



FOR THE YEAR ENDED 30 June 2018

ANNUAL REPORT

Master Electricians Association Limited ACN 163 222 642

Master Electricians Association Queensland ABN 40 669 256 171

CONTENT

President's report	4	Notes to the Financial Statements.....	40
CEO's report.....	6	Certificate by Accounting Officer of Union.....	60
MASTER ELECTRICIANS ASSOCIATION LIMITED FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2018.....	9	Certificate by Treasurer	61
Directors' report.....	11	Certificate by Members of Council.....	62
Auditor's Independence Declaration	14	Certificate by President.....	63
Statements of Profit or Loss and Other Comprehensive Income	16	Independent Auditor's report to the members of Master Electricians Association Queensland Industrial Organisation of Employers and Controlled Entities.....	64
Statement of Financial Position.....	17		
Statement of Changes in Equity	18		
Statement of Cash Flows.....	21		
Notes to the Financial Statements.....	21		
Director's Declaration.....	26		
MASTER ELECTRICIANS ASSOCIATION QUEENSLAND CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2018.....	31		
Statement of Profit or Loss.....	33		
Statement of Comprehensive Income	34		
Statement of Financial Position.....	35		
Statement of Changes in Equity	37		
Statement of Cash Flows.....	38		

PRESIDENT'S REPORT



Welcome

The greatest challenge for any membership organisation, especially one that has been operating for over 80 years, is to ensure it remains strong, forward-looking and always focused on the best interests of members. For the Master Electricians Australia Councillors and National Board, we consider these to be our primary responsibilities as the custodians of that 80-year-old tradition. We have recently signed off on a new strategic plan, that I believe will protect and advance the organisation's interest well into the future, whatever that future may look like.

The plan is focused on engaging our customers and key industry contacts, and growing our membership while at the same time simplifying what we do and removing "distractions" that are not part of our central role of supporting members. So, over the next 12 months you'll see your association working hard in five strategic areas:

1. Implementing new membership growth programs, while also working to better serve and retain our existing members;
2. Reviewing our product offerings to ensure they continue to meet your needs and continue to offer value to you;
3. Strengthening our financial management and investment strategies, to ensure MEA continues to operate on a sound financial footing into the future;

4. Providing leadership to you and the wider industry on new technologies, ensuring we help you and your teams remain up to date with innovation; and
5. Reinforcing the value of becoming an Accredited Master Electrician, and marketing the program and brand more widely in the industry and community.

As part of this approach, it has been helpful for the Council and management to put to bed several issues that have been distractions for us. These include a positive resolution to our legal action in Western Australia involving a former staff member, and fully leasing all the available space in our Brisbane headquarters. The finance arrangements for the Brisbane building have been, frankly, a significant liability. Now that the building is fully leased, and with the city's property market performing strongly, Council is now examining options and opportunities to divest our property interest at Berwick Street and look to other investment strategies.

Resolving these issues will allow us to focus very strongly on the most important things we do as an organisation – providing support and services to you, our members. We will always put your interests at the very top of our list of priorities. This leads me to my final point which involves our ongoing talks with NECA about developing a closer relationship between the two organisations.

As we told you back in July, we have listened to the calls from our members for a more united industry voice, and a more comprehensive set of services. The decision to merge the two organisations is significant but I sincerely think it is the absolute best strategy for Industry provided it is done respectfully and the MEA brand and structure remains substantially unchanged. There are clearly a lot of hurdles to overcome, but discussions continue. MEA Council members and senior management attended the NECA conference earlier this year in Fiji, and we were glad to extend an invitation to NECA's leadership to join us in Hobart.

Whatever the result of our talks, and whatever the future may hold, I can assure you of one thing, you, our members, will remain the top priority. If we think a merger will be good for you, we will push ahead. If we think you will not be better off, we will stop and rethink the situation. And we will continue to keep you in the loop.

Thank-you for your ongoing trust in me as your President, and in the MEA Council. We look forward to another successful year ahead.

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

TONY ARNOLD
PRESIDENT

CEO'S REPORT



Welcome

Master Electricians prides itself on our ability to deliver the necessary education, safety and business support to our members right across Australia. I'm pleased to say that in the past 12 months we have once again achieved this on a range of fronts. We have seen a variety of reforms – from both government and industry – that simply would not have occurred if it weren't for our advocacy work.

Earlier in the year, MEA led the way in drawing industry and regulator attention to the Power of Choice fiasco. Changes to the rules surrounding the installation of smart meters resulted in significant delays that inconvenienced both electricians and homeowners. In August we met with representatives from the Australian Energy Market Commission in Adelaide that led to a commitment to reduce the installation timeframes to no more than two or three weeks. In recent days the Victorian Government has also made some positive moves in this area. There is still more to do but we are confident that we're on track to achieving this outcome.

In June this year the new AS/NZS3000 Wiring Rules were released. The sweeping changes that were announced will dramatically reduce the number of electrical fatalities each year and again MEA is incredibly proud of the role we took throughout the process. The most crucial change is the new rule requiring safety switches on all domestic and most commercial circuits. This is a reform that MEA has been

advocating for since the disastrous home insulation scheme that wreaked havoc in 2010. Countless electrical tragedies have occurred in recent years that could have been easily prevented had a safety switch been in place and the importance of this vital new requirement cannot be overstated.

Another highlight has been progress on the security of payment issue for sub-contractors. Since our last annual report, the Queensland Parliament implemented project-specific bank accounts for government projects in 2018, and this will apply for general industry projects from next year. MEA has been a tireless advocate for a national approach to this issue and supports the implementation of the Murray Review into Security of Payments, which is currently being considered by all State Governments and the Commonwealth. We have multiple meetings with the New South Wales and West Australian Governments, and are working to engage the other states as well to secure national support.

Our safety and accreditation programs continue to ensure that MEA members are the best qualified electricians in the country. By utilising state-of-the-art cloud technology, the ME Safety program is not only cutting edge, but easy to access and operate. Operating a business is a complex and time-consuming task in itself, so it's important that the right support structures are in place to help members meet their

workplace and legal obligations.

Finally, on an administrative level, MEA has restructured our organisation to deliver a greater level of business efficiency to our members. The new streamlined approach has enabled us to provide our services more effectively and at a lower cost. MEA exists to deliver first-rate industry advice and we will continue to strive for ways that ensure our expertise is easily accessible for electrical contractors throughout Australia.

There have been many important achievements in the past year, but as always there's many more things that are still needed to be done. As we have done for the last 80 years, in the year ahead, MEA will continue to take an unequivocal approach to electrical safety, advocate for laws that help small business and ensure that our members are the best trained electricians in Australia.

A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes that form the letters 'M', 'R', and 'A'.

MALCOLM RICHARDS
CEO

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Master Electricians Association Limited
ACN 163 222 642

DIRECTORS' REPORT

For the year ended 30 June 2018

The directors present their report on the company for the financial year ended 30 June 2018.

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	
Rowan Diamond	Ray Sherriff	(Appointed 20/11/2017)
Troy Smith	Joshua Nicholls	(Resigned 20/11/2017)
Richard Flanagan	Stephen Downey	

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 2018 and report that the operations have been consistent with the 2018 operating budget.

The result from operations was a profit after tax for the year ended 30 June 2018 of \$7,511 (2017: profit after tax of \$7,090).

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 (2017:\$nil).

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

Anthony **Arnold**

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

James **Johnson**

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

Ray **Sherriff**

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

Troy **Smith**

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

Richard **Flanagan**

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

Erik **Scholz**

- B.Bus (Marketing); MB (Administration)
- Self employed; Director Master Electricians Australia Limited

DIRECTORS' REPORT CONT'D

Information on Directors Cont'd

Greg Allan

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

Rowan Diamond

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

Stephen Downey

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

Joshua Nicholls

- 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 WHILE DIRECTOR	MEETINGS ATTENDED
Anthony Arnold	6	5
James Johnson	4	3
Ray Sherriff	4	4
Troy Smith	6	5
Richard Flanagan	4	4
Erik Scholz	4	4
Greg Allan	4	4
Rowan Diamond	6	5
Stephen Downey	6	4
Joshua Nicholls	2	2

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 auditor of the company.

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 20 August 2018



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Auditor's Independence Declaration

As auditor of Master Electricians Association Limited for the year ended 30 June 2018, 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

Mike McDonald
Partner

Signed at Brisbane

Date: 22 August 2018

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 COMPREHENSIVE INCOME

For the year ended 30 June 2018

	NOTE	2018 (\$)	2017 (\$)
Revenue	2	751,147	709,025
Agency Fee - MEAQ		(743,635)	(701,935)
PROFIT BEFORE INCOME TAX		7,511	7,090
Income Tax Expense		-	-
PROFIT AFTER INCOME TAX		7,511	7,090
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR ATTRIBUTABLE TO MEMBERS		7,511	7,090

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	NOTE	2018 (\$)	2017 (\$)
CURRENT ASSETS			
Prepayments	3	200,872	169,108
Loans to related parties	3	38,538	30,736
TOTAL ASSETS		239,410	199,844
CURRENT LIABILITIES			
Trade and other payables	4	202,970	170,915
TOTAL CURRENT LIABILITIES		202,970	170,915
NET ASSETS		36,440	28,929
EQUITY			
Retained earnings		36,440	28,929
TOTAL EQUITY		36,440	28,929

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Retained Earnings (\$)	Total (\$)
Balance as at July 2016	21,839	21,839
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		
Income for the year	7,090	7,090
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) THE YEAR	7,090	7,090
Transfers to reserves	-	-
Transfers to retained earnings	-	-
Balance at 30 June 2017	28,929	28,929

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY CONT'D

For the year ended 30 June 2018

	Retained Earnings (\$)	Total (\$)
Balance as at July 2017	28,929	28,929
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		
Income for the year	7,511	7,511
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	7,511	7,511
Transfers to reserves		-
Transfers to retained earnings		-
Balance at 30 June 2018	36,440	36,440

The Accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	NOTE	2018 (\$) Inflows (Outflows)	2017 (\$) Inflows (Outflows)
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		783,202	750,471
Payments to suppliers and employees		(783,202)	(750,471)
NET CASH FROM OPERATING ACTIVITIES	5	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH USED IN INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		-	-
Net increase/(decrease) in cash and cash equivalents held		-	-
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 2018

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.

BASIS OF PREPARATION

Statement of Compliance

The financial report of Master Electricians Association Limited is a general purpose financial report prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements including Australian Accounting Interpretations

and other pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Reporting Basis and Conventions - The financial report is presented in Australian dollars.

The preparation of financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenue and expenses.

- *Critical Accounting Estimates and Judgements* - The estimates and judgements incorporated into the financial report are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the company. The estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.
- *Key Estimates - Impairment* - The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 1: Summary of significant accounting policies cont'd

Where an impairment trigger exists, the recoverable amounts of incorporate a number of key estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both the current and future periods. There were no key adjustments during the year which required accounting estimates and judgements.

The financial report has been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected noncurrent assets, financial assets and financial liabilities for which the fair value basis accounting has been applied. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. INCOME TAX

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report. 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 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 tax profits will be available against which deductible temporary differences can be utilised. 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. Because of the principle of mutuality, only income arising from nonmember activities is subject to income tax. The company is able to identify all non-member income.

b. 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

c. REVENUE

Revenue is measured at the fair value of the consideration

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 1: Summary of significant accounting policies cont'd

received or receivable, net of discounts. Revenue is recognised to the extent that it is probable that economic benefits will flow to the company, and revenue can be reliably measured. Membership income is recognised over the period to which the membership relates. All revenue is stated net of the amounts of goods and services tax (GST).

d. UNEARNED INCOME

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

e. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as a separate line item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except the GST component of investing and financing activities, which are disclosed as operated cash flows.

f. COMPARATIVE FIGURES

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

g. TRADE AND OTHER RECEIVABLES

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were

provided for at the end of the financial year. Other debtors generally arise from transactions outside usual operating activities of the company and are recognised at their assessed values.

h. TRADE CREDITORS AND PAYABLES

A liability is recorded for goods and services received prior to balance date, whether invoiced or not. Trade creditors are settled in accordance with supplier payment terms.

i. STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of any outstanding bank overdrafts.

j. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods.

At the date of the 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 2: Revenue

	2018 \$	2017 \$
Revenue from membership fees	751,147	709,025
TOTAL REVENUE	751,147	709,025

Note 3: Current Assets

Current		
Agency fee: Prepayment	200,872	169,108
Loan to MEAQ	38,538	30,736
	239,410	199,844

Note 4: Trade and other payables

Current		
Revenue received in advance	202,901	170,816
Other payables	69	99
	202,970	170,915

Note 5: Cash flow information

	2018 \$	2017 \$
Reconciliation of net cash from operating activities to profit/(loss).		
Net profit/(loss) after income tax	7,511	7,090
Adjustment for changes in assets and liabilities		
Increases in prepayments	(31,764)	(41,002)
Increase in loans to related parties	(7,802)	(7,533)
Increase in payables	32,055	41,445
NET CASH FLOW FROM OPERATIONS	-	-

Note 6: Contingent Liabilities

The company has provided an unlimited guarantee to the lenders of the related entity (Master Electricians Association Queensland Industrial Organisation of Employers). The related entity had a borrowing facility of \$6.05 million as at 30 June 2018 (2017- \$6.05 million). No material liability is expected to arise from this guarantee.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 7: Events after the balance date

No material events occurred after the balance date and to the date of this report requiring disclosure.

Note 8: 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 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$2,800 (2017 - \$2,090).

Note 9: 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 2018

DIRECTORS DECLARATION

THE DIRECTORS DECLARE THAT:

- (a) The financial statements and notes, as set out on pages 5 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards including International Financial Reporting Standards as referred to in Note 1, and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2018 and its performance for the year ended on that date; and
- (b) 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.

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



Anthony Arnold
Director

Signed at Brisbane, 22 August 2018

Independent Auditor's Report

To the Members of Master Electricians Association Limited

Opinion

We have audited the financial report of Master Electricians Association Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, 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 directors' declaration.

In our opinion, the accompanying financial report of Master Electricians Association Ltd 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 2018 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements report and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

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. Liability limited 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.

Responsibilities of the Directors 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 – Reduce Disclosure Requirements 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 a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.


As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.


Crowe Horwath Audit Brisbane


Mike McDonald
Partner

Date: 22 August 2018

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Master Electricians Association Queensland

Industrial Organisation of Employers

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the year ended 30 June 2018

		CONSOLIDATED		PARENT	
	NOTE	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Sales revenue	2	2,822,678	2,923,468	2,822,678	2,923,468
Cost of sales		(1,503,183)	(1,339,379)	(1,503,183)	(1,339,379)
GROSS PROFIT		1,319,495	1,584,089	1,319,495	1,584,089
Other income	3	4,694,998	5,404,647	4,694,998	5,401,255
Employee costs		(3,394,217)	(4,840,874)	(3,394,217)	(4,840,874)
Depreciation and amortisation		(257,200)	(289,845)	(301,906)	(337,345)
Finance cost		(253,496)	(288,369)	(253,496)	(288,369)
Other expense		(2,063,425)	(2,182,793)	(2,062,754)	(2,182,061)
OPERATING RESULT		46,154	(613,145)	2,120	(663,305)
Impairment of loans to group companies		-	-	(671)	2,660
INCOME / (LOSS) BEFORE INCOME TAX		46,154	(613,145)	1,448	(660,645)
Income Tax					
Income from legal settlement	5	1,400,000	-	1,400,000	-
Gain on property revaluation		-	472,824	-	472,824
INCOME / (LOSS) FOR THE YEAR AFTER INCOME TAX		1,446,154	(140,321)	1,401,448	(187,821)

The Accompanying notes form part of these financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Income / (Loss) for the year	1,446,154	(140,321)	1,401,448	(187,821)
Other comprehensive income / (loss)	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	1,446,154	(140,321)	1,401,448	(187,821)

The Accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		CONSOLIDATED		PARENT	
	NOTE	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	2,707,510	1,170,268	2,707,510	1,150,863
Other financial assets	6	23,682	23,682	23,682	23,682
Trade and other receivables	7.a	994,014	962,842	994,014	962,838
TOTAL CURRENT ASSETS		3,725,208	2,156,792	3,725,206	2,137,383
NON-CURRENT ASSETS					
Property, plant and equipment	8	8,508,323	8,657,778	8,508,323	8,657,778
Intangibles	9	24,481	82,313	739,775	842,313
Investments	14	1	-	1	1
Loans to group companies	7.b	-	-	-	19,407
Total non-current assets		8,532,806	8,740,091	9,248,100	9,519,499
TOTAL ASSETS		12,258,011	10,896,883	12,973,306	11,656,883

The Accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONT'D

		CONSOLIDATED		PARENT	
	NOTE	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	1,993,298	2,061,734	1,993,298	2,061,734
Financial liabilities	11.a	5,600,000	5,611,894	5,600,000	5,611,894
Provision for employee entitlements		319,220	342,537	319,220	342,537
TOTAL CURRENT LIABILITIES		7,912,518	8,016,166	7,912,518	8,016,166
NON-CURRENT LIABILITIES					
Financial liabilities		-	-	-	-
Provision for employee entitlements		78,320	59,699	78,320	59,699
TOTAL NON-CURRENT LIABILITIES		78,320	59,699	78,320	59,699
TOTAL LIABILITIES		7,990,838	8,075,865	7,990,838	8,075,865
NET ASSETS		4,267,174	2,821,018	4,982,466	3,581,018
EQUITY					
Reserves		3,308,950	3,308,950	3,308,950	3,308,950
Retained earnings		958,224	(487,932)	1,673,517	272,068
TOTAL EQUITY		4,267,174	2,821,018	4,982,466	3,581,018

The Accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	RETAINED EARNINGS / ACCUMULATED LOSSES (\$)	ASSET REVALUATION RESERVE (\$)	TOTAL (\$)
PARENT			
Balance at 1 July 2016	459,889	2,789,429	3,249,318
Income/ (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	3,581,017
Balance at 1 July 2017	272,068	3,308,950	3,581,017
Income/ (Loss) for the year	1,401,448	-	1,401,448
Other comprehensive income	-	-	-
BALANCE AT 30 JUNE 2018	1,673,516	3,308,950	4,982,466
CONSOLIDATED			
Balance at 1 July 2016	(347,611)	2,789,429	2,441,818
Income/ (Loss) for the year	(140,321)	-	(140,321)
Revaluation of land	-	519,521	519,520
BALANCE AT 30 JUNE 2017	(487,932)	3,308,950	2,821,017
Balance at 1 July 2017	(487,932)	3,308,950	2,821,018
Income/ (Loss) for the year	1,446,154	-	1,446,154
Other comprehensive income	-	-	-
BALANCE AT 30 JUNE 2017	958,224	3,308,950	4,267,174

The Accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

		CONSOLIDATED		PARENT	
	NOTE	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
CASH FROM OPERATING ACTIVITIES					
Cash receipts from customers and members (includes GST)		7,255,447	8,612,658	7,274,183	9,091,717
Cash paid to suppliers and employees (includes GST)		(6,808,390)	(8,767,514)	(6,807,723)	(8,766,782)
		447,057	(154,656)	466,460	324,936
Interest received		5,489	9,357	5,489	5,965
Interest paid		(253,496)	(288,369)	(253,496)	(288,369)
		199,050	(433,669)	218,453	42,531
Income from legal settlement		1,400,000	-	1,400,000	-
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	1,599,050	(433,669)	1,618,453	42,531
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of furniture and equipment		-	-	-	-
Proceeds from disposal of motor vehicles		-	-	-	-
Purchase of computer equipment		20,101	-	20,101	-
Purchase of furniture and equipment		(70,014)	(41,000)	(70,014)	(41,000)
Payment for intangibles		-	-	-	-
Payment for term deposit investments		-	(23,682)	-	(23,682)
NET CASH USED IN INVESTING ACTIVITIES		(49,914)	(64,682)	(49,914)	(64,682)

The Accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS CONT'D

CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		(11,894)	(79,428)	(11,894)	(79,428)
NET CASH USED IN FINANCING ACTIVITIES		(11,894)	(79,428)	(11,894)	(79,428)
Net (decrease)/increase in cash and cash equivalents		1,537,242	(577,778)	1,556,645	(101,579)
Cash and cash equivalents at the beginning of the year		1,170,269	1,748,047	1,150,864	1,252,443
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		2,707,511	1,170,268	2,707,510	1,150,863
Other financial assets as the end of the year - Term Deposits		23,682	23,682	23,682	23,682
CASH & CASH EQUIVALENTS & OTHER ASSETS AT END OF YEAR		6	2,731,193	1,193,950	2,731,192
					1,174,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

Note 1: Summary of significant accounting policies

This financial report includes the Consolidated Financial Statements and Notes to the Consolidated Financial Statements, which 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 2016 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 2016.

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 consolidated entity has current year income of \$1,446,154 (2017: -\$140,321) and retained earnings amount to \$958,224 (2017: -\$487,930) with net current liability position of \$4,187,312 (2017: \$5,859,374) and net operation cash inflow of \$1,559,050 (2017: -\$433,669) as of 30 June 2018. Of the net current liability, \$1,375,995 (2017: \$1,427,366) is the total amount received in advance from customers which will not result in an actual cash outflow.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 2018. The ability of consolidated entity to pay its debts as and when they fall due is dependent upon the borrowing facilities being reviewed 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. 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 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 expenses as services are performed.

Customer deposits consist of payments received in advance from customers, deposits on credit sales for undelivered services and

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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%
IT and office equipment	6.5% to 40%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted 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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 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	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Insurance commissions	477,653	501,432	477,653	501,432
Magazine sales	8,595	30,715	8,595	30,715
Advertising	9,998	-	9,998	-
Training	544,253	726,532	544,253	726,532
Apprentice Connect	8,358	7,861	8,358	7,681
Events	70,851	30,305	70,851	30,305
Sundry	365,884	448,803	365,884	448,803
Project income	593,450	475,885	593,450	475,885
Agency fee - Master Electricians Association Limited	743,635	701,935	743,635	701,935
TOTAL SALES REVENUE	2,822,878	2,293,468	2,822,678	2,923,468

Note 3: Other income

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Rental income	296,829	231,276	296,829	231,276
Grants received	22,365	312,026	22,365	312,028
Interest received	5,489	9,357	5,489	5,965
Sponsorship income	593,384	817,291	593,384	817,291
Revenue from membership fees	3,776,931	4,034,695	3,776,931	4,034,695
TOTAL OTHER INCOME	4,694,998	5,404,647	4,694,998	5,401,255

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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	34,100	37,700	34,100	37,700
Prior year audit (over) / under accrual	(7,700)	223	(7,700)	223
	26,400	37,923	26,400	37,923

Note 5: Income from legal settlement

Receipt of monetary payment on 19 Jan 2018 from settlement of legal case (deed dated 12 Dec 2017) involving a number of parties, notably the Electrical and Communications Association of Western Australia Union of Employers (NECA WA).

Note 6: Cash and cash equivalents

CURRENT ASSETS				
Cash on hand	37	248	37	248
Cash at bank	2,707,473	1,170,020	2,707,473	1,150,615
	2,707,510	1,170,268	2,707,510	1,150,863
Other Financial Assets	23,682	23,682		
	23,682	23,682	23,682	23,682

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 7: Trade and other receivables

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
a. CURRENT				
Trade receivables	707,699	564,874	707,699	564,874
Provision for impairment of receivables	(219,731)	(154,473)	(219,731)	(154,473)
	487,968	410,400	487,968	410,400
Prepayments	237,854	412,051	237,854	412,048
Other receivables	268,191	140,390	268,191	140,390
	994,014	962,842	994,014	962,838
b. NON-CURRENT				
Loans to group companies	-	-	544,217	562,955
Provision for impairment	-	-	(544,217)	(543,548)
	-	-		19,407

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 8: Property, plant, and equipment

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
LAND AND BUILDINGS				
Freehold land at independent valuation (level 2)*	4,439,521	4,439,521	4,439,521	4,439,521
Total freehold land	4,439,521	4,439,521	4,439,521	4,439,521
Buildings at independent valuation (level 2)*	4,040,479	4,040,479	4,040,479	4,040,479
Less accumulated depreciation	(142,678)	(41,666)	(142,678)	(41,666)
Total buildings	3,897,801	3,998,813	3,897,801	3,998,813
TOTAL LAND AND BUILDINGS	8,337,322	8,438,334	8,337,322	8,438,334
PLANT AND EQUIPMENT				
Furniture, fixtures, and fittings at cost	501,439	501,439	501,439	501,439
Less accumulated depreciation	(385,038)	(342,531)	(385,038)	(342,531)
Total furniture, fixtures, and fittings	116,401	158,908	116,401	158,908
Computer equipment at cost	224,091	228,958	224,091	228,956
Less accumulated depreciation	(197,652)	(196,061)	(197,652)	(196,061)
Total computer equipment	26,439	32,895	26,439	32,895
Office equipment at cost	141,271	140,441	141,271	140,441
Less accumulated depreciation	(135,554)	(132,540)	(135,554)	(132,540)
Total office equipment	5,717	7,901	5,717	7,901
Motor vehicles at cost	268,609	247,708	268,609	247,708
Less accumulated depreciation	(246,164)	(227,967)	(246,164)	(227,967)
Total motor vehicles	22,445	19,741	22,445	19,741
TOTAL PLANT AND EQUIPMENT	171,002	219,445	171,002	219,445
TOTAL PROPERTY, PLANT, AND EQUIPMENT	8,508,323	8,657,778	8,508,323	8,657,778

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 8: Property, plant, and equipment cont'd

MOVEMENTS IN CARRYING AMOUNTS

PARENT / CONSOLIDATED: 2017	LAND (\$)	BUILDINGS (\$)	FURNITURE, FIXTURES, AND FITTINGS (\$)	COMPUTER EQUIP. (\$)	OFFICE EQUIP. (\$)	MOTOR VEHICLES (\$)	TOTAL (\$)
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	-	462,346	-	-	-	-	462,346
Depreciation due to Revaluation	-	-	-	-	-	-	-
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
PARENT / CONSOLIDATED : 2018							
Balance at the beginning of year	4,439,520	3,998,813	158,908	32,896	7,901	19,740	8,657,778
Additions	-	-	-	34,484	830	20,900	56,214
Disposals	-	-	-	(20,101)	-	-	(20,101)
Depreciation expense	-	(101,012)	(42,507)	(20,840)	(3,014)	(18,195)	(185,568)
Adjustment to Accumulated depreciation due to Revaluation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
CARRYING AMOUNT AT END OF YEAR	4,439,520	3,897,801	116,401	26,440	5,717	22,445	8,508,323

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 9: Intangibles

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Computer software at cost	261,635	247,835	261,635	247,835
Less accumulated amortisation	(237,154)	(165,522)	(237,154)	(165,522)
Brands and trademarks	-	-	950,000	950,000
Less accumulated amortisation	-	-	(234,706)	(190,000)
TOTAL INTANGIBLES	24,481	82,313	739,775	842,313

MOVEMENTS IN CARRYING AMOUNTS

Balance at the beginning of the year	82,313	151,674	842,313	959,174
Additions	13,800	-	13,800	-
Disposals	-	-	-	-
Depreciation expense (IT software)	(71,632)	(69,361)	(71,632)	(69,361)
Amortisation expense (brands and trademarks)	-	-	(44,706)	(47,500)
CARRYING AMOUNT AT END OF YEAR	24,481	82,313	739,775	842,313

Note 10: Trade and other payables

Trade payables	185,819	130,161	185,819	130,161
Amounts received in advance	1,375,995	1,427,366	1,375,995	1,427,366
Other payables	431,484	504,208	431,484	504,208
	1,993,298	2,061,734	1,993,298	2,061,734

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 11: Financial liabilities

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
a. CURRENT				
Secured liabilities				
Hire purchase	-	11,894	-	11,894
Commercial loan	5,600,000	5,600,000	5,600,000	5,600,000
TOTAL CURRENT FINANCIAL LIABILITIES	5,600,000	5,611,894	5,600,000	5,611,894

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. The bank facilities are subject to an annual review by the lenders.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 12: Cash flow information

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
a. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (LOSS)/PROFIT AFTER INCOME TAX				
NET (LOSS)/PROFIT FOR THE PERIOD	1,446,154	(140,321)	1,401,448	(187,821)
NON-CASH FLOW ITEMS				
Depreciation and amortisation	257,200	289,845	301,906	337,345
Loss/(profit) on disposal of fixed assets		-		-
Gain on property revaluation	-	(472,824)	-	(472,824)
CHANGES IN ASSETS AND LIABILITIES				
(Increase)/decrease in receivables	(31,172)	34,701	(31,176)	34,701
(Increase)/decrease in loans to group companies	-	-	19,407	476,200
Increase/(decrease) in payables	(66,436)	(42,267)	(68,436)	(42,267)
Increase/(decrease) in provisions	(4,697)	(102,803)	(4,697)	(102,803)
NET CASH FLOW FROM OPERATIONS	1,599,050	(433,669)	1,618,453	42,531
b. CREDIT STANDBY ARRANGEMENTS WITH BANKS				
Credit facility	450,000	450,000	450,000	450,000
Amount utilised	(7,398)	(10,477)	(7,398)	(10,477)
	442,602	439,523	442,602	439,523
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 13: Capital and leasing commitments

	CONSOLIDATED		PARENT	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
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	64,190	104,932	64,190	104,932
- between 12 months and 5 years	18,265	75,437	18,265	75,437
- greater than 5 years				
	82,455	180,369	82,455	180,369
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	-	11,894
- between 12 months and 5 years	-	-	-	-
- reater than 5 years	-	-	-	-
MINIMUM LEASE PAYMENTS	-	11,894	-	11,894
c. CAPITAL 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	-	-	-	-
- between 12 months and 5 years	-	-	-	-
- greater than 5 years	-	-	-	-
MINIMUM CAPITAL PAYMENTS	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 14: Controlled entities

NAME	COUNTRY OF INCORPORATION	2018		2017	
		% OWNED	\$	% OWNED	\$
Master Electricians Australia Limited*	Australia	100%	-	100%	-
Energy Management Institute Limited**	Australia	100%	1	100%	1
			1		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	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Master Electricians Australia Limited	-	19,408	543,170	562,572	-	3,392	-	2,660
Energy Management Institute Limited	-	-	377	377	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Note 14: Controlled entities cont'd

b. BALANCES WITH CONTROLLED ENTITIES

	CONSOLIDATED		PARENT	
	2017 (\$)	2016 (\$)	2017 (\$)	2016 (\$)
Balances with controlled entities				
Master Electricians Australia Limited	-	-	543,170	562,578
Energy Management Institute Limited	-	-	377	377
	-	-	543,546	532,955

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 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.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2018, 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 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			
	2018 (%)	2017 (%)	2018 (\$)	2017 (\$)	WITHIN 1 YEAR		1-5 YEARS	
					2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
CONSOLIDATED								
Financial assets								
Cash on hand			37	248	-	-	-	-
Cash at bank	0.5%	0.8%	2,707,473	1,170,020	-	-	-	-
TOTAL FINANCIAL ASSETS			2,707,510	1,170,268	-	-	-	-
Financial liabilities								
Hire purchase		6.4%	-	-	-	11,894	-	-
Commercial loan	4.4%	4.4%	5,600,000	5,600,000	-	-	-	-
TOTAL FINANCIAL LIABILITIES			5,600,000	5,600,000	-	11,894	-	-
PARENT								
Financial assets								
Cash on hand			37	248	-	-	-	-
Cash at bank	0.5%	0.8%	2,707,473	1,150,615	-	-	-	-
TOTAL FINANCIAL ASSETS			2,707,473	1,150,615	-	-	-	-
Financial liabilities								
Hire purchase	0.0%	6.4%	-	-	-	11,894	-	-
Commercial loan	4.4%	4.4%	5,600,000	5,600,000	-	-	-	-
TOTAL FINANCIAL LIABILITIES			5,600,000	5,600,000	-	11,894	-	-

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.

Forward exchange contracts

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

Note 19: Key Management Personnel Disclosures

The aggregate compensation made to officers and other members of key management personnel of the incorporated association is set out below:

	2018	2017
Short Term Employee Benefits	\$ 902,702	\$ 615,086
Post Employment Benefits	\$ 82,331	\$56,560
Other Long Term Benefits	\$10,809	(163)
Termination Benefits	\$ -	\$ 22,544
	\$995,842	\$671,483

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 2018;

ii) The number of financial members at the end of the year was 1,650;

iii) The number of non-financial members at the end of the financial year was 176;

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 2016.



Chief Financial Officer
Dated this 30 day of August 2018.
Perthville 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) the register of members of the Industrial Organisation is maintained in accordance with the Industrial Relations Act 2016.

Members are advised that in accordance with section 556 of the Industrial Relations Act 2016, members may apply for additional information as prescribed by Regulation 46 and 47 of the Industrial Relations Regulations.



Treasurer

Dated this 22 day of August 2018.

Portside 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 2018;
- ii) The attached accounts were prepared in accordance with the Industrial Relations Act 2016.
- 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 2016, 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 2018 have been:

- a) Presented to a Council's meeting on 23rd August 2017 under section 565 of the Industrial Relations Act 2016
- b) Given to its members under section 566 of the Industrial Relations Act 2016

On behalf of the Council.

On behalf of the Council.



Dated this 30 day of August 2018.
Furthville Valley, Brisbane Queensland.



CERTIFICATE BY PRESIDENT

Industrial Relations Act 2016, 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 22nd August 2018, and that a copy will be provided to the members in accordance with the provisions of the Act.



President.

Dated this 22 day of August 2018.

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 2018, the statement of profit and 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 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Tier 1 reporting requirements of the Australian Accounting Standards and the Industrial Relations Act 2016

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.

Crowe Horwath Brisbane is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited 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.

Responsibilities of the Directors 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 directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.





We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Use of going concern assumption

As part of our audit of the financial report, we have concluded that management's use of the going concern assumption, as set out in Note 1 to the financial statements, is appropriate.

Declaration by the auditor

I, Mike McDonald, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

Crowe Horwath Audit Brisbane


Mike McDonald
 Partner

Date: 23 August 2018
 Brisbane



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