



Australian Government
Australian Industrial Registry

Level 4, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6812

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

Email: necanat@neca.asn.au

Dear Mr Tinslay,

**Re: The National Electrical Contractors Association - Australian Capital Territory Chapter
Financial reports for Year Ended 30th June 2006 – FR2006/457
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to the financial reports of the Australian Capital Territory Chapter of The National Electrical Contractors Association for the year ended 30th June 2006. The documents were lodged in the Australian Capital Territory Registry on 3 January 2007.

The documents have been filed.

Comment to assist in future financial years

The following comments may assist you when you next prepare financial reports. No further action is required regarding this issue with respect to the lodged documents.

Auditors Report

Special purpose financial report ("SPFR")

Attached to the auditor's report is a special purpose financial report prepared to provide private information to committee members. As you are aware, a reporting unit is required by section 253(2) of the RAO Schedule to prepare a general purpose financial report ("GPFR") from its financial records. This matter was discussed in a letter to the organisation from the Industrial Registry (dated 19 January 2006) in relation to the previous year's financial reports. At that time the Registry advised the organisation that certain items appearing in the SPFR should be disclosed in the notes to the financial statements, unless they are already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards (refer Reporting Guidelines 10, 11 & 12).

I note the organisation has now included some items that were previously only in the SPFR in the GPFR. There are though possibly other items in the SPFR that should be included in the GPFR, for example expenditure on the "Annual General Meeting/Excellence Awards" may fall within Reporting Guideline 11(k). I remind the organisation of the requirements of the Reporting Guidelines and recommend that you discuss this with your auditor.

Committee of Management Statement undated

It is noted that the Committee of Management Statement was not dated – all certificates and statements should be dated as a matter of course.

Please do not hesitate to contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/233vact>.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Pfeiffer', written in a cursive style.

for
Robert Pfeiffer
Statutory Services Branch

19 February 2007



FR 2006/ 457

National office : **national electrical and communications association**
Level 3, 100 Dorcas Street South Melbourne 3205 Australia
telephone +61 3 9645 5566 facsimile +61 3 9645 5577
email necanat@neca.asn.au
ABN 78 319 016 742

15th December 2006

Deputy Industrial Registrar
Australian Industrial Registry
GPO Box 539
CANBERRA CITY ACT 2601



Dear Sir/Madam,

Certificate of Secretary

I, Peter James Glynn, being the Secretary of the National Electrical Contractors Association – Australian Capital Territory Chapter, 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 November 22nd, 2006; and.
3. that the full report was presented to the Annual General Meeting of members of the reporting unit on December 13th, 2006; in accordance with s266 of the RAO Schedule.

Yours faithfully

PETER GLYNN
Secretary

NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
ACT CHAPTER

MEMBERSHIP
PROGRAM

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

TABLE OF CONTENTS

Operating Report by the Committee	1 - 2
Committee of Management Statement	3
Financial Report	
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 – 19
Independent Audit Report	20 - 21
Compilation Report	22
Additional Information	23

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association – ACT Chapter (“the association”) for the financial year ended 30 June 2006.

Committee Members

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

M O'Malley	S Patrick
P Glynn	S Buckley
J Ayres	R Donnelly
G Kempton	

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

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 \$9,454 (2005: \$4,187).

Australian Equivalents to International Financial Reporting Standards

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the association's financial report has been prepared in accordance with those standards. A reconciliation of adjustments arising on the transition to IFRS is included in Note 2 to this report.

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 69 (2005: 68) members at financial year end.

Number of Employees

The association had 0 (2005: 0) 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:

P Glynn

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

Operating Report by the Committee (cont'd)

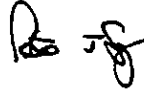
Members Right to Resign

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:



GREGORY KEMPTON
President



PETER J GLYNN
Treasurer

Dated this *18th* day of *November* 2006

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

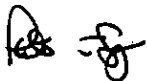
Committee of Management Statement

On 16 August 2006 the Committee of Management of the National Electrical Contractor Association – ACT Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2006.

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:



PETER J GLYNN
Treasurer

Dated this day of 2006

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenue	3	82,581	74,778
Affiliation expenses		(10,577)	(8,314)
Travel and accommodation expenses		(6,348)	(4,620)
Other expenses		<u>(56,202)</u>	<u>(57,657)</u>
Profit before income tax		9,454	4,187
Income tax expense		<u>-</u>	<u>-</u>
Profit attributable to members of the association		<u>9,454</u>	<u>4,187</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	54,381	31,003
Financial assets	6	65,317	63,032
Other current assets	7	1,364	2,000
TOTAL CURRENT ASSETS		<u>121,062</u>	<u>96,035</u>
TOTAL ASSETS		<u>121,062</u>	<u>96,035</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,097	1,548
Deferred income	9	26,760	10,736
TOTAL CURRENT LIABILITIES		<u>27,857</u>	<u>12,284</u>
TOTAL LIABILITIES		<u>27,857</u>	<u>12,284</u>
NET ASSETS		<u>93,205</u>	<u>83,751</u>
EQUITY			
Retained earnings		<u>93,205</u>	<u>83,751</u>
TOTAL EQUITY		<u>93,205</u>	<u>83,751</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

	Retained earnings \$	Total \$
Balance at 1 July 2004	79,564	79,564
Profit attributable to members of Association	4,187	4,187
Balance at 1 July 2005	83,751	83,751
Profit attributable to members of Association	9,454	9,454
Balance at 30 June 2006	93,205	93,205

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		79,629	71,240
Payments to suppliers and employees		(57,555)	(82,475)
Interest received		3,589	3,811
Net cash provided by /(used in) operating activities	11	<u>25,663</u>	<u>(7,424)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		<u>(2,285)</u>	<u>(3,060)</u>
Net cash provided by /(used in) investing activities		<u>(2,285)</u>	<u>(3,060)</u>
Net increase/(decrease) in cash held		23,378	(10,484)
Cash at beginning of financial year		31,003	41,487
Cash at end of financial year	5	<u>54,381</u>	<u>31,003</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the and the Workplace Relations Act 1996.

The financial report covers National Electrical Contractors Association – Australian Capital Territory Chapter (“the association”), for the financial year ended 30 June 2006.

The financial report of the association complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

The association has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the association accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The association has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer to Note 15 for further details.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

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

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) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the association's intention to hold these investments to maturity. Any held-to-maturity investments held by the association are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

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

(b) Financial Instruments (cont'd)

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.

(c) 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.

(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) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers and members.

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

(f) 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.

(g) Comparative Figures

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

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

(h) Critical accounting estimates and judgments

All entities within association evaluate estimates and judgments incorporated into individual entities' 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.

**NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

	Note	Previous GAAP at 1 July 2004 \$	Effect of transition to Australian equivalents to IFRS \$	Australian equivalents to IFRS at 1 July 2004 \$
Reconciliation of Equity at 1 July 2004				
CURRENT ASSETS				
Cash and cash equivalents		41,487	-	41,487
Financial assets		59,972	-	59,972
Other current assets		2,273	-	2,273
TOTAL CURRENT ASSETS		<u>103,732</u>	-	<u>103,732</u>
TOTAL ASSETS		<u>103,732</u>	-	<u>103,732</u>
CURRENT LIABILITIES				
Trade and other payables		13,958	-	13,958
Deferred income		10,210	-	10,210
TOTAL CURRENT LIABILITIES		<u>24,168</u>	-	<u>24,168</u>
TOTAL LIABILITIES		<u>24,168</u>	-	<u>24,168</u>
NET ASSETS		<u>79,564</u>	-	<u>79,564</u>
EQUITY				
Retained earnings		<u>79,564</u>	-	<u>79,564</u>
TOTAL EQUITY		<u>79,564</u>	-	<u>79,564</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

	Note	Previous GAAP at 30 June 2005 \$	Effect of transition to Australian equivalents to IFRS \$	Australian equivalents to IFRS at 30 June 2005 \$
Reconciliation of Equity at 30 June 2005				
CURRENT ASSETS				
Cash and cash equivalents		31,003	-	31,003
Financial assets		63,032	-	63,032
Other current assets		2,000	-	2,000
TOTAL CURRENT ASSETS		<u>96,035</u>	-	<u>96,035</u>
TOTAL ASSETS		<u>96,035</u>	-	<u>96,035</u>
CURRENT LIABILITIES				
Trade and other payables		1,548	-	1,548
Deferred income		10,736	-	10,736
TOTAL CURRENT LIABILITIES		<u>12,284</u>	-	<u>12,284</u>
TOTAL LIABILITIES		<u>12,284</u>	-	<u>12,284</u>
NET ASSETS		<u>83,751</u>	-	<u>83,751</u>
EQUITY				
Retained earnings		<u>83,751</u>	-	<u>83,751</u>
TOTAL EQUITY		<u>83,751</u>	-	<u>83,751</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)**

	Note	Previous GAAP at 30 June 2005 \$	Effect of transition to Australian equivalents to IFRS \$	Australian equivalents to IFRS at 30 June 2005 \$
Reconciliation of Profit or Loss for Year Ended 30 June 2005				
Revenue		74,778	-	74,778
			-	
Affiliation Expenses		(8,314)		(8,314)
Travel and accommodation expenses		(4,620)	-	(4,620)
Other expenses		(57,657)	-	(57,657)
Profit before income tax		4,187	-	4,187
Income tax expense		-	-	-
Profit attributable to members of the association		4,187	-	4,187

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
<hr/>		
NOTE 3: REVENUE		
Operating activities		
- Member subscriptions	53,481	47,008
	<u>53,481</u>	<u>47,008</u>
 Non-operating activities		
- Interest revenue from other corporations	3,589	3,811
- Other Revenue	25,511	23,959
	<u>29,100</u>	<u>27,770</u>
 Total revenues	<u>82,581</u>	<u>74,778</u>

NOTE 4: AUDITOR'S REMUNERATION

Remuneration of the auditor of the association for:
- auditing or reviewing the financial report

<u>1,000</u>	<u>1,000</u>
--------------	--------------

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	54,381	31,003
	<u>54,381</u>	<u>31,003</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	<u>54,381</u>	<u>31,003</u>
--------------	---------------	---------------

NOTE 6: FINANCIAL ASSETS

Term Deposit	65,317	63,032
	<u>65,317</u>	<u>63,032</u>

(a) The effective interest rate on term deposits was 5.5% (2005: 5.4%), these deposits have an average maturity of more than 90 days.

NOTE 7: OTHER CURRENT ASSETS

Prepayments	1,364	2,000
	<u>1,364</u>	<u>2,000</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade and other payables	1,100	1,100
Goods & Services Tax	(3)	448
	<u>1,097</u>	<u>1,548</u>

NOTE 9: DEFERRED INCOME

Income Received in Advance	<u>26,760</u>	<u>10,736</u>
----------------------------	---------------	---------------

NOTE 10: RELATED PARTY TRANSACTIONS

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

M O'Malley	S Patrick
P Glynn	S Buckley
J Ayres	R Donnelly
G Kempton	

No remuneration was paid or payable to key management personnel.

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

(a) 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.

NOTE 11: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit from ordinary activities

Profit from ordinary activities after income tax	9,454	4,187
	<u>9,454</u>	<u>4,187</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	636	273
Increase/(decrease) in trade and other payables	15,573	(11,884)
Cash flows from operations	<u>25,663</u>	<u>(7,424)</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 12: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and 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 2006.

i. Treasury Risk Management

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

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 12(b).

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 – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 12: FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest Rate Risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average		Effective Interest Floating Interest Rate		Fixed Interest Rate	
	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.35	2.35	54,381	31,003	-	-
Short Term deposits	5.5	5.4	-	-	65,317	63,032
Total Financial Assets:			<u>54,381</u>	<u>31,003</u>	<u>65,317</u>	<u>63,032</u>
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Weighted Average		Effective Interest Non-Interest Bearing		Total	
	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2.35	2.35	-	-	54,381	31,003
Short Term deposits	5.5	5.4	-	-	65,317	63,032
Total Financial Assets:			<u>-</u>	<u>-</u>	<u>119,698</u>	<u>94,035</u>
Financial Liabilities:						
Trade and other payables	-	-	1,097	1,548	1,097	1,548
Total Financial Liabilities:			<u>1,097</u>	<u>1,548</u>	<u>1,097</u>	<u>1,548</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 12: FINANCIAL INSTRUMENTS (CONT'D)

(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.

Details of aggregate net fair value and carrying amounts of financial assets and financial liabilities at balance date:

	2006		2005	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Deposits	65,317	65,317	63,032	63,032
Total financial assets	65,317	65,317	63,032	63,032
Financial liabilities				
Trade and other payables	1,097	1,097	1,548	1,548
Total financial liabilities	1,097	1,097	1,548	1,548

NOTE 13: 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 14: 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 15: CHANGE IN ACCOUNTING POLICY

The association has adopted the following Accounting Standards for application on or after 1 January 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation
- AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 has not resulted in material differences in the recognition and measurement of the association's financial instruments. The association has elected not to adjust comparative information resulting from the introduction of AASB 139 as permitted under the transitional provisions of this standard. As such, previous Australian Accounting Standards have been applied to comparative information.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 16: ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association – ACT Chapter
Level 3, 100 Dorcas St
South Melbourne VIC 3205

NOTE 17: 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).

Melbourne
Bentleys MRI
ABN 62 667 316 249
Audit & Assurance Services Division

Level 7, 114 William Street
Melbourne Vic 3000

GPO Box 2266
Melbourne Vic 3001

T +61 3 9274 0600
F +61 3 9274 0736

audit@melb.bentleys.com.au
www.bentleys.com.au

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- AUSTRALIAN CAPITAL TERRITORY CHAPTER**

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the committee of management statement for the National Electrical Contractors Association – Australian Capital Territory Chapter (the association), for the year ended 30 June 2006.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

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

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

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

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the reasonableness of significant accounting estimates made by the committee.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- AUSTRALIAN CAPITAL TERRITORY CHAPTER (Continued)**

Audit Approach (Continued)

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of the National Electrical Contractors Association - Australian Capital Territory Chapter, presents fairly in accordance with applicable Accounting Standards, the requirements imposed by Part 3 of Chapter 8 of Schedule 1B (RAO Schedule) of the Workplace Relations Act 1996, and other mandatory professional reporting requirements in Australia, the financial position of the National Electrical Contractors Association – Australian Capital Territory Chapter, as at 30 June 2006, and the results of its operations and its cash flows for the year then ended.

Bentleys MRI

**BENTLEYS MRI
CHARTERED ACCOUNTANTS**

SCOTT PHILLIPS

**SCOTT PHILLIPS
PARTNER
APPROVED AUDITOR**

Dated in Melbourne on this 22nd day of November 2006

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – ACT CHAPTER

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
INCOME		
Subscriptions	53,481	47,008
Annual General Meeting/Excellence Awards	25,511	23,959
Interest	3,589	3,811
Total Income	<u>82,581</u>	<u>74,778</u>
EXPENDITURE		
Annual General Meeting/Excellence Awards	27,067	25,111
Accounting	3,500	7,000
Audit Fees	1,000	1,000
Affiliation Fees	10,577	8,314
Bank Charges	348	351
Donations	-	-
Insurance	458	454
Legal Fees	-	-
Management Services	23,182	23,320
Postage	-	-
Sundry Expenses	647	421
Travel & Accommodation	6,348	4,620
Total Expenditure	<u>73,127</u>	<u>70,591</u>
OPERATING PROFIT/(LOSS)	<u>9,454</u>	<u>4,187</u>