



FAIR WORK  
AUSTRALIA

15 February 2010

Mr James Tinslay  
Secretary  
The National Electrical Contractors Association  
Queensland Chapter  
PO Box 2070  
MILTON QLD 4064

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

Dear Mr Tinslay

**Fair Work (Registered Organisations) Act 2009 – (RO Act)  
Financial report for year ended 30 June 2009 – FR2009/289**

I acknowledge receipt of the financial report for the National Electrical Contractors Association – Queensland Chapter for year ended 30 June 2009. The document was lodged with Fair Work Australia on 9 December 2009.

The financial report has been filed.

Please note for future reference, the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009* commenced on 1 July 2009. The Act was formerly Schedule 1 of the *Workplace Relations Act 1996* and the Regulations were formerly the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*. The section numbering and generally the content of the legislation have remained the same with the exception of the Industrial Registrar and the Deputy Industrial Registrar having been replaced with the General Manager and the Delegate to the General Manager, respectively. Financial reports for future years should refer to the new legislation.

**Financial reports for years ended 30 June 2005 and 2006 – FR2005/289, FR2006/460**

Our records show that the financial reports for years ended 30 June 2005 and 30 June 2006 for the Queensland Chapter of the National Electrical Contractors Association are still outstanding. The financial reports are well overdue and must be lodged with Fair Work Australia immediately.

If you have any queries regarding this letter I may be contacted on (03) 8661 7989 (Wednesdays to Fridays) or by email at [cynthia.lobooth@fwa.gov.au](mailto:cynthia.lobooth@fwa.gov.au)

Yours sincerely

Cynthia Lo-Booth  
Tribunal Services and Organisations



7 December 2009

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 – Queensland Chapter, 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 6 November 2009; and.
3. that the full financial report for 2008/2009 was presented to the Annual General Meeting of members of the reporting unit on 1 December 2009 in accordance with s266 of the RO Act.

Yours faithfully

JAMES C TINSLAY  
SECRETARY

Attach.

*File*

21 OCT 2009

**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION  
QUEENSLAND CHAPTER**

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

### Operating Report by the Committee

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

#### Committee Members

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

B Gowdie (ceased 24/06/09)	W McKnight
C McKenzie	D McInnes
R Thompson (commenced 24/06/09)	G Partridge
	J Tinslay

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 surplus of the association for the financial year amounted to \$23,088 (2008: \$507 deficit).

#### 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 81 (2008: 61) members at financial year end.

#### Number of Employees

The association had 0 (2008: 0) employees at financial year end.

#### Superannuation Trustees

The following committee member 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 – QUEENSLAND CHAPTER

Operating Report by the Committee (cont'd)

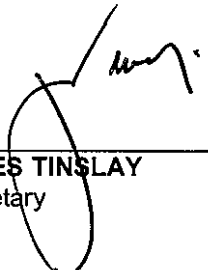
**Members Right to Resign**

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:



\_\_\_\_\_  
DAVID McINNES  
Vice President



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

Dated this 9TH day of OCTOBER 2009

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

### Committee of Management Statement

On 18 September 2009 the Committee of Management of the National Electrical Contractor Association – Queensland Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2009.

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

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

For the Committee of Management:

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

Dated this 9<sup>TH</sup> day of OCTOBER 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>Revenue</b>	2	187,566	85,596
Affiliation Expenses		-	-
Apprentice/Excellence Awards		(31,154)	(38,997)
Courses		(21,641)	(1,305)
Golf Days		(36,438)	-
Legal Fees		(12,766)	-
Management Fees		(24,000)	(18,377)
Newsletter		(9,984)	(6,839)
Printing & Stationery		(8,173)	(1,913)
Rent & Office Expenses		(16)	(8,305)
Travel and accommodation expenses		(9,679)	(6,922)
Other expenses		(10,627)	(3,445)
<b>Net Surplus/(Deficit)</b>	2	<u>23,088</u>	<u>(507)</u>

The accompanying notes form part of these financial statements.



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

**BALANCE SHEET  
AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	66,055	41,597
Trade and Other Receivables	4	39,052	16,125
Prepayments		5,975	8,665
<b>TOTAL CURRENT ASSETS</b>		<u>111,082</u>	<u>66,387</u>
<b>TOTAL ASSETS</b>		<u>111,082</u>	<u>66,387</u>
<b>CURRENT LIABILITIES</b>			
Deferred Income	5	42,381	42,341
Trade and other payables	6	31,359	9,792
<b>TOTAL CURRENT LIABILITIES</b>		<u>73,740</u>	<u>52,133</u>
<b>NON- CURRENT LIABILITIES</b>			
Trade and other payables	6	281,137	281,137
<b>TOTAL CURRENT LIABILITIES</b>		<u>281,137</u>	<u>281,137</u>
<b>TOTAL LIABILITIES</b>		<u>354,877</u>	<u>333,270</u>
<b>NET LIABILITIES</b>		<u>(243,795)</u>	<u>(266,883)</u>
<b>EQUITY</b>			
Accumulated Losses		<u>(243,795)</u>	<u>(266,883)</u>
<b>TOTAL DEFICIENCY OF ASSETS</b>		<u>(243,795)</u>	<u>(266,883)</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2007</b>	<b>(266,376)</b>	<b>(266,376)</b>
Deficit for the year	(507)	(507)
<b>Balance at 30 June 2008</b>	<b>(266,883)</b>	<b>(266,883)</b>
Surplus for the year	23,088	23,088
<b>Balance at 30 June 2009</b>	<b>(243,795)</b>	<b>(243,795)</b>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

	Note	2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts in the course of operations		164,385	83,989
Payments to suppliers and employees		(142,871)	(53,731)
Interest Received		2,944	81
Net cash provided by /(used in) operating activities	8	<u>24,458</u>	<u>30,339</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Inter-Chapter Loans		<u>-</u>	<u>-</u>
Net cash provided by /(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		24,458	30,339
Cash at beginning of financial year		<u>41,597</u>	<u>11,258</u>
Cash at end of financial year	3	<u>66,055</u>	<u>41,597</u>

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

#### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **Going Concern Assumption**

The association recorded a capital deficiency during the year ended 30<sup>th</sup> June 2009 of \$243,795. The committee, however, are confident that the association will be able to generate revenue and access grants from related entities in the near future. In addition, at the date of this report, the association has received assurance from related entities that the intra-group loans will not be recalled within the next 12 months. Accordingly, the committee believes the financial report should be prepared on a going concern basis.

#### **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) Leases**

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

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

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

##### (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.

(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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

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

**(d) 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.

**(e) 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.

**(f) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**(g) 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.

**(h) Comparative Figures**

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

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

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

**(i) Critical accounting estimates and judgments**

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

**Key estimates — Impairment**

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

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

	2009 \$	2008 \$
<b>NOTE 2: NET DEFICIT</b>		
<b>Deficit has been determined after:</b>		
<b>(a) Crediting as income</b>		
Operating activities		
- Member subscriptions	59,616	42,877
- Courses	44,837	1,341
- Sales to Members	1,688	1,800
	<u>106,141</u>	<u>46,018</u>
Non-operating activities		
- Management Fees	2,000	-
- Insurance Commission	7,568	1,615
- Other (Apprentice Awards, Excellence Awards, Sundry)	71,857	37,963
	<u>81,425</u>	<u>39,578</u>
<b>Total revenues</b>	<u>187,566</u>	<u>85,596</u>
<b>(b) Charging as an expense</b>		
Auditors Remuneration:		
- Auditing the financial report	2,100	2,000
Affiliation Fees	-	-
Apprentice/Excellence Awards	31,154	38,997
Bank Charges	271	298
Communications	7,087	910
Courses Held	21,641	1,305
Golf Days	36,438	-
Insurance	359	237
IT Expenses	-	-
Legal Fees	12,766	-
Management Fees	24,000	18,377
Miscellaneous	810	-
Newsletters	9,984	6,839
Printing & Stationery	8,173	1,913
Rent & Office Expenses		
- Minimum lease payments	-	-
- Other rental & office expenses	16	8,305
Travel & Accommodation	<u>9,679</u>	<u>6,922</u>



NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

	2009 \$	2008 \$
<b>NOTE 3 : CASH AND CASH EQUIVALENTS</b>		
Cash at bank	66,055	41,597
	<u>66,055</u>	<u>41,597</u>
<b>NOTE 4: TRADE &amp; OTHER RECEIVABLES</b>		
General membership	39,052	16,125
	<u>39,052</u>	<u>16,125</u>
<b>NOTE 5: DEFERRED INCOME</b>		
Income Received in Advance	42,381	42,341
	<u>42,381</u>	<u>42,341</u>
<b>NOTE 6: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade and other payables	28,823	6,645
Goods & Services Tax	2,536	3,147
	<u>31,359</u>	<u>9,792</u>
<b>NON-CURRENT</b>		
Loans due to related entities	281,137	281,137
	<u>281,137</u>	<u>281,137</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

2009                      2008  
\$                              \$

**NOTE 7 : RELATED PARTY TRANSACTIONS**

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

B Gowdie (ceased 24/06/09)	W McKnight
C McKenzie	D McInnes
R Thompson (commenced 24/06/09)	G Partridge
	J Tinslay

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.

**(b) Payable to related entities at year end**

- National Electrical & Communications Assoc – Victorian Chapter	130,000	130,000
- National Electrical & Communications Assoc – NSW Chapter	130,007	130,000
- National Electrical & Communications Assoc – National Office	23,358	21,186
	<u>283,365</u>	<u>281,186</u>

**(c) The association had the following transactions with National Electrical Contractors Association - National Office.**

- Management fee charged by National Office	24,000	10,500
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**NOTE 8: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with surplus/deficit

Surplus/(Deficit) from ordinary activities	23,088	(507)
	<u>23,088</u>	<u>(507)</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(20,237)	(1,526)
Increase/(decrease) in trade and other payables	21,607	32,372
Cash flows from operations	<u>24,458</u>	<u>30,339</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

**NOTE 9: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for the association's operations.

The association does not have any derivative instruments at 30 June 2009.

*i. Treasury Risk Management*

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

*ii. Financial Risks*

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

*Interest rate risk*

The association has no interest bearing liabilities and consequently is not exposed to fluctuations in debt interest rates. For further details on interest rate risk refer to Note 9(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 – QUEENSLAND CHAPTER

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

NOTE 9: 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		Effective Interest Floating Interest Rate		Within 1 Year	
	Rate		Rate			
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	3.0	6.81	66,055	41,597	-	-
Trade & other receivables	-	-	-	-	-	-
Total Financial Assets:			66,055	41,597	-	-
Financial Liabilities:						
Loans from Related Entities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-

	Weighted Average		Effective Interest Rate		1 to 5 Years		Over 5 Years	
	Rate		Rate					
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	3.0	6.81	-	-	-	-	-	-
Trade & other receivables	-	-	-	-	-	-	-	-
Total Financial Assets:			-	-	-	-	-	-
Financial Liabilities:								
Loans from Related Entities	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-
Total Financial Liabilities:			-	-	-	-	-	-

	Weighted Average		Effective Interest Non-Interest Bearing		Total	
	Rate		Rate			
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	3.0	6.81	-	-	66,055	41,597
Trade & other receivables	-	-	39,052	16,125	39,052	16,125
Total Financial Assets:			39,052	16,125	105,107	57,722
Financial Liabilities:						
Loans from related entities			281,137	281,137	281,137	281,137
Trade and other payables			31,359	9,792	31,359	9,792
Total Financial Liabilities:			312,496	290,929	312,496	290,929

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

**NOTE 9: FINANCIAL INSTRUMENTS (CONT'D)**

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

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

	2009 \$	2008 \$
Less than 6 months	31,359	9,792
	<u>31,359</u>	<u>9,792</u>

**(c) Net Fair Value**

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

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

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

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade & other receivables	39,052	39,052	16,125	16,125
Total financial assets	<u>39,052</u>	<u>39,052</u>	<u>16,125</u>	<u>16,125</u>
Financial liabilities				
Loans from Related Entities	281,137	281,137	281,137	281,137
Trade and other payables	31,359	31,359	9,792	9,792
Total financial liabilities	<u>312,496</u>	<u>312,496</u>	<u>290,929</u>	<u>290,929</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 10: 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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

**NOTE 11: 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 12: CONTINGENT LIABILITIES**

NECA Queensland is expected to share legal costs with other NECA state chapters in relation to an appeal against the Federal Court decision involving Blue Star Pacific Pty Ltd and the Communications Electrical Electronic Energy Information Postal Plumbing & Allied Services Union of Australia. The expected total costs are approximately \$120,000.

**NOTE 13: ASSOCIATION DETAILS**

The principal place of business of the association is:

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

**NOTE 14: RAO s272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

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

**INDEPENDENT AUDIT REPORT****TO THE MEMBERS OF THE NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION –  
QUEENSLAND CHAPTER**mel@whk.com.au  
www.whk.com.au**Scope**WHK Horwath Melbourne  
41 099 415 845*The financial report and National Executives' responsibility:*

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

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

**Audit Approach**

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

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

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

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

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

**INDEPENDENT AUDIT REPORT (CONTINUED)**

**Independence**

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

**Audit Opinion**

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

**Emphasis of Matter – Going Concern**

Without qualification to our opinion, we draw attention to Note 1(a) to the financial report which indicates uncertainty as to whether the association will be able to continue as a going concern. The association has received a guarantee of ongoing financial support from related entities regarding intra-group loans, however if this support is withdrawn the association may not be able realise its assets and liabilities in the ordinary course of business and at the amounts shown.

**WHK HORWATH MELBOURNE**



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**Peter Sexton – Chartered Accountant  
Partner**

Dated: 9th October 2009