747,697	1,150,615	1,252,094
	1,170,268	1,748,047	1,150,863	1,252,443
Other Financial Assets	23,682	-	23,682	349
	23,682	-	23,682	

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 6: Trade and other receivables

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
a. CURRENT				
Trade receivables	564,874	425,085	564,874	425,085
Provision for impairment of receivables	(154,473)	(169,250)	(154,473)	(169,250)
	410,400	255,835	410,400	255,835
Prepayments	412,051	341,557	412,048	341,553
Other receivables	140,390	400,151	140,390	400,151
	962,842	997,543	962,838	997,539
b. NON-CURRENT				
Loans to group companies	-	-	562,955	1,041,814
Provision for impairment	-	-	(543,548)	(546,207)
	-	-	19,407	495,607

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	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
LAND AND BUILDINGS				
Freehold land at independent valuation (level 2)*	4,439,521	3,920,000	4,439,521	3,920,000
Total freehold land	4,439,521	3,920,000	4,439,521	3,920,000
Buildings at independent valuation (level 2)*	4,040,479	4,030,000	4,040,479	4,030,000
Less accumulated depreciation	(41,666)	(403,000)	(41,666)	(403,000)
Total buildings	3,998,813	3,627,000	3,998,813	3,627,000
TOTAL LAND AND BUILDINGS	8,438,334	7,547,000	8,438,334	7,547,000
PLANT AND EQUIPMENT				
Furniture, fixtures, and fittings at cost	501,439	499,531	501,439	499,531
Less accumulated depreciation	(342,531)	(292,425)	(342,531)	(292,425)
Total furniture, fixtures, and fittings	158,908	207,106	158,908	207,106
Computer equipment at cost	228,956	189,864	228,956	189,864
Less accumulated depreciation	(196,061)	(175,155)	(196,061)	(175,155)
Total computer equipment	32,895	14,709	32,895	14,709
Office equipment at cost	140,441	140,441	140,441	140,441
Less accumulated depreciation	(132,540)	(128,248)	(132,540)	(128,248)
Total office equipment	7,901	12,193	7,901	12,193
Motor vehicles at cost	247,708	247,708	247,708	247,708
Less accumulated depreciation	(227,967)	(183,800)	(227,967)	(183,800)
Total motor vehicles	19,741	63,908	19,741	63,908
TOTAL PLANT AND EQUIPMENT	219,445	297,916	219,445	297,916
TOTAL PROPERTY, PLANT, AND EQUIPMENT	8,657,778	7,844,916	8,657,778	7,844,916

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

MOVEMENTS IN CARRYING AMOUNTS

PARENT / CONSOLIDATED: 2016	LAND (\$)	BUILDINGS (\$)	FURNITURE, FIXTURES, AND FITTINGS (\$)	COMPUTER EQUIP. (\$)	OFFICE EQUIP. (\$)	MOTOR VEHICLES (\$)	TOTAL (\$)
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)
Revaluation	-	-	-	-	-	-	-
CARRYING AMOUNT AT END OF YEAR	3,920,000	3,627,000	207,106	14,709	12,193	63,908	7,844,916
PARENT / CONSOLIDATED : 2017							
Balance at the beginning of year	3,920,000	3,627,000	207,106	14,709	12,193	63,908	7,844,916
Additions			1,908	39,093			41,001
Disposals							-
Depreciation expense		(101,012)	(50,106)	(20,906)	(4,292)	(44,168)	(220,484)
Adjustment to Accumulated depreciation due to Revaluation		462,346					462,346
Revaluation	519,520	10,479	-	-	-	-	529,999
CARRYING AMOUNT AT END OF YEAR	4,439,520	3,998,813	158,908	32,896	7,901	19,740	8,657,778

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 8: Intangibles

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Computer software at cost	247,835	247,836	247,835	247,836
Less accumulated amortisation	(165,522)	(96,162)	(165,522)	(96,162)
Brands and trademarks	-	-	950,000	950,000
Less accumulated amortisation	-	-	(190,000)	(142,500)
TOTAL INTANGIBLES	82,313	151,674	842,313	959,174

MOVEMENTS IN CARRYING AMOUNTS

Balance at the beginning of the year	151,674	139,168	959,174	994,168
Additions	-	68,825	-	68,825
Disposals	-	-	-	-
Depreciation expense (IT software)	(69,361)	(56,319)	(69,361)	(56,319)
Amortisation expense (brands and trademarks)	-	-	(47,500)	(47,500)
Revaluation loss	-	-	-	-
CARRYING AMOUNT AT END OF YEAR	82,313	151,674	842,313	959,174

Note 9: Trade and other payables

Trade payables	130,161	194,274	130,161	194,274
Amounts received in advance	1,427,366	1,238,462	1,427,366	1,238,462
Other payables	504,208	671,265	504,208	671,265
	2,061,734	2,104,001	2,061,734	2,104,001

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 10: Financial liabilities

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
a. CURRENT				
Secured liabilities				
Hire purchase	11,894	78,882	11,894	78,882
Commercial loan	5,600,000	-	5,600,000	-
Commercial bills	-	5,600,000	-	5,600,000
TOTAL CURRENT FINANCIAL LIABILITIES	5,611,894	5,678,882	5,611,894	5,678,882
b. NON-CURRENT				
Secured liabilities				
Hire purchase	-	12,440	-	12,440
Commercial bills	-	-	-	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	-	12,440	-	12,440

The bank loans 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 \$23,682.04. Hire purchase loans are secured by the related plant and equipment included in Note 7. The bank facilities are subject to an annual review by the lenders.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 11: Cash flow information

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
a. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (LOSS)/PROFIT AFTER INCOME TAX				
NET (LOSS)/PROFIT FOR THE PERIOD	(140,321)	(306,597)	(187,821)	(354,096)
NON-CASH FLOW ITEMS				
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
Gain on property revaluation				
CHANGES IN ASSETS AND LIABILITIES				
(Increase)/decrease in receivables	34,701	122,528	34,701	(121,481)
(Increase)/decrease in loans to group companies	-	-	476,200	1,178,217
Increase/(decrease) in deferred tax liabilities	-	-	-	-
Increase/(decrease) in payables	(42,267)	(805,261)	(42,267)	(713,560)
Increase/(decrease) in provisions	(102,803)	(19,283)	(102,803)	(19,283)
NET CASH FLOW FROM OPERATIONS	(433,669)	(720,982)	42,531	304,928
b. CREDIT STANDBY ARRANGEMENTS WITH BANKS				
Credit facility	450,000	450,000	450,000	450,000
Amount utilised	(10,477)	(11,208)	(10,477)	(11,208)
	439,523	438,792	439,523	438,792
c. LOAN FACILITIES				
Credit facility	5,600,000	5,600,000	5,600,000	5,600,000
Amount utilised	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 12: Capital and leasing commitments

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
a. OPERATING LEASE COMMITMENTS				
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	104,932	147,096	104,932	147,096
- between 12 months and 5 years	75,437	96,879	75,437	96,879
- greater than 5 years		-		-
	180,369	243,976	180,369	243,976
b. HIRE PURCHASE LEASE COMMITMENTS				
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	11,894	78,882	11,894	78,882
- between 12 months and 5 years	-	12,440	-	12,440
- reater than 5 years	-	-	-	-
MINIMUM LEASE PAYMENTS	11,894	91,322	11,894	91,322

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 13: Controlled entities

NAME	COUNTRY OF INCORPORATION	2017		2016	
		% OWNED	\$	% OWNED	\$
Master Electricians Australia Limited*	Australia	-	-	-	-
ME Contractors Pty Ltd***	Australia	100%	1	100%	1

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

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

a. BALANCES IN CONTROLLED ENTITY

	TOTAL ASSETS		TOTAL LIABILITIES		TOTAL REVENUE		OPERATING RESULT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Master Electricians Australia Limited	19,408	495,607	562,578	1,041,437	3,392	96,749	2,660	92,878
Energy Management Institute Limited	-	-	377	377	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 13: Controlled entities cont'd

b. BALANCES WITH CONTROLLED ENTITIES

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Balances with controlled entities				
Master Electricians Australia Limited	-	-	562,578	1,041,437
Energy Management Institute Limited	-	-	377	377
	-	-	562,955	1,041,814

Note 14: Events occurring after the reporting period

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

Note 15: Contingent liabilities and contingent assets

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

Note 16: Association details

The registered office of the Association is:

MASTER ELECTRICIANS ASSOCIATION QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

57 Berwick Street

Fortitude Valley Queensland 4006

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 17: 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.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2017, approximately 99% of the Association's debt is variable.

Foreign exchange risk

The Association has no exposure to foreign exchange 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 17: 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			
	2017 (%)	2016 (%)	2017 (\$)	2016 (\$)	WITHIN 1 YEAR		1-5 YEARS	
					2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
CONSOLIDATED								
Financial assets								
Cash on hand			248	350	-	-	-	-
Cash at bank	0.75%	1.3%	1,170,020	1,747,697	-	-	-	-
TOTAL FINANCIAL ASSETS			1,170,268	1,748,047	-	-	-	-
Financial liabilities								
Hire purchase	6.4%	8.4%	-	-	11,894	78,882	-	12,440
Commercial bills	4.4%		5,600,000	-	-	-	-	-
Commercial loan		6.7%	-	-	-	5,600,000	-	-
TOTAL FINANCIAL LIABILITIES			5,600,000	-	11,894	5,678,882	-	12,440
PARENT								
Financial assets								
Cash on hand			248	349	-	-	-	-
Cash at bank	0.76%	1.3%	1,150,615	1,252,094	-	-	-	-
TOTAL FINANCIAL ASSETS			1,150,863	1,252,443	-	-	-	-
Financial liabilities								
Hire purchase	6.4%	8.4%	-	-	11,894	78,882	-	12,440
Commercial bills	4.4%		5,600,000	-	-	-	-	-
Commercial loan		6.7%	-	-	-	5,600,000	-	-
TOTAL FINANCIAL LIABILITIES			5,600,000	-	11,894	5,678,882	-	12,440

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 17: Financial instruments cont'd

c. NET FAIR VALUES

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

d. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the consolidated entity to hedge exposure to exchange risk associated with foreign currency transactions. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Forward exchange contracts

There were no forward exchange contracts entered into by the Association for FY2017 (FY2016: NIL)

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 2017;

ii) The number of financial members at the end of the year was 1,657;

iii) The number of non-financial members at the end of the financial year was 147;

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 23, day of August 2017.
Fortitude Valley, Brisbane Queensland.

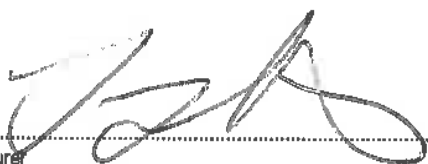
CERTIFICATE BY TREASURER

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 2017 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 23rd day of August 2017.

Fortitude Valley, Brisbane Queensland.

CERTIFICATE BY MEMBERS OF COUNCIL

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 2017;
- 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

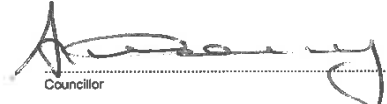
vi) the audit report and relevant accounts for the financial period ended 30 June 2016 have been:

- a) Presented to a Council's meeting on 23rd August 2017 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.

Chris Lehmann

Councillor

Dated this 23rd day of August 2017.
Fortitude Valley, Brisbane Queensland.


Councillor

CERTIFICATE BY PRESIDENT

Industrial Relations Act 1999, Section 570

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 23rd August 2017, and that a copy will be provided to the members in accordance with the provisions of the Act.



President

Dated this 23rd day of August 2017.

Fortitude Valley, Brisbane Queensland.

Independent Auditor's Report to the Members of Master Electricians Association Queensland Industrial Organisation of Employers and its controlled entities

Opinion

We have audited the financial report of Master Electricians Association Queensland Industrial Organisation of Employers (the association and its controlled entities (the Group)), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certificates by the members.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Industrial Relations Act 1999.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Responsibilities of the Council for the financial report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the committee of management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

The accounts have been prepared in accordance with applicable Australian Accounting Standards and the Industrial Relations Act 1999.



Crowe Horwath Brisbane



Cameron Henry
Partner

Signed at Brisbane, 23 August 2017



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