



national  
electrical and  
communications  
association

**QUEENSLAND CHAPTER**

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30 November 2011

General Manager  
Fair Work Australia  
GPO Box 1994  
MELBOURNE VIC 3001

FR 2011/2599

Dear Sir/Madam

**CERTIFICATE OF SECRETARY**

I, Guy Houghton, 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 07 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 29 November 2011 in accordance with s266 of the RO Act.

Yours faithfully

Guy Houghton  
SECRETARY

Attach.



**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION  
QUEENSLAND CHAPTER**

**Financial Report  
For The Year Ended  
30 June 2011**

# 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 2011.

#### **Committee Members**

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

P Babbage	J Blake (commenced 17/05/11)
J Facer (commenced 17/05/11)	M Hoelscher (ceased 17/05/11)
G Houghton (commenced 15/06/11)	A Marini (commenced 17/05/11)
D McInnes	C McKenzie (ceased 17/05/11)
A Smee (ceased 17/05/11)	R Thompson
J Tinslay (ceased 15/06/11)	

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 loss of the association for the financial year amounted to \$66,701 (2010: \$2,989).

#### **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 131 (2010: 96) members at financial year end.

#### **Number of Employees**

The association had 3 (2010: 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

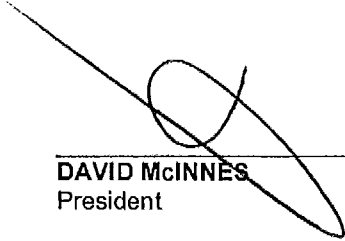
**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

**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 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:



\_\_\_\_\_  
**DAVID McINNES**  
President



\_\_\_\_\_  
**GUY HOUGHTON**  
Secretary

Dated this 25<sup>TH</sup> day of OCTOBER 2011

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

### Committee of Management Statement

On 16<sup>th</sup> August 2011 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 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:

  
GUY HOUGHTON  
Secretary

Dated this 25<sup>th</sup> day of October 2011

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>Revenue</b>	2	262,552	163,953
Affiliation Expenses		-	-
Apprentice/Excellence Awards		(62,233)	(58,684)
Courses		(9,143)	(11,506)
Employee Benefits		(127,362)	-
Golf Days		(16,068)	(18,269)
Legal Fees		-	(4,132)
Management Fees		(39,000)	(39,000)
Marketing Expenses (including Newsletter)		(17,114)	(9,891)
Rent & Office Expenses (including Printing & Stationery)		(25,724)	(7,390)
Travel and accommodation expenses		(15,838)	(9,515)
Other expenses		(16,771)	(8,555)
<b>Net Surplus/(Deficit)</b>	2	<u>(66,701)</u>	<u>(2,989)</u>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Surplus/(Deficit)</b>		<u>(66,701)</u>	<u>(2,989)</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	121,444	123,276
Trade and Other Receivables	4	23,227	11,545
Prepayments	5	13,122	9,018
<b>TOTAL CURRENT ASSETS</b>		<u>157,793</u>	<u>143,839</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	12,396	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,396</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>170,189</u>	<u>143,839</u>
<b>CURRENT LIABILITIES</b>			
Deferred Income	7	89,612	74,203
Trade and other payables	8	57,030	35,283
Short term provisions	9	6,490	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>153,132</u>	<u>109,486</u>
<b>NON- CURRENT LIABILITIES</b>			
Trade and other payables	8	330,362	281,137
Long term provisions	9	180	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>330,542</u>	<u>281,137</u>
<b>TOTAL LIABILITIES</b>		<u>483,674</u>	<u>390,623</u>
<b>NET LIABILITIES</b>		<u>(313,485)</u>	<u>(246,784)</u>
<b>EQUITY</b>			
Accumulated Losses		<u>(313,485)</u>	<u>(246,784)</u>
<b>TOTAL DEFICIENCY OF ASSETS</b>		<u>(313,485)</u>	<u>(246,784)</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 2011

	Accumulated Losses \$	Total \$
Balance at 1 July 2009	(243,795)	(243,795)
Deficit for the year	(2,989)	(2,989)
<b>Balance at 30 June 2010</b>	<b>(246,784)</b>	<b>(246,784)</b>
Deficit for the year	(66,701)	(66,701)
<b>Balance at 30 June 2011</b>	<b>(313,485)</b>	<b>(313,485)</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 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts in the course of operations		192,853	185,673
Payments to suppliers and employees		(234,855)	(131,196)
Interest Received		4,688	2,744
Net cash provided by /(used in) operating activities	12	<u>(37,314)</u>	<u>57,221</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(13,743)	-
Inter-Chapter Loans		49,225	-
Net cash provided by /(used in) investing activities		<u>35,482</u>	<u>-</u>
Net increase/(decrease) in cash held		(1,832)	57,221
Cash at beginning of financial year		<u>123,276</u>	<u>66,055</u>
Cash at end of financial year	3	<u>121,444</u>	<u>123,276</u>

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

### 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.

#### **Going Concern Assumption**

The association recorded a capital deficiency during the year ended 30<sup>th</sup> June 2011 of \$313,485. 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 the 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) 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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)**

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.

**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:

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
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) 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.

**(d) 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.

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

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

##### (d) Financial Instruments (cont'd)

###### 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 statement of comprehensive income.

##### (e) 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.

##### (f) 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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

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

**(g) 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 statement of financial position.

**(h) 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.

**(i) 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).

**(j) 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.

**(k) 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 – QUEENSLAND CHAPTER**

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

**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 2011.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: NET DEFICIT</b>		
<b>Deficit has been determined after:</b>		
<b>(a) Crediting as income</b>		
Operating activities		
- Member subscriptions	101,583	71,508
- Courses	18,882	13,364
- Sales to Members	1,072	1,811
	<u>121,537</u>	<u>86,683</u>
Non-operating activities		
- Management Fees	36,000	2,000
- Insurance Commission	13,374	8,000
- Other (Apprentice Awards, Excellence Awards, Sundry)	91,641	67,270
	<u>141,015</u>	<u>77,270</u>
Total revenues	<u>262,552</u>	<u>163,953</u>
<b>(b) Charging as an expense</b>		
Auditors Remuneration:		
- Auditing the financial report	2,450	2,270
Affiliation Fees	-	-
Bank Charges	338	195
Communications	-	4,348
Courses Held	9,143	11,506
Depreciation	1,347	-
Employment Costs		
- Employee Benefits – office holders	94,468	-
- Employee Benefits -- employees	19,720	-
- Other Employment costs	13,174	-
Insurance	652	490
Legal Fees	-	4,132
Management Fees	39,000	39,000
Marketing Expenses (including Newsletter)	17,114	9,891
Meeting Expenses	249	-
Miscellaneous	11,735	1,252
Rent & Office Expenses		
- Minimum lease payments	12,117	-
- Other rental & office expenses (inc Printing & Stationery)	13,607	7,390
Sponsored Events		
- Apprentice/Excellence Awards	62,233	58,684
- Golf Day	16,068	18,269
Travel & Accommodation	<u>15,838</u>	<u>9,515</u>



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

2011                      2010  
\$                              \$

**NOTE 3 : CASH AND CASH EQUIVALENTS**

Cash at bank	121,444	123,276
	<u>121,444</u>	<u>123,276</u>

**NOTE 4: TRADE & OTHER RECEIVABLES**

General membership	22,035	11,545
Insurance Commission	1,192	-
	<u>23,227</u>	<u>11,545</u>

**NOTE 5: OTHER CURRENT ASSETS**

<b>CURRENT</b>		
Prepayments	13,122	9,018
	<u>13,122</u>	<u>9,018</u>

**NOTE 6: PLANT AND EQUIPMENT**

**PLANT AND EQUIPMENT**

Plant & equipment		
At cost	13,743	-
Less accumulated depreciation	<u>(1,347)</u>	<u>-</u>
Total plant and equipment	<u>12,396</u>	<u>-</u>

**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	-	-
Additions	13,743	-
Disposals	-	-
Depreciation expense	<u>(1,347)</u>	<u>-</u>
Carrying amount at end of year	<u>12,396</u>	<u>-</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

	2011 \$	2010 \$
<b>NOTE 7: DEFERRED INCOME</b>		
Income Received in Advance	89,612	74,203
	<u>89,612</u>	<u>74,203</u>

**NOTE 8: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade and other payables	51,550	30,533
Goods & Services Tax	5,480	4,750
	<u>57,030</u>	<u>35,283</u>

**NON-CURRENT**

Loans due to related entities	330,362	281,137
	<u>330,362</u>	<u>281,137</u>

**NOTE 9: PROVISIONS**

	Employee Entitlements \$	Total \$
Opening balance at 1 July 2010	-	-
Additional provisions raised during the year	6,670	6,670
Amounts used	-	-
Balance at 30 June 2011	<u>6,670</u>	<u>6,670</u>

**Analysis of Total Provisions**

**Current**

- Annual Leave - Officeholders	4,644	-
- Annual Leave - Employees	1,846	-

**Non-Current**

- Long Service Leave - Officeholders	147	-
- Long Service Leave - Employees	33	-
	<u>180</u>	<u>0</u>

Total Provisions	<u>6,670</u>	<u>0</u>
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Number of employees at year end	3	-
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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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

2011                      2010  
\$                              \$

**NOTE 10 : RELATED PARTY TRANSACTIONS**

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	149,800	130,000
- National Electrical & Communications Assoc – NSW Chapter	149,180	131,135
- National Electrical & Communications Assoc – National Office	38,131	39,182
- National Electrical & Communications Assoc – ACT Chapter	1,485	-
- National Electrical & Communications Assoc – WA Chapter	9,240	-
	<u>347,836</u>	<u>300,317</u>

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

- Management fee charged by National Office	39,000	39,000
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**NOTE 11: KEY MANAGEMENT PERSONNEL**

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

P Babbage	J Blake (commenced 17/05/11)
J Facer (commenced 17/05/11)	M Hoelscher (ceased 17/05/11)
G Houghton (commenced 15/06/11)	A Marini (commenced 17/05/11)
D McInnes	C McKenzie (ceased 17/05/11)
A Smee (ceased 17/05/11)	R Thompson
J Tinslay (ceased 15/06/11)	

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

Compensation paid to the Secretary:

Short-term Benefits	86,668	-
Post Employment Benefits	7,800	-

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER

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

**NOTE 12: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with surplus/deficit

Surplus/(Deficit) from ordinary activities	(66,701)	(2,989)
Depreciation	1,347	
	<u>(65,354)</u>	<u>(2,989)</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(11,682)	24,464
(Increase)/decrease in other current assets	(4,104)	-
Increase/(decrease) in trade and other payables	21,747	35,746
Increase/(decrease) in deferred income	15,409	-
Increase/(decrease) in provisions	6,670	-
Cash flows from operations	<u>(37,314)</u>	<u>57,221</u>

**NOTE 13: 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.

*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 2011**

**NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial Instrument Composition and Maturity Analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average		Floating Interest Rate		Within 1 Year	
	Effective Interest Rate		2011	2010	2011	2010
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4.5	3.9	121,444	123,276	-	-
Trade & other receivables	-	-	-	-	-	-
<b>Total Financial Assets:</b>			<b>121,444</b>	<b>123,276</b>	<b>-</b>	<b>-</b>
Financial Liabilities:						
Loans from Related Entities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
<b>Total Financial Liabilities:</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Weighted Average		1 to 5 Years		Over 5 Years	
	Effective Interest Rate		2011	2010	2011	2010
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4.5	3.9	-	-	-	-
Trade & other receivables	-	-	-	-	-	-
<b>Total Financial Assets:</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Liabilities:						
Loans from Related Entities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
<b>Total Financial Liabilities:</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Weighted Average		Non-Interest Bearing		Total	
	Effective Interest Rate		2011	2010	2011	2010
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	4.5	3.9	-	-	121,444	123,276
Trade & other receivables	-	-	23,227	11,545	23,227	11,545
<b>Total Financial Assets:</b>			<b>23,227</b>	<b>11,545</b>	<b>144,671</b>	<b>134,821</b>
Financial Liabilities:						
Loans from related entities			330,362	281,137	330,362	281,137
Trade and other payables			57,030	35,283	57,030	35,283
<b>Total Financial Liabilities:</b>			<b>387,392</b>	<b>316,420</b>	<b>387,392</b>	<b>316,420</b>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – QUEENSLAND CHAPTER**

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

**NOTE 13: FINANCIAL INSTRUMENTS (CONT'D)**

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

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

	2011 \$	2010 \$
Less than 6 months	57,030	35,283
	<u>57,030</u>	<u>35,283</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**

	2011		2010	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade & other receivables	23,227	23,227	11,545	11,545
Total financial assets	<u>23,227</u>	<u>23,227</u>	<u>11,545</u>	<u>11,545</u>
Financial liabilities				
Loans from Related Entities	330,362	330,362	281,137	281,137
Trade and other payables	57,030	57,030	35,283	35,283
Total financial liabilities	<u>387,392</u>	<u>387,392</u>	<u>316,420</u>	<u>316,420</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 14: 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 2011**

**NOTE 15: EVENTS SUBSEQUENT TO REPORTING PERIOD**

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 16: CONTINGENT LIABILITIES**

There are no contingent liabilities as at 30<sup>th</sup> June 2011.

**NOTE 17: ASSOCIATION DETAILS**

The principal place of business of the association is:

National Electrical Contractors Association – Queensland Chapter  
Suite 2.5 Ian Barclay Building  
460-492 Beaudesert Road  
Salisbury QLD 4107

**NOTE 18: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER - FAIR WORK AUSTRALIA**

- (1) A member of a reporting unit, or the General Manager - 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 – Queensland 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 - Queensland 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 - Queensland 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

A small handwritten signature in cursive script.  
3 day of November 2011



# Fair Work Australia

12 December 2011

Mr Guy Houghton  
Secretary  
Queensland Chapter  
The National Electrical Contractors Association  
PO Box 778  
ARCHERFIELD QLD 4108

Email - [necaq@neca.asn.au](mailto:necaq@neca.asn.au)

Dear Mr Houghton,

**Re: Financial Report – NECA - Queensland Chapter - FR2011/2599  
Fair Work (Registered Organisations) Act 2009 (RO Act)**

The financial report for the Queensland Chapter of 'The National Electrical Contractors Association' (NECA) for year ended 30 June 2011 was lodged on 5 December 2011.

The lodged report provides more information regarding related party transactions when compared to previous years. This new approach has been noted and it will seek to ensure that the Queensland Chapter's financial reports are consistent with Australian Accounting Standard AASB 124 (*Related Party Disclosures*) and the approach of NECA as a whole (as set out in correspondence of the NECA National Secretary of 16 June 2011 at Attachment A).

The financial report has been filed.

If you have any queries regarding the above please contact me on (03) 8661 7990 or at [andrew.schultz@fwa.gov.au](mailto:andrew.schultz@fwa.gov.au).

Yours faithfully,

Andrew Schultz  
Organisations, Research and Advice

**neca**

National office : national electrical and communications association  
Level 4, 30 Atchison Street St Leonards New South Wales 2065  
Locked Bag 1818 St Leonards New South Wales 1590  
telephone: +61 2 9439 8523 facsimile: +61 2 9439 8525  
email: necanat@neca.asn.au website: www.neca.asn.au  
ABN 78 319 016 742

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16 June 2011

Mr Andrew Schultz  
Tribunal Services and Organisations  
Fair Work Australia  
11 Exhibition Street  
MELBOURNE VIC 3000  
GPO Box 1994  
MELBOURNE VIC 3001

By email only: [andrew.schultz@fwa.gov.au](mailto:andrew.schultz@fwa.gov.au)

Dear Mr Schultz

**Correspondence of 19 May 2011 re NECA Financial Reports**

I refer to your correspondence of 19 May 2011.

In response to the issues raised, as they concern NECA reporting units, I respond as follows:

1. From 2011 and thereafter, reporting units will be separately disclosing in their Profit and Loss Statements (or in their Notes to the Accounts) the employee benefits paid to the elected National Secretary (or Chapter Secretary as the case may be).
2. From 2011 and thereafter, reporting units will list in their Operating Report the National Secretary (or the Chapter Secretary as the case may be) as a member of the 'Committee of Management' (including in South Australia and Tasmania).
3. From 2011 and thereafter, reporting units will treat the National Secretary (or the Chapter Secretary as the case may be) as a member of the 'key management personnel'.
4. From 2011 and thereafter, reporting units will include a Related Party Note in their financial reports that discloses the total compensation paid to 'key management personnel', including the elected Secretary (as well as compensation paid to any other members of the Committee of Management and any other relevant executives, directors and/or elected officers).

In view of the above, NECA does not consider it necessary to make further submissions or replies as to these matters. Please advise if you require otherwise.

NECA National Ph: 02 9439 8523  
NECA Victoria Ph: 03 9645 5533  
NECA Western Australia Ph: 08 9321 3637

NECA New South Wales Ph: 02 9744 1099  
NECA Tasmania Ph: 03 6236 3656  
NECA Northern Territory Ph: 08 8922 9686

NECA Australian Capital Territory Ph: 02 6280 5580  
NECA South Australia Ph: 08 8272 2866  
NECA Queensland Ph: 1300 794 846

In terms of reporting units having a related party relationship with the entities listed in your correspondence of 19 May 2011, I respond (in table form) as follows:

Entity	Related Party Relationship	Comment
ECA Training Pty Ltd	Shares owned by NECA	Group training company trading as NECA Group Training operating in NSW
NECATec	See NECA Training Pty Ltd	Trading name for registered training organisation NECATec operating in NSW
NECA Legal Pty Ltd	Shares owned by NECA	Legal service
NECA Training Pty Ltd	Shares owned by NECA	Trading as NECATec
NECA Group Training	See ECA Training Pty Ltd	Trading name for group training company ECA Training Pty Ltd operating in NSW
NECA WA Group Property Trust	Trustee owned by NECA WA Group Pty Ltd	Owner of NECA WA building
NECA WA Group Pty Ltd	Shares owned by NECA	Corporate trustee for NECA WA Group Property Trust

The above related party relationships will be disclosed from 2011 and thereafter by relevant reporting units in their financial reports.

I trust the above information resolves all outstanding matters arising in your correspondence of 19 May 2011. Please do not hesitate to contact me should you require anything further.

Yours sincerely

James C Tinsley  
 Chief Executive Officer  
 National Electrical and Communications Association (NECA)

