



11 November 2014

Suresh Manickam
National Secretary/Chief Executive Officer
The National Electrical Contractors Association
Level4, 30 Atchison Street
ST LEONARDS NSW 2065

Cc: Ms Fiona Bunting

Dear Mr Manickam

The National Electrical Contractors Association National Office Financial Report for the year ended 30 June 2011 (FR2011/2602) and 30 June 2012 (FR2012/287)

The Fair Work Commission (FWC) and the National Office of the National Electrical Contractors Association (NECA) have been in consultation since 2010 concerning the way information relating to controlled entities of the NECA National Office and its Chapters is reported and presented in its financial statements. Consequently the financial reports for the NECA National Office for the years ending 30 June 2011 (FR2011/2602) and 30 June 2012 (FR2012/287), which were lodged with the FWC on the 29 December 2011 and the 21 December 2012 respectively, have not been 'filed' by the FWC.

On the 2 August 2013 it was agreed that, for the reporting period ending 30 June 2013, each Chapter (except the Western Australia Chapter who would be seeking a s.269 certificate) would prepare and lodge with the FWC a general purpose financial report in accordance with s.253 of the *Fair Work (Registered Organisations) Act 2009* (RO Act). Additionally the National Office of NECA would prepare and lodge a consolidated general purpose financial report in accordance with s.253 of the RO Act that would cover the National Office of NECA and all controlled entities. All of NECA general purpose financial reports for the year ending 30 June 2013 have now been lodged with and filed by the FWC.

I have been in discussions with the FWC Regulatory Compliance Branch Director, Mr Chris Enright concerning the above mentioned outstanding financial reports. I have recommended that the appropriate action is to close the two files. My recommendation was based on the following considerations:

- the work already performed by NECA and its Chapters to ensure full compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards for the reporting period ending 30 June 2013;
- the financial report lodged for the 2013 reporting period contains the comparison for the 2012 reporting period which would cover the outstanding issues with FR2012/287; and
- the co-operation that FWC has received from NECA and its Chapters during this process.

The Director has agreed with my recommendation and I advise that the files have now been closed.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



national
electrical and
communications
association

NATIONAL OFFICE

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20 December 2011

General Manager
Fair Work Australia
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, certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisation) Act 2009 (RO Act) and
2. that the full report was provided to members on 3 November 2011; and.
3. that the full financial report for 2010/2011 was presented to the Annual General Meeting of members of the reporting unit on 24 November 2011 in accordance with s266 of the RO Act.

Yours faithfully

JAMES C TINSLAY
SECRETARY

Attach.



FR 2011/2602



NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION
NATIONAL OFFICE

Branches Everywhere

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 2011.

Committee Members

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

G Kempton	L LeCompte
S Griffiths	A Brown
A Atchison	G Hodby
J Heerey	W Fromberg
W McKnight	M Graham
P Mannion	I Swain
P Babbage	D McInnes
J Tinslay	J Robinson (ceased Nov10)
M Bowring (ceased Nov10)	J Sweeting (ceased Nov10)
R Houlahan (ceased Nov10)	C McKenzie (ceased Nov10)

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 \$55,695 (2010: \$4,051).

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 4,181 (2010 4,046) members at financial year end.

Number of Employees

The association had 5 (2010: 6) 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

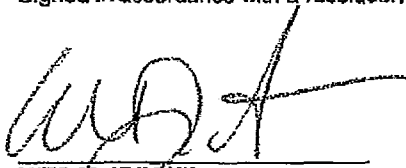
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

Operating Report by the Committee (cont'd)

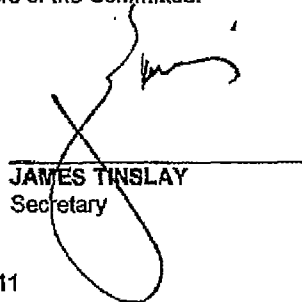
Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Fair Work (Registered Organisations) Act 2009.

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



WES MCKNIGHT
Treasurer



JAMES TINSLAY
Secretary

Dated this 31 day of Oct 2011

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

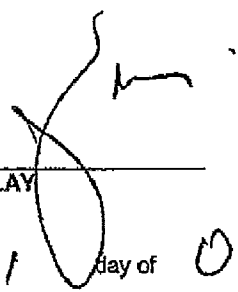
Committee of Management Statement

On 11th August 2011 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 2011.

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 Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) 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 organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:



JAMES TINSLAY
Secretary

Dated this 31 day of Oct 2011

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2(a)	1,635,595	1,609,416
Expenditure			
Accounting Fees		70,213	48,708
Affiliation Fees		43,498	34,953
Communications		8,947	51,325
Conference & Meeting Expenses		15,112	52,922
Consultancy Costs		60,000	62,500
Depreciation		8,535	9,455
ElectroComms Contracting Foundation Expenses		51,981	95,379
Employee Benefits		745,540	581,530
Excellence Awards		200,034	189,203
Legal Fees		6,873	38,330
National Magazine		26,969	44,691
Projects		112,895	141,802
Rent & Office Expenses		59,720	60,418
Travel & Accommodation		63,381	65,472
Other Expenses		106,202	128,677
Total Expenditure	2(b)	<u>1,579,900</u>	<u>1,605,365</u>
Surplus for the year		55,695	4,051
Other Comprehensive Income		-	-
Total Comprehensive Surplus		<u>55,695</u>	<u>4,051</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	3	366,732	1,433,231
Trade and other receivables	4	252,449	380,211
Other current assets	5	27,603	2,064
Financial assets	6	1,250,000	-
TOTAL CURRENT ASSETS		<u>1,896,784</u>	<u>1,815,506</u>
NON-CURRENT ASSETS			
Financial assets	6	102	2
Plant and equipment	7	22,116	16,116
TOTAL NON-CURRENT ASSETS		<u>22,218</u>	<u>16,118</u>
TOTAL ASSETS		<u>1,919,002</u>	<u>1,872,924</u>
CURRENT LIABILITIES			
Trade and other payables	8	317,467	359,604
Deferred income	9	144,828	130,798
Short term provisions	10	330,037	262,038
TOTAL CURRENT LIABILITIES		<u>792,332</u>	<u>752,440</u>
NON-CURRENT LIABILITIES			
Trade and other payables	8	6,665	16,665
Long term provisions	10	5,390	3,599
TOTAL NON-CURRENT LIABILITIES		<u>12,055</u>	<u>20,264</u>
TOTAL LIABILITIES		<u>804,387</u>	<u>772,704</u>
NET ASSETS		<u>1,114,615</u>	<u>1,058,920</u>
EQUITY			
Accumulated Surplus	11	1,114,615	1,058,920
TOTAL EQUITY		<u>1,114,615</u>	<u>1,058,920</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 2011

	Accumulated Surplus \$	Total \$
Balance at 1 July 2009	1,054,869	1,054,869
Surplus for the year	4,051	4,051
Balance at 30 June 2010	1,058,920	1,058,920
Surplus for the year	55,695	55,695
Balance at 30 June 2011	1,114,615	1,114,615

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 2011**

	Note	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		1,661,716	1,812,604
Payments to suppliers and employees		(1,529,682)	(1,596,836)
Interest received		76,102	47,641
Net cash provided by /(used in) operating activities	13	<u>208,136</u>	<u>263,409</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(14,535)	(12,186)
Proceeds from sale of plant and equipment		-	-
Sale of investments		-	-
Purchase of investments		(1,250,100)	-
Repayment of loan from NECA SA		(10,000)	-
Net cash provided by /(used in) investing activities		<u>(1,274,635)</u>	<u>(12,186)</u>
Net increase/(decrease) in cash held		(1,066,499)	251,223
Cash at beginning of financial year		<u>1,433,231</u>	<u>1,182,008</u>
Cash at end of financial year	3	<u>366,732</u>	<u>1,433,231</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 Fair Work (Registered Organisations) Act 2009.

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 2011

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 2011

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 2011**

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 2011

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 2011.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 2: SURPLUS FOR THE YEAR		
Surplus has been determined after:		
(a) Crediting as income		
General Administration		
Subscriptions – received from Chapters & Affiliates		
- NSW Chapter	276,985	288,659
- VIC Chapter	294,252	280,324
- SA Chapter	85,323	86,947
- WA Chapter	137,296	137,295
- ACT Chapter	21,932	18,804
- TAS Chapter	8,075	8,161
Sundry Income	2,493	2,069
Directors Fees	30,000	30,000
Management Fees	312,689	361,410
Excellence Awards	209,955	149,964
National Magazine Advertising	15,200	8,000
Interest	76,102	47,641
ElectroComms Contracting Foundation Projects	52,536	48,345
	112,757	141,797
Total revenues	1,635,595	1,609,416
(b) Charging as an expense		
Auditors Remuneration:		
- Auditing the financial report	17,100	18,671
Accounting Fees	70,213	48,708
Affiliation Fees	43,498	34,953
Bank Charges	2,447	3,285
Communications	8,947	51,325
Computer Costs	13,555	8,715
Consultancy Costs	60,000	62,500
Conference & Meeting Expenses	15,112	11,622
- Non-refundable Conference Deposit	-	41,300
Depreciation	8,535	9,455
ElectroComms Contracting Foundation Expenses	51,981	95,379
Employment Costs		
- Employee Benefits – office holders	251,113	236,106
- Employee Benefits -- employees	373,372	230,403
- Other Employment costs	121,055	115,021
Entertainment & Representation	7,429	6,555
Excellence Awards	200,034	189,203
Insurance	6,921	5,633
Legal Fees	6,873	38,330
Motor Vehicle	12,600	12,714

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
NOTE 2: PROFIT BEFORE INCOME TAX (CONT'D)		
(b) Charging as an expense (cont'd)		
National Magazine	26,969	44,691
Postage	8,911	9,582
Projects	112,895	141,802
Rent & Office Expenses		
- Minimum lease payments	54,500	54,500
- Other rental & office expenses	5,220	5,918
Repairs & Maintenance	-	1,090
Standards Australia Representation	2,496	22,496
Stationery	3,148	6,998
Subscriptions Trade Journals	2,300	910
Sundry Expenses	9,151	10,733
Telephone & Fax	14,981	13,618
Travel & Accommodation	63,381	65,472
- Fees/allowances for attendance at conferences	-	-
Website	5,163	7,677

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	366,732	1,433,231
	<u>366,732</u>	<u>1,433,231</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

General membership	217,720	347,754
Other receivables	13,592	11,320
Loan due from related entity	21,137	21,137
	<u>252,449</u>	<u>380,211</u>

NOTE 5: OTHER CURRENT ASSETS

CURRENT

Prepayments	27,603	2,064
	<u>27,603</u>	<u>2,064</u>

NOTE 6: FINANCIAL ASSETS

CURRENT

Term deposits	1,250,000	-
	<u>1,250,000</u>	<u>-</u>

The effective interest rate on term deposits is 6.5%.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2011
\$

2010
\$

NOTE 6: FINANCIAL ASSETS (cont'd)

NON CURRENT

Available-for-sale financial assets:

Unlisted Investments, at cost.

Investment in associate	1	1
Investment in subsidiary	100	-
Investment in unlisted entity	1	1
	<u>102</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.

Details of investments:

Name	Country of incorporation	Principal activities	Percentage owned	
			2011	2010
Australian Cabler Registration Service Pty Ltd	Australia	Refer (i)	50%	50%
NECA Legal Pty Ltd	Australia	Refer (ii)	100%	-
SPEC Pty Ltd	Australia	Refer (iii)	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 provides legal services to members.

(iii) This entity is trustee of the Connect Superannuation Fund.

NOTE 7: PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant & equipment

At cost

229,256

214,721

Less accumulated depreciation

(207,140)

(198,605)

Total plant and equipment

22,116

16,116

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2011
\$

2010
\$

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	16,116	16,116
Additions	14,535	14,535
Disposals	-	-
Depreciation expense	(8,535)	(8,535)
Carrying amount at end of year	<u>22,116</u>	<u>22,116</u>

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	277,778	300,496
Loans due to related entities	-	-
Goods & Services Tax	39,689	59,108
	<u>317,467</u>	<u>359,604</u>

NON CURRENT

Loans due to related entities	<u>6,665</u>	<u>16,665</u>
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NOTE 9: DEFERRED INCOME

CURRENT

Income Received in Advance	144,828	130,798
	<u>144,828</u>	<u>130,798</u>

NOTE 10: PROVISIONS

	Employee Entitlements \$	Total \$
Opening balance at 1 July 2010	265,637	265,637
Additional provisions raised during the year	69,790	69,790
Amounts used	-	-
Balance at 30 June 2011	<u>335,427</u>	<u>335,427</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
NOTE 10: PROVISIONS (cont'd)		
Analysis of Total Provisions		
Current		
- Leave Entitlements - Officeholders	284,675	226,488
- Leave Entitlements - Employees	45,362	36,149
Non-Current		
- Leave Entitlements - Employees	5,390	3,599
Total Provisions	<u>355,427</u>	<u>265,637</u>

Number of employees at year end	5	6
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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.

NOTE 11: RETAINED EARNINGS

The association received \$52,536 (2010: \$48,345) 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 2011 is \$991,469 (2010: \$938,386).

NOTE 12: RELATED PARTY TRANSACTIONS

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	61	15,097
National Electrical Contractors Association – Queensland	38,131	39,982
National Electrical Contractors Association – New South Wales	-	80
National Electrical Contractors Association – South Australia	24,694	42,604
National Electrical Contractors Association – Western Australia	-	70,993
Australian Cabler Registration Service Pty Ltd	17,850	31,837

(b) Payable to related entities at year end:

National Electrical Contractors Association – South Australia	-	10,000
National Electrical Contractors Association – New South Wales	15,736	15,619
National Electrical Contractors Association – Western Australia	6,665	6,665

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2011 2010
\$ \$

NOTE 13: KEY MANAGEMENT PERSONNEL

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

G Kempton	L LeCompte
S Griffiths	A Brown
A Atchison	G Hodby
J Heerey	W Fromberg
W McKnight	M Graham
P Mannion	I Swain
P Babbage	D McInnes
J Tinslay	J Robinson (ceased Nov10)
M Bowring (ceased Nov10)	J Sweeting (ceased Nov10)
R Houlahan (ceased Nov10)	C McKenzie (ceased Nov10)

No remuneration was paid or payable to key management personnel except for the Chapter Secretary.

Compensation paid to the Secretary:

Short-term Benefits	245,734	236,743
Post Employment Benefits	20,734	19,495

NOTE 14: CASH FLOW INFORMATION

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

Surplus/(Deficit) from ordinary activities	55,695	4,051
(Profit)/Loss from sale of non-current assets	-	-
Depreciation	8,535	9,455
		<u>13,506</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	127,762	(47,031)
(Increase)/decrease in other current assets	(25,539)	131,860
Increase/(decrease) in trade and other payables	(42,137)	12,929
Increase/(decrease) in deferred income	14,030	129,798
Increase/(decrease) in provisions	69,790	22,347
		<u>208,136</u>
Cash flows from operations	<u>208,136</u>	<u>263,409</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 2011.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION -- NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management (cont'd)

ii. Financial Risks

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

iii. 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).

iv. Foreign Currency risk

The association is not exposed to fluctuations in foreign currencies.

v. Liquidity risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained.

vi. 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.

vii. Price risk

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

(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		Effective Interest Rate		Floating Interest Rate		Within 1 Year	
	Rate							
	2011	2010	2011	2010	2011	2010	2011	2010
Financial Assets:	%	%	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	4.1	4.4	366,732	1,433,231	-	-	-	-
Term Deposits	6.5	-	-	-	1,250,000	-	-	-
Trade & other receivables	-	-	-	-	-	-	-	-
Total Financial Assets:			366,732	1,433,231	1,250,000	-	-	-
Financial Liabilities:								
Trade and other payables	-	-	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-	-	-

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

	Weighted Avg Effective Interest Rate		1 to 5 Years		Over 5 Years	
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4.1	4.4	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Avg Effective Interest Rate		Non-Interest Bearing		Total	
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4.1	4.4	-	-	366,732	1,433,231
Term Deposits	-	6.5	-	-	1,250,000	-
Investment in Unlisted Entity	-	-	102	2	102	2
Loans to Related Entity	-	-	21,137	21,137	21,137	21,137
Trade & other receivables	-	-	231,312	359,074	231,312	359,074
Total Financial Assets:			252,551	380,213	1,869,283	1,813,444
Financial Liabilities:						
Loans from Related Entities	-	-	6,665	16,665	6,665	16,665
Trade and other payables	-	-	317,467	359,604	317,467	359,604
Total Financial Liabilities:			324,132	376,269	324,132	376,269

Trade and sundry payables are expected to be paid as follows:

	2011	2010
	\$	\$
Less than 6 months	317,467	359,604
	<u>317,467</u>	<u>359,604</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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Value (cont'd)

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

	2011		2010	
	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	231,312	231,312	359,074	359,074
Total financial assets	<u>252,449</u>	<u>252,449</u>	<u>380,211</u>	<u>380,211</u>
Financial liabilities				
Loans from Related Entities	6,665	6,665	16,665	16,665
Trade and other payables	317,467	317,467	359,604	359,604
Total financial liabilities	<u>324,132</u>	<u>324,132</u>	<u>376,269</u>	<u>376,269</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.

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

Financial Support

NECA National has provided a letter of financial support to NECA Tasmania and NECA Queensland to repay their debts should NECA Tasmania or NECA Queensland fail to repay them.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – NATIONAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER - FAIR WORK AUSTRALIA (FWA)

- (1) A member of a reporting unit, or the General Manager of FWA, 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 Auditor's Report to the Members of National Electrical Contractors Association – National Chapter

Report on the financial report

The financial report comprises the Statement of Comprehensive Income, Statement of Financial Position, 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 Contractors Association - National Chapter (the Association), for the year ended 30 June 2011.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.□

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.



The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Fair Work (Registered Organisations) Act 2009*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's opinion

In our opinion, the general purpose report of the National Electrical Contractors Association - National Chapter for the year ended 30 June 2011 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in cursive script that reads "Crowe Horwath".

CROWE HORWATH MELBOURNE

A handwritten signature in cursive script, likely belonging to Peter Sexton.

Peter Sexton
Melbourne, Victoria

Handwritten initials "rd" above the date.
3 day of November 2011