



AUSTRALIAN INDUSTRIAL REGISTRY

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Ref: FR2002/325-[233V]

Mr. Peter Glynn
Secretary
The National Electrical Contractors Association
Level 3
100 Dorcas Street
SOUTH MELBOURNE VIC 3205

Dear Mr. Glynn

**Re: The National Electrical Contractors Association
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (03) 8661 7817 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Robert Pfeiffer
E-mail: robert.pfeiffer@air.gov.au
4 July, 2002



FR2002/325

National office | **national electrical and communications association**
Level 3, 100 Dorcas Street South Melbourne 3205 Australia
telephone +61 3 9845 5566 facsimile +61 3 9845 5577
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20 March 2003

Rec'd 31/3/03
[Signature]

Deputy Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

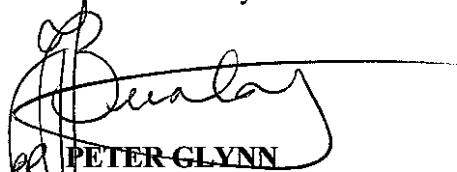
Financial Reporting Obligations Under the Workplace Relations Act 1996

In accordance with section 280(1) of the Workplace Relations Act 1996, I herewith certify that the accounts attached are a true copy of the accounts and statements tabled at the Committee of Management Meeting on 12 February 2003. I herewith also certify that:

1. The Committee of Management at its meeting on 9 August 2002 resolved that the Committee of Management Certificate in relation to the accounts be executed.
2. The Audit Certificate in relation to the accounts was executed by the Auditors on 20 November 2002.
3. The Auditors Report and accounts were presented to the Committee of Management meeting on 12 February 2003.
4. The Committee of Management meeting on 12 February 2003 was the first meeting held, within the required timeframe, after the Audit Certificate was signed by the Auditors.
5. The members were provided with copies of the accounts and the Auditors Report on 21 November 2002.

We herewith seek approval to extend the period in which this certificate is lodged.

Yours faithfully


PETER GLYNN
Secretary

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
NATIONAL OFFICE**

**Financial Report
For The Year Ended
30 June 2002**

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EXECUTIVE COMMITTEE'S CERTIFICATE

We, Peter Vandenheuvel and Neville Palmer, being two members of the Executive Committee, of the National Electrical And Contractors Association, National Office, do state on behalf of the Executive Committee and in accordance with a resolution passed by the Executive Committee, that:

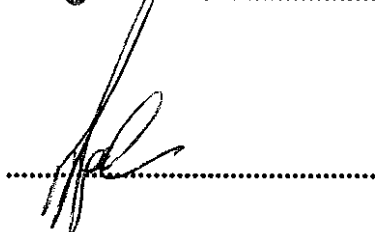
1. in the opinion of the Executive Committee, the accounts show a true and fair view of the financial affairs of the organisation to which the accounts relate;
2. in the opinion of the Executive Committee, meetings of the Executive Committee were held during the financial year in accordance with the rules of the organisation;
3. to the knowledge of any member of the Executive Committee, there have been, during the financial year to which these accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(2) of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available, to members in accordance with the requirements of the Act, the Regulations or the rules of the organisation; and
4. in relation to the report prepared in accordance with section 276 of the Act by the auditor of the organisation in respect of the financial year immediately preceding the financial year to which the accounts relate and in relation to any accounts and statements prepared in accordance with subsection 273(1) of the Act to which that report relates, the organisation has complied with subsection 279(1) and subsection 279(6) of the Act.

DATED this 9th day of August 2002

PETER VANDENHEUVEL - PRESIDENT



NEVILLE PALMER - TREASURER



ACCOUNTING OFFICER'S CERTIFICATE

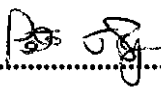
I, PETER JAMES GLYNN am the officer responsible for keeping the accounting records of the National Electrical Contractors Association, National Office.

As at 30 June 2002 there were 4,749 members of the National Electrical Contractors Association.

I hereby certify that as at 30 June 2002, and in my opinion,

1. the accounts show a true and fair view of the financial affairs of the organisation as at the end of the financial year;
2. a record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the rules of the organisation;
3. before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
4. no payment was made out of a fund referred to in subparagraph 107(b)(xiii) or (xv) of the regulations of the Workplace Relations Act 1996; for a purpose other than the purpose for which the fund was operated;
5. no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation;
6. the register of members of the organisation was maintained in accordance with the Act.

DATED this 9th day of August 2002

PETER JAMES GLYNN cpa, fcis 
SECRETARY

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
– NATIONAL OFFICE**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002**

| | Note | 2002 \$ | 2001 \$ |
|--|-------------|--------------------|--------------------|
| Revenues from ordinary activities | 4 | 1,475,738 | 1,666,716 |
| Employee expenses | | (451,524) | (270,023) |
| Depreciation and amortisation expenses | 5(a) | (27,287) | (26,943) |
| Other expenses from ordinary activities | | <u>(995,514)</u> | <u>(1,322,448)</u> |
| Profit/(loss) from ordinary activities before income tax expense | | 1,413 | 47,302 |
| Income tax expense relating to ordinary activities | 3 (b) | <u>-</u> | <u>-</u> |
| Net profit/(loss) from ordinary activities after income less expenses attributable to association | 15 | <u>1,413</u> | <u>47,302</u> |
| Total changes in equity of the association | | <u>1,413</u> | <u>47,302</u> |

The accompanying notes form a part of the financial report.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- NATIONAL OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2002

| | Note | 2002 \$ | 2001 \$ |
|--------------------------------------|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash assets | 16(a) | 208,733 | 645,096 |
| Receivables | 7 | 496,478 | 75,536 |
| Other financial assets | 8 | 12,700 | 12,700 |
| Other | 9 | 235,144 | 151,799 |
| Total Current Assets | | <u>953,055</u> | <u>885,131</u> |
| NON-CURRENT ASSETS | | | |
| Investments in associated entities | 10 | 2 | 2 |
| Investments in controlled entity | 11 | 1 | 1 |
| Property, plant and equipment | 12 | 93,713 | 117,414 |
| Total Non-Current Assets | | <u>93,716</u> | <u>117,417</u> |
| Total Assets | | <u>1,046,771</u> | <u>1,002,548</u> |
| CURRENT LIABILITIES | | | |
| Payables | 13 | 826,201 | 813,793 |
| Provisions | 14 | 95,220 | 65,680 |
| Total Current Liabilities | | <u>921,421</u> | <u>879,473</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 14 | 1,534 | 672 |
| Total Non-Current Liabilities | | <u>1,534</u> | <u>672</u> |
| Total Liabilities | | <u>922,955</u> | <u>880,145</u> |
| NET ASSETS | | <u>123,816</u> | <u>122,403</u> |
| EQUITY | | | |
| Retained profits | 15 | 123,816 | 122,403 |
| TOTAL EQUITY | | <u>123,816</u> | <u>122,403</u> |

The accompanying notes form part of the financial report.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- NATIONAL OFFICE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002**

| | Note | 2002 | 2001 |
|--|--------------|------------------|-----------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash receipts in the course of operations | | 1,252,245 | 1,750,542 |
| Cash payments in the course of operations | | (1,690,563) | (1,155,391) |
| Interest received | | 5,541 | 6,374 |
| Net cash provided by operating activities | 16(b) | <u>(432,777)</u> | <u>601,525</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for plant and equipment | | (3,586) | (94,182) |
| Proceeds from sale of non-current assets | | - | 25,000 |
| Payments for investments | | - | (12,700) |
| Net cash used in investing activities | | <u>(3,586)</u> | <u>(81,882)</u> |
| Net increase in cash held | | (436,363) | 519,643 |
| Cash at the beginning of the financial year | | 645,096 | 125,453 |
| Cash at the end of the financial year | 16(a) | <u>208,733</u> | <u>645,096</u> |

The accompanying notes form part of the financial report.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002**

1. CORPORATE INFORMATION

The National Electrical Contractors Association, is an association that is established and domiciled in Australia.

The registered office of the National Electrical Contractors Association, is located at:

Level 3, 100 Dorcas Street
South Melbourne, Victoria, 3205

During the year, the principal activities of the National Electrical Contractors Association, were the provision of professional advice to electrical contractors.

The National Electrical Contractors Association, National Office, employed 5 employees as of 30 June 2002 (2001: 4 employees).

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies that have been adopted in the preparation of the financial report are:

a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standard Boards and the Workplace Relations Act 1996.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

3. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) **Basis of Preparation (Cont'd)**

The financial report has been prepared on an accruals basis and is based on historical cost, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

b) **Taxation**

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

c) **Trade Receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

d) **Investments**

Investments in associates and controlled entities are carried at the lower of the equity-accounted amount and recoverable amount in the consolidated financial statements.

e) **Property, Plant and Equipment**

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.

Depreciation

Items of property, plant and equipment, including buildings and leasehold property, but excluding freehold land, are depreciated over their estimated useful lives. The straight-line method of depreciation is used. The depreciation rates used for each class of depreciable assets are:

| | 2002 | 2001 |
|---------------------|------------|------------|
| Motor Vehicles | - | 25% |
| Plant and Equipment | 10% to 33% | 10% to 33% |

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

3. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) **Recoverable Amount**

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate

g) **Trade and Other Payables**

Liabilities for trade creditors and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

h) **Employee Entitlements**

Wages, Salaries, Annual Leave

The provision for employee entitlements to wages, salaries and annual leave represents the amount which the Association has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. The carrying amount of provisions approximates net fair value.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Association resulting from employees' service provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. The carrying amount of the provision approximates net fair value.

Superannuation

The Association contributes to an employee superannuation fund. Contributions are charged against income as they are made. The Association has no legal obligation to cover any shortfall in the fund's assets or to meet benefits to employees on retirement.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

3. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i) **Cash and Cash Equivalents**

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days.

j) **Revenue Recognition**

Operating Revenue

Operating revenue comprises revenue earned from the provision of products or services to members. Operating revenue is recognised when the goods are provided or when the fee in respect of services provided is receivable.

Interest Income

Interest income is recognised as it accrues.

Asset Sales

The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

k) **Comparatives**

Where necessary, comparative information has been reclassified to achieve consistency with current financial year amounts and other disclosures.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)**

| | 2002 \$ | 2001 \$ |
|---|------------------|------------------|
| 4. REVENUE FROM ORDINARY ACTIVITIES | | |
| Operating activities | | |
| Member subscriptions | 494,623 | 480,130 |
| Management fees | 301,251 | 180,631 |
| | <u>795,874</u> | <u>660,761</u> |
| Non-operating activities | | |
| Government grants | 252,000 | 571,324 |
| Interest from other corporations | 5,541 | 6,374 |
| Gross proceeds from the sale of property, plant and equipment | - | 25,000 |
| Other | 422,323 | 403,257 |
| | <u>679,864</u> | <u>1,005,955</u> |
| Total revenue | <u>1,475,738</u> | <u>1,666,716</u> |
| 5. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES | | |
| Profit/(loss) from ordinary activities has been determined after: | | |
| (a) Expenses | | |
| Depreciation of non-current assets: | | |
| Motor Vehicles | - | 6,232 |
| Property, Plant and Equipment | 27,287 | 20,711 |
| Total depreciation of non-current assets | <u>27,287</u> | <u>26,943</u> |
| Employee entitlements | 31,541 | 11,694 |
| Bad Debts | - | 4,490 |
| Operating lease rental | <u>32,648</u> | <u>33,872</u> |
| (b) Losses/(Gains) | | |
| Recovery of doubtful debts | - | (3,960) |
| Loss/(gain) on disposal of non-current assets | <u>-</u> | <u>(8,377)</u> |
| | <u>-</u> | <u>(12,337)</u> |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)**

| | 2002 \$ | 2001 \$ |
|--|----------------|----------------|
| 6. AUDITORS' REMUNERATION | | |
| Audit services: | | |
| Auditors of the association | <u>8,750</u> | <u>10,800</u> |
| 7. RECEIVABLES | | |
| General membership | 496,478 | 74,243 |
| Other trade debtors | <u>-</u> | <u>1,293</u> |
| | 496,478 | 75,536 |
| Less: provision for doubtful debts | <u>-</u> | <u>-</u> |
| | <u>496,478</u> | <u>75,536</u> |
| 8. OTHER FINANCIAL ASSETS | | |
| Term deposits | <u>12,700</u> | <u>12,700</u> |
| The term deposit at 30 June 2002 matures within 90 days and pays an interest rate of 3.95% (2001 : 3.2%.) | | |
| Credit risk is minimised as short term deposits are held with large banks which have acceptable credit ratings determined by a recognised rating agency. | | |
| 9. OTHER | | |
| Other receivables | 82,443 | 58,794 |
| Prepayments | <u>152,701</u> | <u>93,005</u> |
| | <u>235,144</u> | <u>151,799</u> |
| 10. INVESTMENTS IN ASSOCIATED ENTITIES | | |
| Australian Cabler Registration Service Pty Ltd – at cost | 1 | 1 |
| Spec Pty Ltd – at cost | <u>1</u> | <u>1</u> |
| | <u>2</u> | <u>2</u> |
| 11. INVESTMENTS IN CONTROLLED ENTITY | | |
| Teledata Licence (Aust) Pty Ltd - at cost | <u>1</u> | <u>1</u> |

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)**

| | 2002 \$ | 2001 \$ |
|--|------------------------------|--------------------|
| 12. PROPERTY, PLANT AND EQUIPMENT | | |
| Plant and equipment – at cost | 165,593 | 168,764 |
| Less: Accumulated depreciation | <u>(71,880)</u> | <u>(51,350)</u> |
| | <u>93,713</u> | <u>117,414</u> |
| Total Property, plant and equipment | <u>93,713</u> | <u>117,414</u> |
| Movements in Carrying Amounts | | |
| | Plant and equipment \$ | |
| Balance at beginning of year | 117,414 | |
| Additions | 3,586 | |
| Depreciation expense | <u>(27,287)</u> | |
| Carrying amount at end of year | <u>93,713</u> | |
| 13. PAYABLES | | |
| Trade creditors and accruals | 244,528 | 278,582 |
| Goods & Services Tax | 27,429 | - |
| Deferred income | <u>554,244</u> | <u>535,211</u> |
| | <u>826,201</u> | <u>813,793</u> |
| 14. PROVISIONS | | |
| Current | | |
| Employee entitlements | <u>95,220</u> | <u>65,680</u> |
| | <u>95,220</u> | <u>65,680</u> |
| Non-current | | |
| Employee entitlements | <u>1,534</u> | <u>672</u> |

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

| | 2002 \$ | 2001 \$ |
|--|------------------|-----------------|
| 15. RETAINED PROFITS | | |
| Balance at the beginning of the financial year | 122,403 | 75,101 |
| Net profit/(loss) attributable to members | 1,413 | 47,302 |
| Balance at the end of the financial year | <u>123,816</u> | <u>122,403</u> |
| 16. NOTES TO THE STATEMENT OF CASH FLOWS | | |
| (a) Reconciliation of Cash | | |
| Cash at end of the financial year as shown in the statement of cash flows is reconciled to the related items as follows: | | |
| Cash at bank | <u>208,733</u> | <u>645,096</u> |
| (b) Reconciliation of Cash Flows from Operations with Net Profit/(Loss) | | |
| Operating profit/(loss) | 1,413 | 47,302 |
| Add/(less) items classified as investing/financing activities: | | |
| (Profit)/Loss on sale of non-current assets | - | (8,377) |
| Add/(less) non-cash items: | | |
| Depreciation | 27,287 | 26,943 |
| Amounts set aside to provisions | - | (3,960) |
| Net cash provided by operating activities before change in assets and liabilities | <u>28,700</u> | <u>61,908</u> |
| Change in assets and liabilities during the financial year: | | |
| (Increase)/Decrease in receivables | (420,942) | 98,395 |
| (Increase)/Decrease in other assets | (83,345) | 185,703 |
| (Decrease)/Increase in payables | 12,408 | 306,573 |
| (Decrease)/Increase in provisions | <u>30,402</u> | <u>(51,054)</u> |
| Net cash provided by operating activities | <u>(432,777)</u> | <u>601,525</u> |

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

| | 2002 \$ | 2001 \$ |
|---|---------------|---------------|
| 17. EXPENDITURE COMMITMENTS | | |
| Operating Lease Commitments | | |
| Non-cancelable operating leases contracted for but not capitalised in the financial statements: | | |
| Payable | | |
| Less than 1 year | 33,954 | 32,648 |
| 1 to 5 years | 11,465 | 45,419 |
| | <u>45,419</u> | <u>78,067</u> |

18. RELATED PARTIES DISCLOSURE

The names of the persons who have held office as Councillors during the year are:

| | |
|----------------|-------------|
| P Vandenheuvel | R Young |
| P Walton | D Madson |
| M Bowring | N Palmer |
| P Kim | G Itzstein |
| M O'Malley | C M Russell |
| D Crapp | K Sellwood |
| R Cox | A Cross |
| P Glynn | |

Councillors and their related entities

Members of the Council 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.

Related Party Transactions

Teledata Licence (Aust) Pty Ltd administers and processes applications for cabling licences. Teledata Licence (Aust) Pty Ltd is a related party to the National Electrical Contractors Association.

19. SEGMENT INFORMATION

The consolidated entity operates predominantly in one business and geographical segment being the professional advisory services in Australia.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002 (Cont'd)

20. FINANCIAL INSTRUMENTS

a) Interest Rate Risks

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 those financial assets and financial liabilities, is as follows:

| Financial Assets | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Fixed Interest Rate Maturing | | | | Non-Interest Bearing | | Total | |
|-----------------------------|---|-----------|---------------------------|------------|------------------------------|--------|--------------|---|-------------------------|------------|------------|------------|
| | 2002 % | 2001 % | 2002 \$ | 2001 \$ | Within 1 Year | | 1 to 5 Years | | 2002 \$ | 2001 \$ | 2001 \$ | 2001 \$ |
| Cash | 4.17% | 1.5% | 208,733 | 645,096 | 12,700 | 12,700 | - | - | - | - | 221,433 | 657,796 |
| Receivables | | | - | - | - | - | - | - | 496,478 | 75,536 | 496,478 | 75,536 |
| Total Financial Assets | | | 208,733 | 645,096 | 12,700 | 12,700 | - | - | 496,478 | 75,536 | 717,911 | 733,332 |
| Payables | - | - | - | - | - | - | - | - | 271,957 | 278,582 | 271,957 | 278,582 |
| Total Financial Liabilities | - | - | - | - | - | - | - | - | 271,957 | 278,582 | 271,957 | 278,582 |

b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

c) Net Fair Values

The net fair values of assets and liabilities approximate 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.

21. SUBSEQUENT EVENTS

Since 30 June 2002, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in subsequent financial years.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- NATIONAL OFFICE**

SCOPE

We have audited the financial report of National Electrical Contractors Association, National Office, for the year ended 30 June 2002, as set out on pages 3 to 15. The Executive Committee is responsible for the preparation and presentation of the financial report. We have conducted an audit of the financial report in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, the Workplace Relation Act 1996, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- (a) there were kept by the National Electrical Contractors Association, National Office in respect of the year ended 30 June 2002, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of expenditure;
- (b) the attached financial report, prepared under the historical cost convention and in accordance with Section 273 of the Workplace Relations Act 1996, are properly drawn up so as to present fairly:
 - (i) the statement of financial position of the Association as at 30 June 2002;
 - (ii) the statement of financial performance and cash flows of the Association for the financial year ended on that date; and
 - (iii) in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.
- (c) All information and explanations required by Section 276(2) of the Workplace Relations Act 1996, to be provided by officers or employees were provided.

Bentleys MRI

**BENTLEYS MRI
CHARTERED ACCOUNTANTS**

Scott Phillips

**SCOTT PHILLIPS
PARTNER**

Melbourne on 20TH NOVEMBER 2002

16

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114 William Street
Melbourne Vic. Australia

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(Insolvency) 61 3 9274 0760
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Partners

John J Templeton FCA
Theo J Eversteyn FCA
Adrian J Beckwith FCA
Greg R Lay FCA
Geoffrey J Kelly FCA
Stirling L Horne CA
Martin A Phelan CA
Bruno A Secatore CA
Mark J Fine FCA
Scott W Phillips CA

Associate

Philip W A Herbert FCPA

A member of Moores Rowland International an association of independent accounting firms throughout the world. Associated in all States of Australia. The firms practising as Bentleys MRI and Moores Rowland are independent. They are affiliated only and not in partnership.

**DISCLAIMER TO THE DETAILED INCOME
AND EXPENDITURE STATEMENT FOR THE
YEAR ENDED 30 JUNE 2002**

The additional financial information presented on pages 18 and 19 is in accordance with the books and records of National Electrical Contractors Association, National Office, which have been subjected to the auditing procedures applied to our audit of the Association for the year ended 30 June 2002. It will be appreciated that our audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the Association) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

Bentleys MRI

**BENTLEYS MRI
CHARTERED ACCOUNTANTS**

Scott Phillips

**SCOTT PHILLIPS
PARTNER**

Dated in Melbourne on 20TH NOVEMBER 2002

114 William Street
Melbourne Vic. Australia

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- NATIONAL OFFICE

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2002

| INCOME | 2002 | 2001 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| General Administration | | |
| Subscriptions – Chapters & Affiliates | 494,623 | 480,130 |
| Sundry Income | 1,264 | - |
| Directors Fees | 4,000 | 6,833 |
| Management Fees | 301,251 | 180,631 |
| Awards Sponsorship and Tickets | 300,027 | 219,721 |
| Vendors and Distributors Group | 94,799 | 52,970 |
| Interest | 5,541 | 6,374 |
| Sale of Fixed Assets (Proceeds) | - | 25,000 |
| Contribution to Standards | 20,000 | 20,000 |
| Projects | 254,233 | 636,775 |
| Net deficiency in assets in controlled entity income | - | 38,282 |
| TOTAL INCOME | <u>1,475,738</u> | <u>1,666,716</u> |

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- NATIONAL OFFICE

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2002

| EXPENDITURE | 2002 | 2001 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| General Administration | | |
| Accounting and Audit Fees | 53,320 | 50,239 |
| Advertising & Promotion | 486 | 4,094 |
| Affiliation Fees | 67,573 | 64,776 |
| Annual Leave | 26,450 | 2,405 |
| Bad Debts | - | 3,800 |
| Bank Charges | 2,796 | 4,544 |
| Communications Consultant | 7,844 | 20,841 |
| Computer Expenses | 10,366 | 14,445 |
| Conference | 12,877 | 11,471 |
| Consultancy Costs | - | - |
| Depreciation | 27,287 | 26,943 |
| Doubtful Debts | - | (3,960) |
| Entertainment & Representation | 8,587 | 6,230 |
| Excellence Award | 268,158 | 221,615 |
| Fringe Benefits Tax | 4,350 | 8,866 |
| Insurance | 16,265 | 13,865 |
| Legal Fees | 917 | 2,051 |
| Long Service Leave | 5,091 | 9,289 |
| Sale of Fixed Assets (cost) | - | 16,623 |
| Meeting Expenses | 12,585 | 11,245 |
| Payroll Tax | 11,042 | 8,151 |
| Postage | 10,186 | 8,042 |
| Projects | 258,351 | 598,505 |
| Relocation expenses | - | 10,060 |
| Rent | 54,146 | 48,997 |
| Repairs & Maintenance | 1,938 | 2,612 |
| Salaries & Wages | 404,592 | 250,178 |
| Staff Training | 975 | - |
| Temporary Staff | - | 2,553 |
| Standards Australia Representation | - | 7,500 |
| Stationery | 13,377 | 20,289 |
| Subscriptions Trade Journals | 3,261 | 3,628 |
| Sundry Expenses | 7,751 | 9,918 |
| Telephone & Fax | 19,260 | 20,290 |
| Travel & Accommodation | 54,176 | 68,802 |
| Vendors & Distributors | 94,799 | 52,970 |
| Vehicle Expenses | - | 2,545 |
| Website | 9,532 | 10,790 |
| Workcare | 5,987 | 4,202 |
| TOTAL EXPENDITURE | 1,474,325 | 1,619,414 |
| NET PROFIT/(LOSS) | 1,413 | 47,302 |

**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 9653 8200
Fax: (03) 9654 6812

Our Ref: 233V-FED: FR2002/325

Mr Peter Glynn
Secretary
National Electrical Contractors Association
Level 3, 100 Dorcas Street
SOUTH MELBOURNE
VIC 3205

Dear Mr Glynn,

**Re: National Electrical Contractors Association
Financial returns for year ended 30 June 2002
(FR2002/325)**

Receipt is acknowledged of the financial documents of the National Electrical Contractors Association for the year ended 30 June 2002. The documents were lodged in the Industrial Registry on 27 March 2003.

The following matter concerning the financial reporting requirements of the Workplace Relations Act 1996, requires your further attention:-

- **Secretary's Certificate**

A certificate prepared under paragraph 280(1)(b) of the Act is to be prepared by the Secretary, unless the rules of the organisation provide that another officer should do so. An examination of the rules does not indicate such provision has been made. Accordingly, the Secretary rather than the person who has signed the certificate dated 20 March 2003 is the appropriate person to prepare such certificate.

Would you please lodge an appropriately signed Secretary's Certificate as soon as possible.

Yours sincerely,

Shane Ellard
Assistant Team Manager - RIA Team 4
Statutory Services Branch (Melbourne)

9 April 2003



AUSTRALIAN INDUSTRIAL REGISTRY

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Our Ref: 233V-FED: FR2002/325

Mr Peter Glynn
Secretary
National Electrical Contractors Association
Level 3, 100 Dorcas Street
SOUTH MELBOURNE
VIC 3205

Dear Mr Glynn,

**Re: National Electrical Contractors Association
Financial returns for year ended 30 June 2002
(FR2002/325)**

Receipt is acknowledged of the financial documents of the National Electrical Contractors Association for the year ended 30 June 2002. The documents were lodged in the Industrial Registry on 27 March 2003.

The following matter concerning the financial reporting requirements of the Workplace Relations Act 1996, requires your further attention:-

• Secretary's Certificate

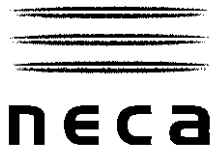
A certificate prepared under paragraph 280(1)(b) of the Act is to be prepared by the Secretary, unless the rules of the organisation provide that another officer should do so. An examination of the rules does not indicate such provision has been made. Accordingly, the Secretary rather than the person who has signed the certificate dated 20 March 2003 is the appropriate person to prepare such certificate.

Would you please lodge an appropriately signed Secretary's Certificate as soon as possible.

Yours sincerely,

Shane Ellard
Assistant Team Manager - RIA Team 4
Statutory Services Branch (Melbourne)

9 April 2003



National office | **national electrical and communications association**
Level 3, 100 Dorcas Street South Melbourne 3205 Australia
telephone +61 3 9645 5566 facsimile +61 3 9645 5577
email necanat@neca.asn.au

20 May 2003

Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Attn: Shane Ellard

Dear Sir

Financial Returns for the Year Ended 30 June 2002 (FR2002-325)

With regards to the above mentioned documents lodged with the industrial Registry on 27 March 2003 and as acknowledged in your letter of 9 April 2003, I herewith certify that;

- ☐ I Peter James Glynn am the appropriate person to make this certification;
- ☐ The financial Returns lodged and received at the Registry on 27 March 2003 were copies of the Reports, accounts and statements presented to the meeting of members;
- ☐ The meeting of members was held on 21 November 2002.

Yours Faithfully,

PETER JAMES GLYNN
Secretary

Ref: L030520-10
File:



AUSTRALIAN INDUSTRIAL REGISTRY

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
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Our Ref: 233V-FED: FR2002/325

Mr Peter Glynn
Secretary
National Electrical Contractors Association
Level 3, 100 Dorcas Street
SOUTH MELBOURNE
VIC 3205

Dear Mr Glynn,

**Re: National Electrical Contractors Association
Financial returns for year ended 30 June 2002
(FR2002/325)**

Thank you for forwarding the replacement Secretary's Certificate in relation to the financial year ended 30 June 2002. The certificate has been placed with the documents previously lodged.

The documents have been filed.

The following matters are advised for assistance when preparing future financial documents, no further action is requested in respect of these:

- **Accounting Officer's Certificate**

Certificate of another lodged

A certificate prepared under regulation 109(1)(a) is to be prepared by the officer responsible for the keeping of the accounting records - refer regulation 109(4). An examination of the rules of the organisation, (refer rule 17(b)(iii)), indicates that the Treasurer rather the Secretary is the appropriate person to prepare such a certificate.

- **Auditor's Report**

Consideration of certificates as well as accounts

The auditor gives an opinion on the financial report as set out on pages 3 to 15. It should be noted that the opinion required for the purposes of s276(4)(a)(ii) of the Act should include consideration of the certificates of the accounting officer and committee of management. Such certificates should be contained in accounts prepared in accordance with subsection 273(1) of the Act - refer subsection 273(2) and subregulation 109(1).

Would you please draw this matter to your auditor's attention.

New legislation

As you would know the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

The RAO legislation establishes a **Registration and Accountability of Organisations Schedule** (the RAO Schedule) inserted as Schedule IB within the *Workplace Relations Act 1996* (the WR Act) pertaining to registered organisations. Many of the provisions relating to registered organisations currently in the WR Act are replicated in the new RAO Schedule, with some amendments. Other matters will be substantially changed by the RAO Schedule, particularly the financial reporting requirements.

I note that your organisation will be required to complete the financial reporting obligations for the financial year ended 30 June 2003 under the *Workplace Relations Act 1996* whereas the reporting obligations for the financial year ending 30 June 2004 will be governed by the requirements of the RAO Schedule. This is because the relevant provisions of the *Workplace Relations Legislation Amendment (Registration of Accountability of Organisations) (Consequential Provisions) 2002 Act* apply to the first complete financial year subsequent to the commencement of the legislation [(see item 44(1))].

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, please contact me on (03) 8661-7811 or email: shane.ellard@air.gov.au.

Yours sincerely,



Shane Ellard
Assistant Team Manager - RIA Team 4
Statutory Services Branch (Melbourne)

21 May 2003