

**NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
NATIONAL OFFICE**

**Financial Report
For The Year Ended
30 June 2009**

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association – National Office (“the association”) for the financial year ended 30 June 2009.

Committee Members

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

M Bowring	W McKnight
S Griffiths	G Kempton
J Sweeting	J Robinson
J Hill	B Gowdie
A Atchison	W Fromberg
C McKenzie	M Green (ceased Nov08)
N Palmer (ceased Nov08)	I Swain (commenced Nov08)
M Graham (commenced Nov08)	

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

Secretary

J Tinslay is chief executive officer and secretary of the association as at the end of the financial year.

Principal Activity

The principal activity of the association during the financial year was representing the interests of its members in the electrical and communication industry. No significant change in the nature of these activities occurred during the year.

No Significant Changes in State of Affairs

No significant changes in the state of affairs of the association occurred during the financial year.

Operating Results

The surplus of the association for the financial year amounted to \$96,643 (2008: \$172,071).

After Balance Date Events

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

Number of Members

The association had 3,879 (2008 3,836) members at financial year end.

Number of Employees

The association had 4 (2008: 5) employees at financial year end.

Superannuation Trustees

The following officer is an alternate director of New South Wales Electrical Superannuation Scheme Pty Ltd which is the trustee of the New South Wales Electrical Superannuation Scheme:

J Tinslay


NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE


Operating Report by the Committee (cont'd)

Members Right to Resign

Members may resign from the association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the RAO Schedule 1B of the Workplace Relations Act 1996.

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



JOHN ROBINSON
President

JAMES TINSLAY
Secretary

Dated this 8th day of October 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

Committee of Management Statement

On 7th August 2009 the Committee of Management of the National Electrical Contractor Association – National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2009.

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the association for the financial year to which they relate;
- d) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable; and
- e) that during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the association;
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the association including the rules of a branch concerned;
 - iii) the financial records of reporting units have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations;
 - iv) no requests have been made from any member of the association or a Register under section 272 of the RAO Schedule; and
 - v) no orders have been made by the Commission under section 273 of the RAO Schedule during the year.

For the Committee of Management:



JAMES TINSLAY
Secretary

Dated this 8th day of October 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenue	2	2,382,201	3,029,825
Expenditure			
Affiliation Fees		33,875	32,277
Associate Member Program Expenses		1,029,435	1,159,183
Conference & Meeting Expenses		7,112	15,341
Consultancy Costs		71,727	75,454
Depreciation		11,702	15,594
ElectroComms Contracting Foundation Expenses		72,454	42,489
Employee Benefits		535,950	505,775
Projects		203,095	668,884
Rent & Office Expenses		60,039	55,228
Travel & Accommodation		52,605	59,852
Other Expenses		207,564	227,677
Total Expenditure		<u>2,285,558</u>	<u>2,857,754</u>
Surplus for the year	2	<u>96,643</u>	<u>172,071</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,182,008	1,362,596
Trade and other receivables	4	333,180	864,000
Other current assets	5	133,924	347,265
TOTAL CURRENT ASSETS		<u>1,649,112</u>	<u>2,573,861</u>
NON-CURRENT ASSETS			
Financial assets	6	2	2
Plant and equipment	7	13,385	25,087
TOTAL NON-CURRENT ASSETS		<u>13,387</u>	<u>25,089</u>
TOTAL ASSETS		<u>1,662,499</u>	<u>2,598,950</u>
CURRENT LIABILITIES			
Trade and other payables	8	346,675	555,985
Deferred income	9	1,000	843,000
Short term provisions	10	241,082	223,959
TOTAL CURRENT LIABILITIES		<u>588,757</u>	<u>1,622,944</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	16,665	16,665
Long term provisions	10	2,208	1,115
TOTAL NON-CURRENT LIABILITIES		<u>18,873</u>	<u>17,780</u>
TOTAL LIABILITIES		<u>607,630</u>	<u>1,640,724</u>
NET ASSETS		<u>1,054,869</u>	<u>958,226</u>
EQUITY			
Accumulated Surplus	11	1,054,869	958,226
TOTAL EQUITY		<u>1,054,869</u>	<u>958,226</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Accumulated Surplus \$	Total \$
Balance at 1 July 2008	786,155	786,155
Surplus for the year	172,071	172,071
Balance at 30 June 2009	958,226	958,226
Surplus for the year	96,643	96,643
Balance at 30 June 2009	1,054,869	1,054,869

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		3,065,734	3,207,438
Payments to suppliers and employees		(3,306,950)	(2,978,850)
Interest received		60,628	68,369
Net cash provided by /(used in) operating activities	14	<u>(180,588)</u>	<u>296,957</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(4,555)
Proceeds from sale of plant and equipment		-	-
Sale of investments		-	-
Purchase of investments		-	-
Net cash provided by /(used in) investing activities		<u>-</u>	<u>(4,555)</u>
Net increase/(decrease) in cash held		(180,588)	292,402
Cash at beginning of financial year		<u>1,362,596</u>	<u>1,070,194</u>
Cash at end of financial year	3	<u>1,182,008</u>	<u>1,362,596</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Workplace Relations Act 1996.

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

Basis of Preparation

Functional and presentation currency

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

Reporting Basis and Conventions

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

Accounting Policies

(a) Income Tax

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

(b) Plant and Equipment

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

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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

(b) Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the association 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	Depreciation rates	Depreciation basis
Plant and Equipment	10 - 33 %	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(c) Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

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

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

(ii) Loans and receivables

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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

(c) Financial Instruments (cont'd)

(iii) *Held-to-maturity investments*

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

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

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

(v) *Financial liabilities*

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

Impairment

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

(d) Impairment of Assets

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

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

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the association 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.

(h) Cash and Cash Equivalents

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

(i) Revenue

Revenue from subscriptions from Chapters and Affiliates as well as sponsorship from the Associate Member Program is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

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

Contribution for the ElectroComms Contracting Foundation is recognised as revenue when the right to receive a contribution has been established.

(j) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(k) Goods and Services Tax (GST)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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

(l) Comparative Figures

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

(m) Critical accounting estimates and judgments

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

Key estimates — Impairment

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

No impairment has been recognised for the year ended 30 June 2009.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 2: SURPLUS FOR THE YEAR		
Surplus has been determined after:		
(a) Crediting as income		
General Administration		
Subscriptions – received from Chapters & Affiliates		
- NSW Chapter	272,552	262,936
- VIC Chapter	266,274	253,617
- SA Chapter	83,120	75,053
- WA Chapter	97,008	71,716
- ACT Chapter	15,041	14,705
- TAS Chapter	8,550	7,847
- NT Chapter	3,000	3,000
Sundry Income	5,503	2,377
Directors Fees	30,000	30,500
Management Fees	294,283	345,303
Associate Member Program Sponsorship	1,006,236	1,158,982
Interest	60,628	68,369
ElectroComms Contracting Foundation	49,382	66,536
Projects	190,624	668,884
Total revenues	2,382,201	3,029,825
(b) Charging as an expense		
Auditors Remuneration:		
- Auditing the financial report	17,200	15,725
Accounting Fees	44,160	44,160
Affiliation Fees	33,875	32,277
Associate Member Program Expenses	1,029,435	1,159,183
Bank Charges	2,926	3,724
Communications Consultancy	43,745	44,079
Computer Costs	6,610	9,149
Consultancy Costs	71,727	75,454
Conference & Meeting Expenses	7,112	15,341
Depreciation	11,702	15,594
Employee Benefits	535,950	505,775
Entertainment & Representation	10,525	12,841
ElectroComms Contracting Foundation Expenses	72,454	42,489
Insurance	4,173	16,785
Legal Fees	5,538	-
Motor Vehicle	11,155	9,214
National Magazine	11,455	9,436
Postage	6,744	7,087

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 2: PROFIT BEFORE INCOME TAX (CONT'D)		
(b) Charging as an expense (cont'd)		
Projects	203,095	668,884
Rent & Office Expenses		
- Minimum lease payments	54,500	54,500
- Other rental & office expenses	5,539	728
Repairs & Maintenance	-	730
Standards Australia Representation	2,496	2,496
Stationery	4,162	16,660
Subscriptions Trade Journals	591	1,041
Sundry Expenses	21,479	13,842
Telephone & Fax	13,030	17,505
Travel & Accommodation	52,605	59,852
- Fees/allowances for attendance at conferences	-	-
Website	1,575	3,203

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	1,182,008	1,362,596
	<u>1,182,008</u>	<u>1,362,596</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

General membership	300,733	838,320
Other receivables	11,310	4,543
Loan due from related entity	21,137	21,137
	<u>333,180</u>	<u>864,000</u>

NOTE 5: OTHER CURRENT ASSETS

CURRENT

Prepayments	133,924	347,265
	<u>133,924</u>	<u>347,265</u>

NOTE 6: FINANCIAL ASSETS

NON CURRENT

Available-for-sale financial assets:

Unlisted Investments, at cost.

Investment in associate	1	1
Investment in unlisted entity	1	1
	<u>2</u>	<u>2</u>

Available-for-sale financial assets:

The fair value of the unlisted available-for-sale financial asset cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

2009
\$ **2008**
\$

NOTE 6: FINANCIAL ASSETS (cont'd)

Details of investments:

Name	Country of incorporation	Principal activities	Percentage owned	
			2009	2008
Australian Cabler Registration Service Pty Ltd	Australia	Refer (i)	50%	50%
SPEC Pty Ltd	Australia	Refer (ii)	50%	50%

The Committee members are in the opinion that the National Electrical Contractors Association – National office is not entitled to share the results of these entities.

- (i) This entity provides cabler registration services as required by the Australian Communications Authority.
- (ii) This entity is trustee of the Connect Superannuation Fund.

NOTE 7: PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant & equipment		
At cost	202,535	202,535
Less accumulated depreciation	<u>(189,150)</u>	<u>(177,448)</u>
Total plant and equipment	<u>13,385</u>	<u>25,087</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the year.

	Plant and Equipment \$	Total \$
Balance at the beginning of the year	25,087	25,087
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(11,702)</u>	<u>(11,702)</u>
Carrying amount at end of year	<u>13,385</u>	<u>13,385</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	325,981	444,632
Loans due to related entities	-	-
Goods & Services Tax	20,694	111,353
	<u>346,675</u>	<u>555,985</u>
NON CURRENT		
Loans due to related entities	<u>16,665</u>	<u>16,665</u>

NOTE 9: DEFERRED INCOME

CURRENT		
Income Received in Advance	1,000	-
Advance Associate Member Program Income	-	843,000
	<u>1,000</u>	<u>843,000</u>

NOTE 10: PROVISIONS

	Employee Entitlements \$	Total \$
Opening balance at 1 July 2008	225,074	225,074
Additional provisions raised during the year	48,646	48,646
Amounts used	(30,430)	(30,430)
Balance at 30 June 2009	<u>243,290</u>	<u>243,290</u>

Analysis of Total Provisions

Current	241,082	223,959
Non-Current	2,208	1,115
	<u>243,290</u>	<u>225,074</u>

Number of employees at year end	4	5
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Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2009 2008
\$ \$

NOTE 11: RETAINED EARNINGS

The association received \$49,382 (2008: \$66,536) committed contributions during the financial year for the ElectroComms Contracting Foundation. The amount has been taken up as revenue and included in retained earnings. The progressive value of the funds committed to the Foundation at 30 June 2009 is \$970,961 (2008: \$921,579).

NOTE 12: LEASES

(a) Operating lease commitments

Non-cancelable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	49,958	54,500
- later then one year but not later than five years	-	49,958
	<u>49,958</u>	<u>104,458</u>

NOTE 13: RELATED PARTY TRANSACTIONS

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

M Bowring	W McKnight	C McKenzie
S Griffiths	G Kempton	N Palmer (ceased Nov08)
J Sweeting	J Robinson	M Graham (commenced Nov08)
J Hill	B Gowdie	M Green (ceased Nov08)
A Atchison	W Fromberg	I Swain (commenced Nov08)

No remuneration was paid or payable to key management personnel.

J Tinslay is chief executive office and secretary of the association as at the end of the financial year.

Transactions with related parties

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

(a) Receivable from related entities at year end:

National Electrical Contractors Association – Tasmania	11,060	-
National Electrical Contractors Association – Queensland	23,358	21,186
National Electrical Contractors Association – New South Wales	-	819
National Electrical Contractors Association – South Australia	24,047	162
National Electrical Contractors Association – Western Australia	48,181	39,844
Australian Cabler Registration Service Pty Ltd	<u>1,885</u>	<u>1,003</u>

(b) Payable to related entities at year end:

National Electrical Contractors Association – South Australia	10,000	10,000
National Electrical Contractors Association – New South Wales	14,988	80
National Electrical Contractors Association – Western Australia	<u>32,295</u>	<u>89,165</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 14: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus/(deficit):

Surplus/(Deficit) from ordinary activities	96,643	172,071
(Profit)/Loss from sale of non-current assets	-	-
Depreciation	11,702	15,594
	<u>108,345</u>	<u>187,665</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	530,820	196,809
(Increase)/decrease in other current assets	213,341	49,173
Increase/(decrease) in trade and other payables	(209,310)	(84,858)
Increase/(decrease) in deferred income	(842,000)	(83,561)
Increase/(decrease) in provisions	18,216	31,729
	<u>(180,588)</u>	<u>296,957</u>

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for the association's operations. The association does not have any derivative instruments at 30 June 2009.

i. Treasury Risk Management

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

ii. Financial Risks

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

Interest rate risk

The association has no interest bearing liabilities and consequently is not exposed to fluctuations in debt interest rates. For further details on interest rate risk refer to Note 15(b).

Foreign Currency risk

The association is not exposed to fluctuations in foreign currencies.

Liquidity risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capitals 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 balance sheet and notes to the financial statements.

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

Price risk

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Instrument Composition and Maturity Analysis

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

	Weighted Avg		Floating Interest Rate		Within 1 Year	
	Effective Interest Rate					
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.90	6.66	1,182,008	1,362,596	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			<u>1,182,008</u>	<u>1,362,596</u>	<u>-</u>	<u>-</u>
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Weighted Avg		1 to 5 Years		Over 5 Years	
	Effective Interest Rate					
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.90	6.66	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Weighted Avg		Non-Interest Bearing		Total	
	Effective Interest Rate					
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.90	6.66	-	-	1,182,008	1,362,596
Investment in Unlisted Entity	-	-	2	2	2	2
Loans to Related Entity	-	-	21,137	21,137	21,137	21,137
Trade & other receivables	-	-	333,180	864,000	333,180	864,000
Total Financial Assets:			<u>354,319</u>	<u>885,139</u>	<u>1,536,327</u>	<u>2,247,735</u>
Financial Liabilities:						
Loans from Related Entities	-	-	16,665	16,665	16,665	16,665
Trade and other payables	-	-	346,675	555,985	346,675	555,985
Total Financial Liabilities:			<u>363,340</u>	<u>572,650</u>	<u>363,340</u>	<u>572,650</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

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

Trade and sundry payables are expected to be paid as follows:	2009	2008
	\$	\$
Less than 6 months	346,675	555,985
	<u>346,675</u>	<u>555,985</u>

(c) Net Fair Value

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

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

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

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Loans to Related Entity	21,137	21,137	21,137	21,137
Trade and other receivables	333,180	333,180	864,000	864,000
Total financial assets	<u>354,317</u>	<u>354,317</u>	<u>885,137</u>	<u>885,137</u>
Financial liabilities				
Loans from Related Entities	16,665	16,665	16,665	16,665
Trade and other payables	346,675	346,675	555,985	555,985
Total financial liabilities	<u>363,340</u>	<u>363,340</u>	<u>572,650</u>	<u>572,650</u>

Sensitivity analysis

Interest Rate risk

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

Foreign Currency risk

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: SEGMENT REPORTING

The association operates predominantly in one business and geographical segment, being in the electrical and communication industry providing benefits to the professional advisory services in Australia.

NOTE 17: EVENTS AFTER BALANCE SHEET DATE

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

NOTE 18: CONTINGENT LIABILITIES

Litigations

NECA National is named in a case brought by the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia against an existing National Councillor of NECA and Stowe Australia Pty Ltd under the Building and Construction Industry Improvement Act 2005. Total exposure is estimated to be up to \$133,000, but as low as \$15,000. However, NECA has received verbal assurance from the directors of Stowe Australia Pty Ltd that it will bear full costs.

Financial Support

NECA National had provided a letter of financial support to NECA Tasmania to repay its debts should NECA Tasmania fail to repay them.

NOTE 18: ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association – National Office
Level 4, 30 Atchison St
St Leonards NSW 2065

NOTE 19: RAO s272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION –
NATIONAL CHAPTER

mel@whk.com.au
www.whk.com.au

Scope

WHK Horwath Melbourne
41 099 415 845

The financial report and National Executives' responsibility:

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the statement by members of the committee for the National Executive of the National Electrical & Communications Association - National Chapter (the Association), for the year ended 30 June 2009.

The Committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENT AUDIT REPORT (CONTINUED)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and *section 257 of the Workplace Relations Act 1996*.

Audit Opinion

In our opinion, the general purpose financial report of the National Electrical & Communications Association - National Chapter for the year ended 30 June 2009, presents fairly in accordance with applicable Australian Accounting Standards, the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996, and other mandatory professional reporting requirements in Australia.

WHK HORWATH MELBOURNE



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**Peter Sexton – Chartered Accountant
Partner**

Dated: 8th October 2009