



**Australian Government**  
**Australian Industrial Registry**

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Mr James Tinslay  
Secretary  
National Electrical and Communications Association  
National Office  
Locked Bag 1818  
ST LEONARDS NSW 1590

By email: [necanat@neca.asn.au](mailto:necanat@neca.asn.au)

Dear Mr Tinslay

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)  
Financial Reports for year ended 30 June 2008 – FR2008/274**

I acknowledge receipt of the financial report for the National Electrical and Communications Association for the National Office. The documents were lodged in the Industrial Registry on 24 November 2008.

The documents have been filed and your compliance with the Registry request to provide details of the items of income as required by Clause 10(b) of the Industrial Registrar's Reporting Guidelines has been noted.

The following are some comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged.

**Auditor's Report**

Subsection 257(5) of the RAO Schedule states:

*“An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:*

- (a) the Australian Accounting Standards;*
- (b) any other requirements imposed by this Part.*

*If not of that opinion, the auditor's report must say why.”*

While the lodged auditor's opinion generally satisfies subsection 257(5) the latter part of the opinion on page 24 of the financial report suggests that only the requirements of s256 of the RAO Schedule was complied with in stating the auditor's opinion. It would be more accurate to replace the words *“the requirements of section 256 to the RAO Schedule of the Workplace Relations Act 1996”* with *“the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996”* to address subsection 257(5)(b).

Furthermore, it is not clear from the auditor's report whether or not the auditor signing off is an approved auditor as defined by regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations).

Regulation 4 states:

*“...an approved auditor means:*

*(a) a **person** who:*

*(i) is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants; **and***

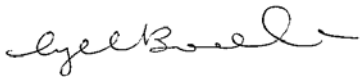
*(ii) holds a current Public Practice Certificate...”*

It is more than likely that your auditor is an approved auditor as defined by the RAO Regulations but the preferred practise is that the qualifications of the individual auditor **and** that he or she holds a current Public Practice Certificate be made explicit in the signature block.

Can you please bring this to the attention of your auditor for future financial reports?

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Weds to Fri) or by email at [cynthia.lobooth@airc.gov.au](mailto:cynthia.lobooth@airc.gov.au)

Yours sincerely,



Cynthia Lo-Booth  
Statutory Services Branch

12 December 2008



National office | **national electrical and communications association**  
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ABN 78 319 016 742

18 November 2008

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

Dear Sir/Madam

**Certificate of Secretary**

I, James Clifford Tinslay, being the Secretary of the National Electrical Contractors Association – National Office, certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
2. that the full report was provided to members on 23 October 2008; and
3. that the full report was presented to the Annual General Meeting of the reporting unit on 13 November 2008; in accordance with s266 of the RAO Schedule.

Yours faithfully

James C Tinslay  
Secretary



**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION  
NATIONAL OFFICE**

**Financial Report  
For The Year Ended  
30 June 2008**

**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 2008.

### Committee Members

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

N Palmer	W McKnight
M Bowring	M Green
S Griffiths	G Kempton
J Sweeting	J Robinson
J Hill (commenced Nov07)	B Gowdie (commenced Nov07)
A Atchison (commenced Aug07)	W Fromberg (commenced Nov07)
C McKenzie (commenced Nov07)	D Lindner (ceased Aug07)
D Madson (ceased Nov07)	C M Russell (ceased Nov07)

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 office 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 profit of the association for the financial year amounted to \$172,071 (2007: \$29,818).

### 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 3,836 (2007: 3,753) members at financial year end.

### Number of Employees

The association had 5 (2007: 2) employees at financial year end.

### Superannuation Trustees

The following committee members are directors of SPEC Pty Ltd which is the trustee of the Connect Superannuation Fund:

CM Russell

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**Operating Report by the Committee (cont'd)**

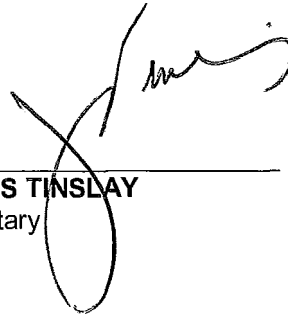
**Members Right to Resign**

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:



\_\_\_\_\_  
**NEVILLE PALMER**  
President



\_\_\_\_\_  
**JAMES TINSLAY**  
Secretary

Dated this 17<sup>th</sup> day of September 2008

# NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

## Committee of Management Statement

On 30<sup>th</sup> July 2008 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 2008.

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 17<sup>th</sup> day of September 2008



NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2007 \$	2006 \$
<b>Revenue</b>	2	3,029,825	2,528,940
<b>Expenditure</b>			
Affiliation Fees		32,277	51,400
Conference & Meeting Expenses		15,341	14,922
Depreciation		15,594	15,164
Employee Benefits		505,775	424,432
Other Expenses		2,288,767	1,993,204
<b>Total Expenditure</b>		<u>2,857,754</u>	<u>2,499,122</u>
<b>Profit before income tax</b>	2	172,071	29,818
Income tax expense	1(a)	-	-
<b>Profit attributable to the association</b>		<u>172,071</u>	<u>29,818</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,362,596	1,070,194
Trade and other receivables	4	864,000	1,060,809
Other current assets	5	347,265	396,438
<b>TOTAL CURRENT ASSETS</b>		<u>2,573,861</u>	<u>2,527,441</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	6	2	2
Plant and equipment	7	25,087	36,126
<b>TOTAL NON-CURRENT ASSETS</b>		<u>25,089</u>	<u>36,128</u>
<b>TOTAL ASSETS</b>		<u>2,598,950</u>	<u>2,563,569</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	555,985	657,508
Deferred income	9	843,000	926,561
Short term provisions	10	223,959	192,916
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,622,944</u>	<u>1,776,985</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	8	16,665	-
Long term provisions	10	1,115	429
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>17,780</u>	<u>429</u>
<b>TOTAL LIABILITIES</b>		<u>1,640,724</u>	<u>1,777,414</u>
<b>NET ASSETS</b>		<u>958,226</u>	<u>786,155</u>
<b>EQUITY</b>			
Retained earnings	11	958,226	786,155
<b>TOTAL EQUITY</b>		<u>958,226</u>	<u>786,155</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 2008

	Retained earnings \$	Total \$
<b>Balance at 1 July 2006</b>	<b>756,337</b>	<b>756,337</b>
Profit attributable to members of Association	29,818	29,818
<b>Balance at 30 June 2007</b>	<b>786,155</b>	<b>786,155</b>
Profit attributable to members of Association	172,071	172,071
<b>Balance at 30 June 2008</b>	<b>958,226</b>	<b>958,226</b>

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 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts in the course of operations		3,207,438	2,075,875
Payments to suppliers and employees		(2,978,850)	(1,896,711)
Interest received		68,369	51,164
Net cash provided by /(used in) operating activities	14	<u>296,957</u>	<u>230,328</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(4,555)	(6,411)
Proceeds from sale of plant and equipment		-	-
Loan to NECA Qld		-	(79,436)
Loan from NECA VIC/ NSW/ SA/ WA		-	130,000
Repayment of loan from NECA WA		-	(3,335)
Sale of investments		-	681,700
Purchase of investments		-	-
Net cash provided by /(used in) investing activities		<u>(4,555)</u>	<u>722,518</u>
Net increase/(decrease) in cash held		292,402	952,846
Cash at beginning of financial year		<u>1,070,194</u>	<u>117,348</u>
Cash at end of financial year	3	<u>1,362,596</u>	<u>1,070,194</u>

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

#### 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 2008

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 2008

#### 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 2008

#### 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.



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**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 2008.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
<b>NOTE 2: PROFIT BEFORE INCOME TAX</b>		
<b>Profit before income tax has been determined after:</b>		
<b>(a) Crediting as income</b>		
<b>General Administration</b>		
Subscriptions – received from Chapters & Affiliates		
- NSW Chapter	262,936	243,413
- VIC Chapter	253,617	250,405
- SA Chapter	75,053	71,474
- WA Chapter	71,716	66,386
- ACT Chapter	14,705	12,033
- TAS Chapter	7,847	7,773
- NT Chapter	3,000	3,000
Sundry Income	2,377	7
Directors Fees	30,500	5,955
Management Fees	345,303	282,974
Associate Member Program Sponsorship	1,158,982	1,090,671
Interest	68,369	51,164
Inter-Chapter Grants	-	60,000
Contribution to Standards	-	40,000
ElectroComms Contracting Foundation	66,536	76,127
Projects	668,884	267,558
<b>Total revenues</b>	<b>3,029,825</b>	<b>2,528,940</b>

**(b) Charging as an expense**

Auditors Remuneration:		
- Auditing and/or reviewing the financial report	15,725	15,650
Accounting Fees	44,160	43,091
Affiliation Fees	32,277	51,400
Associate Member Program Expenses	1,159,183	1,099,843
Bank Charges	3,724	1,508
Communications Consultancy	44,079	62,312
Computer Costs	9,149	10,445
Consultancy Costs	75,454	44,680
Conference & Meeting Expenses	15,341	14,922
Depreciation	15,594	15,164
Employee Benefits	505,775	424,432
Entertainment & Representation	12,841	12,924
ElectroComms Contracting Foundation Expenses	42,489	50,162
Insurance	16,785	16,188
Inter-Chapter Grants	-	60,000
Legal Fees	-	56,723
Motor Vehicle	9,214	-

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
<b>NOTE 2: PROFIT BEFORE INCOME TAX (CONT'D)</b>		
<b>(b) Charging as an expense (cont'd)</b>		
National Magazine	9,436	7,224
Postage	7,087	5,730
Projects	668,884	329,826
Rent & Office Expenses		
- Minimum lease payments	54,500	48,056
- Other rental & office expenses	728	12,960
Repairs & Maintenance	730	2,299
Standards Australia Representation	2,496	2,496
Stationery	16,660	11,857
Subscriptions Trade Journals	1,041	4,336
Sundry Expenses	13,842	22,484
Telephone & Fax	17,505	19,760
Travel & Accommodation	59,852	49,749
- Fees/allowances for attendance at conferences	-	-
Website	3,203	2,900

**NOTE 3: CASH AND CASH EQUIVALENTS**

Cash at bank	1,362,596	1,070,194
	<u>1,362,596</u>	<u>1,070,194</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash at bank	1,362,596	1,070,194
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**NOTE 4: TRADE AND OTHER RECEIVABLES**

CURRENT

General membership	838,320	943,947
Other receivables	4,543	95,725
Loan due from related entity	21,137	21,137
	<u>864,000</u>	<u>1,060,809</u>

**NOTE 5: OTHER CURRENT ASSETS**

CURRENT

Prepayments	347,265	396,438
	<u>347,265</u>	<u>396,438</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008

2008  
\$

2007  
\$

**NOTE 6: FINANCIAL ASSETS**

NON CURRENT

Available-for-sale financial assets:

Unlisted Investments, at cost.

Investment in associate

1 1

Investment in controlled entity

1 1

2 2

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.

**Details of investments:**

Name	Country of incorporation	Principal activities	Percentage owned	
			2008	2007
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

202,535 197,980

Less accumulated depreciation

(177,448) (161,854)

Total plant and equipment

25,087 36,126

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**2008**            **2007**  
**\$**                    **\$**

**NOTE 7: PLANT AND EQUIPMENT (CONT'D)**

**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	36,126	36,126
Additions	4,555	4,555
Disposals	-	-
Depreciation expense	<u>(15,594)</u>	<u>(15,594)</u>
Carrying amount at end of year	<u>25,087</u>	<u>25,087</u>

**NOTE 8: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade creditors and accruals	444,632	534,699
Loans due to related entities	-	16,665
Goods & Services Tax	111,353	106,144
	<u>555,985</u>	<u>657,508</u>

**NON CURRENT**

Loans due to related entities	<u>16,665</u>	-
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**NOTE 9: DEFERRED INCOME**

**CURRENT**

Advance Subscription Income	-	33,561
Advance Associate Member Program Income	843,000	893,000
	<u>843,000</u>	<u>926,561</u>

**NOTE 10: PROVISIONS**

	<b>Employee Entitlements \$</b>	<b>Total \$</b>
Opening balance at 1 July 2007	193,345	193,345
Additional provisions raised during the year	43,940	43,940
Amounts used	<u>(12,211)</u>	<u>(12,211)</u>
Balance at 30 June 2008	<u>225,074</u>	<u>225,074</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
<b>NOTE 10: PROVISIONS (CONT'D)</b>		
<b>Analysis of Total Provisions</b>		
Current	223,959	192,916
Non-Current	1,115	429
Total Employee benefits	<u>225,074</u>	<u>193,345</u>
Number of employees at year end	5	2

**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.

**NOTE 11: RETAINED EARNINGS**

The association received \$66,536 (2007: \$76,127) 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 2008 is \$921,579 (2007: \$841,249).

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

**NOTE 13: RELATED PARTY TRANSACTIONS**

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

N Palmer	W McKnight
M Bowring	M Green
S Griffiths	G Kempton
J Sweeting	J Robinson
J Hill (commenced Nov07)	B Gowdie (commenced Nov07)
A Atchison (commenced Aug07)	W Fromberg (commenced Nov07)
C McKenzie (commenced Nov07)	D Lindner (ceased Aug07)
D Madson (ceased Nov07)	C M Russell (ceased Nov07)

No remuneration was paid or payable to key management personnel.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**2008**                      **2007**  
**\$**                                      **\$**

**NOTE 13: RELATED PARTY TRANSACTIONS (CONT'D)**

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

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

*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 – Victoria	-	11,000
National Electrical Contractors Association – Queensland	21,186	21,137
National Electrical Contractors Association – New South Wales	819	-
National Electrical Contractors Association – South Australia	162	24,602
National Electrical Contractors Association – Western Australia	39,844	17,673
Australian Cabler Registration Service Pty Ltd	1,003	25,850
	<u>1,003</u>	<u>25,850</u>

(b) Payables to related entities at year end:

National Electrical Contractors Association – New South Wales	80	10,814
National Electrical Contractors Association – Western Australia	82,500	45,000
	<u>82,500</u>	<u>45,000</u>

**NOTE 14: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with profit from ordinary activities

Profit from ordinary activities	172,071	29,818
(Profit)/Loss from sale of non-current assets	-	-
Depreciation	15,594	15,164
Interest income not received as cash	-	-
Amounts set aside to provisions	-	-
	<u>187,665</u>	<u>44,982</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	196,809	(265,445)
(Increase)/decrease in other current assets	49,173	(187,019)
Increase/(decrease) in trade and other payables	(84,858)	275,177
Increase/(decrease) in deferred income	(83,561)	300,813
Increase/(decrease) in provisions	31,729	61,820
	<u>31,729</u>	<u>61,820</u>
Cash flows from operations	<u>296,957</u>	<u>230,328</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008

**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 2008.

*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 is not exposed to fluctuations in interest rate risk. 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 2008

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 Average		Floating Interest Rate		Within 1 Year	
	Effective Interest Rate					
	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	6.66	5.65	1,362,596	1,070,194	-	-
Trade & other receivables		-	-	-	-	-
Total Financial Assets:			1,362,596	1,070,194	-	-
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		1 to 5 Years		Over 5 Years	
	Effective Interest Rate					
	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	6.66	5.65	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		Non-Interest Bearing		Total	
	Effective Interest Rate					
	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	6.66	5.65	-	-	1,362,596	1,070,194
Trade & other receivables	-	-	864,000	1,060,809	864,000	1,060,809
Total Financial Assets:			864,000	1,060,809	2,226,596	2,131,003
Financial Liabilities:						
Trade and other payables	-	-	555,985	640,843	555,985	640,843
Total Financial Liabilities:			555,985	640,843	555,985	640,843

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008

**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:	<b>2008</b>	<b>2007</b>
	\$	\$
Less than 6 months	555,985	640,843
	<u>555,985</u>	<u>640,843</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**

	<b>2008</b>		<b>2007</b>	
	<b>Carrying Amount</b>	<b>Net Fair Value</b>	<b>Carrying Amount</b>	<b>Net Fair Value</b>
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	864,000	864,000	1,060,809	1,060,809
Total financial assets	<u>864,000</u>	<u>864,000</u>	<u>1,060,809</u>	<u>1,060,809</u>
Financial liabilities				
Trade and other payables	555,985	555,985	640,843	640,843
Total financial liabilities	<u>555,985</u>	<u>555,985</u>	<u>640,843</u>	<u>640,843</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 2008**

**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: CHANGE IN ACCOUNTING POLICY**

The following Australian Accounting Standards have been issued or amended and are applicable to the association but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Group</b>
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations AASB 6: Exploration for and Evaluation of Mineral AASB 102: Inventories AASB 107: Cash Flow Statements AASB 119: Employee Benefits AASB 127: Consolidated and Separate Financial Statements AASB 134: Interim Financial Reporting AASB 136: Impairment of Assets AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the association does not fall within the scope of AASB 8.	1.1.2009	1.7.2009
AASB 8 Operating Segments	AASB 114: Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 107: Cash Flow Statements AASB 111: Construction Contracts AASB 116: Property, Plant and Equipment AASB 138: Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the association as it already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 18: CHANGE IN ACCOUNTING POLICY (CONT'D)**

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Group</b>
AASB 123 Borrowing Costs	AASB 123: Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1.1.2009	1.7.2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1.1.2009	1.7.2009

**NOTE 19: 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 20: 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).



# National Electrical Contractors Association – National Office

ABN 78 319 016 742

## Independent Audit Report to the members of National Electrical Contractors Association – National Office

### Scope

We have audited the financial report of National Electrical Contractors Association – National Office for the financial year ended at 30 June 2008 comprising the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows, accompanying notes to the financial statements, and the Committee of Management Statements of National Electrical Contractors Association – National Office for the year ended 30 June 2008.

### Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Association. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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 whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia 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.

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and section 256 of the RAO Schedule to the Workplace Relations Act 1996.

### Audit Opinion

In our opinion, the general purpose financial report of National Electrical Contractors Association – National Office presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia as well as the requirements of section 256 to the RAO Schedule of the Workplace Relations Act 1996.

WHK Horwath Melbourne

Peter Sexton  
Partner  
Registered company Auditor number: 85044

Dated: 30 September 2008