



Australian Government
Australian Industrial Registry

21 May 2009

Mr Larry Moore
Chapter Secretary
National Electrical and Communications Association
South Australian Chapter
PO Box 47
FULLARTON SA 5063

By email: neca@necasa.asn.au

Dear Mr Moore

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2007 – FR2007/447**

I acknowledge receipt of the financial report for the South Australian Chapter of the National Electrical and Communications Association for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 9 March 2009. I apologise for the delay in responding to the documents lodged.

The documents have been filed.

Although the financial report has been filed there are several matters which require attention in future financial reports. No further action is required with respect to these documents already lodged and filed.

1. Auditor's Report

It is a requirement of s257(5) of the RAO Schedule that:

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

- (a) the Australian Accounting Standards;*
- (b) any other requirements imposed by this Part...” (Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996)*

The auditor's opinion in the lodged accounts made no reference to the requirements of Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*.

The following wording in an Auditor's Report would satisfy the requirements of s257(5):

In our opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.

This matter was brought to your auditor's attention in August 2006 when the financial report for the year ended 30 June 2005 was lodged. A copy of the August 2006 letter is enclosed for your

information. This letter will also be forwarded to your auditor to ensure that s257(5) is complied with in future.

2. Operating Report – Title of Report

The Committee Report on page 5 should be correctly entitled “Operating Report”. The report is prepared pursuant to s254 of the RAO Schedule and the section refers to the report as the “Operating Report”.

3. Operating Report – Superannuation Trustees

It is a requirement under s254(2)(d) of the RAO Schedule for the Operating Report to state whether any **officer or member** of the Chapter is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity where the criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

In the event that no officer or member of the Chapter is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect. Please ensure the statement considers the status of both officers and members of the South Australian Chapter.

It has been noted that this information was omitted from the South Australian Chapter’s Operating Report in previous years. Please ensure this is remedied in future Operating Reports.

4. Notes to General Purpose Financial Report

It appears that Note 11 and 12 is missing from the general purpose financial report and the information regarding “Remuneration of Auditors” and “Related Parties” has been omitted. Please ensure such information is included in future to ensure the Australian Accounting Standards are fully complied with.

5. Lodgement of Full Report and Certificate within 14 days of s266 meeting

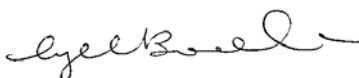
Section 268 of the RAO Schedule provides the full report and the designated officer’s certificate be lodged with the Industrial Registry within 14 days from when the full report was presented to the general meeting of members. In this instance the full report and the certificate was lodged 511 days after the general meeting of members. Section 268 is a civil penalty provision which may attract pecuniary penalty order against the person or organisation whose conduct contravened the civil penalty provision. Please ensure the documents are promptly lodged in future financial reports.

6. Outstanding Financial Report – FR 2006/461

It appears from our records that the financial report for the year ended 30 June 2006 remains outstanding. This financial report is well overdue. Can you please advise me by writing as to the position of the outstanding financial report for the year ended 30 June 2006 [FR2006/461]?

Should you wish to discuss any matters regarding the above I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at cynthia.lobooth@airc.gov.au.

Yours faithfully,



Cynthia Lo-Booth
Statutory Services Branch

Enc.

Cc: SJ Gray
Partner
Grant Thornton South Australian Partnership
Chartered Accountants
PO Box 1270
ADELAIDE SA 5001



Australian Government

Australian Industrial Registry

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Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@air.gov.au

Mr Larry Moore
Secretary
South Australian Chapter
The National Electrical Contractors Association
PO Box 47
FULLARTON SA 5063

Dear Mr Moore,

**The National Electrical Contractors Association – South Australian Chapter
Financial Return for the Year Ended 30 June 2005 - FR2005/290
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the South Australian Chapter of The National Electrical Contractors Association for the year ended 30 June 2005. The documents were received in the Industrial Registry on 26 April 2006.

The documents have been filed.

I would, however, like to draw your attention to the following issues in order to assist you in preparation of next year's financial documents. You do not need to take any further action in respect of the financial documents already lodged.

Accounting Officer's Certificate

The Accounting Officer's certificate was a document required under the former financial reporting requirements of the *Workplace Relations Act 1996*. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

Auditor's Report

The Auditor's Report does not refer to the requirements of the *Workplace Relations Act 1996*.

Section 257 of the RAO Schedule requires the Auditor's Report to confirm whether the General Purpose Financial Report is presented fairly in accordance with both the Australian Accounting Standards and any additional requirements of Schedule 1B of the *Workplace Relations Act 1996* (the RAO Schedule).

The following wording in an Auditor's Report would satisfy the requirements of section 257 of the RAO Schedule:

In our opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B (RAO Schedule) of the Workplace Relations Act 1996.

A copy of this letter has been forwarded to S J Gray at Grant Thornton.

Operating Report

Superannuation Trustees

The Operating Report is required to state whether any officer or member of the Chapter is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Chapter is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

Title of Report

The Operating Report is entitled 'Committee Report'. Would you please ensure in future that the report is correctly identified as an 'Operating Report' as set out in section 254 of the RAO Schedule.

Committee of Management Statement

The Committee of Management statement was dated on 29 August 2005 but states that 'On 30 August 2005 the Committee of Management...passed the following resolution...' (that is, the resolution was passed *after* the document was dated).

You are requested to ensure in future that the statement is executed and dated after the Committee of Management resolution has been passed.

General Purpose Financial Report

Disclosure of Expenses

When preparing a General Purpose Financial Report (GPFR), section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Reporting Guidelines that have been issued by the Industrial Registrar. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- affiliation fees or subscriptions to political parties or industrial bodies (11(d));
- grants or donations made by the reporting unit (11(f));
- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));
- legal costs (11(j));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));
- penalties imposed on the reporting unit by the *Workplace Relations Act* (11(l)); and
- levies that have been imposed upon the reporting unit (11(e)).

While it includes an item for legal costs, generally speaking the Statement of Financial Performance lacks sufficient detail to comply with the Registrar's Reporting Guidelines. For example:

- there is a single figure for 'Salaries and wages' on page 21 in the Detailed Statement of Financial Performance. Items 11(g) and (h) of the Guidelines, however, require *separate* disclosure of employment benefits paid to *office holders* and *employees (other than office holders)*. In other words, it is insufficient to group employment benefits paid to holders of office and to employees under the one item. In the event that employee benefits only relate to one category of persons (whether *holders of office* or *employees*) the accounts should clearly indicate which category applies;
- page 21 also itemises a single figure for 'Executive, meeting and function expenses'. The Guidelines, however, require separate disclosure of 'conference and meeting expenses' where that figure is not bundled together with function and other related expenses (see guideline 11(k)).

A full copy of the Registrar's Reporting Guidelines is attached. Would you please ensure that these items are separately disclosed in the future.

Documents Not Lodged in Registry within 14 Days of Meeting

Section 268 of the RAO Schedule requires a reporting unit to lodge its financial documents in the Industrial Registry within 14 days of presentation to a meeting. While the Chapter's general meeting was held on 17 October 2005, the documents were not lodged until 26 April 2006.

In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented.

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/233Vsa>.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

16 August 2006

cc: S J Gray
Grant Thornton
GPO Box 1270
ADELAIDE SA 5001



South Australian chapter

national electrical and communications association

213 Greenhill Road Eastwood South Australia 5063 Australia

PO Box 47 Fullarton South Australia 5063

telephone: (08) 8272 2966

facsimile: (08) 8373 1528

email: neca@necasa.asn.au

website: <http://www.neca.asn.au>

30th. October 2007

Australian Industrial Registry

GPO Box 1994S

Melbourne

Victoria 3001

Attention: Ms. Margaret Williams
Statutory Services Branch

**Re: The National Electrical Contractors Association - The South Australian Chapter
Financial Documents 2007 - Workplace Relations Act 1996**

Dear Margaret

Please find attached copies of documentation for 2007 in accordance with the requirements of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Larry Moore', is written over a horizontal line.

Larry Moore
Secretary



NECA

South Australian chapter

national electrical and communications association

213 Greenhill Road Eastwood South Australia 5063 Australia

PO Box 47 Fullarton South Australia 5063

telephone: (08) 8272 2966

facsimile: (08) 8373 1528

email: necasa@neca.asn.au

website: <http://www.neca.asn.au>

30 October 2007

Deputy Industrial Registrar
Australian Industrial registry
GPO Box 539
Canberra City ACT 2601

Dear Sir/Madam

Designated Officer's Certificate

I, Laurence John Moore, being the Secretary of the National Electrical Contractors Association – South Australian Chapter, certify:

1. that the documents lodged herewith are copies of the full report referred to in the RAO Schedule; and
2. that the full report was provided to members on the 12th. of September 2007; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 15th. of October 2007, in accordance with the RAO Schedule



Signed

Laurence John Moore (Secretary)

Dated the **30th** day of **October 2007**

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
SOUTH AUSTRALIAN CHAPTER**

Financial Statements

For Year Ending

30 June 2007

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**INDEPENDENT AUDITOR'S REPORT
TO MEMBERS OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION SOUTH
AUSTRALIAN CHAPTER**

Report on the financial report

We have audited the accompanying financial report comprising the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity, cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial statements, and the statement by members of the Committee for National Electrical Contractors Association South Australian Chapter.

The Committee's responsibility for the financial report

The Committee members of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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, which require us to comply with relevant ethical requirements relating to audit engagements, in order to plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 circumstance, 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 directors, as well as evaluating the overall presentation of the financial report.

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.

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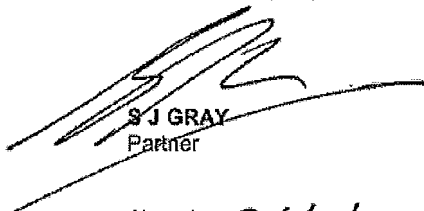
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Audit opinion

In our opinion, the financial report of National Electrical Contractors Association South Australian Chapter presents fairly, in all material respects, in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), the financial position of National Electrical Contractors Association South Australian Chapter as at 30 June 2007, and of its performance and its cash flows for the year then ended.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at *Adelaide* this *17* day of *August* 2007

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

COMMITTEE REPORT

The committee members submit the financial report for the National Electrical Contracting Association – South Australia Chapter ("the association") for the financial year ending 30 June 2007.

Members of the committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period were:

D Lindner	President	Elected by Committee 29-Aug-06
J Robinson	Vice President	Elected by Committee 29-Aug-06
G McDougall	Treasurer	Elected by Committee 29-Aug-06
L Moore	Secretary	Elected by Committee 29-Aug-06
F Russo	President	Not re-elected 18-Aug-06
A Ailchinson		
R Lane		
D Sims		
A Thorpe		Elected 18-Aug-06

Principal Activities

The principal activity of the Association during the reporting period was to represent the interests of its members in the electrical and communications industry consistent with the objectives of the Association.

Significant Changes

There were no significant changes in the nature of the Association's principle activities during the reporting period.

Operating Result

Loss from ordinary activities amounted to (\$84,816).

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 number of persons who, at the end of the reporting period, were recorded on the Registry of Members of the association was 459.

Manner of Resignation

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 confirms with Section 174, Resignation from Membership, of the RAO Schedule 1B of the Workplace Relations Act 1996.

Rule 11 of the rules reads as follows:

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

COMMITTEE REPORT CONTINUED

11 – RESIGNATION FROM MEMBERSHIP

- (a) A member may resign from membership by written notice addressed and delivered to the Secretary of the chapter to which such member belongs.
- (b) A notice of resignation from membership takes effect:
 - (i) where the member ceases to be eligible to become a member:-
 - (1) on the day on which the notice is received by the Organisation; or
 - (2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member, whichever is later ; or
 - (ii) In any other case at the end of two weeks after the notice is received by the Organisation or on the day specified in the notice whichever is later.
- (c) Any dues payable but not paid by a former member in relation to a period before the member's resignation from the Organisation took effect may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction as a debt due to the Organisation.
- (d) A notice delivered to a Chapter Secretary shall be taken to have been received by the Organisation when it was delivered.
- (e) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered in accordance with sub-rule (a).
- (f) A resignation from membership of the Organisation is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

Number of Employees

The number of employees who were at the end of the reporting period, employees of the Association was 5.

Signed
Laurence John Moore (Secretary)

Signed at EASTWOOD this 17th day of AUGUST 2007

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

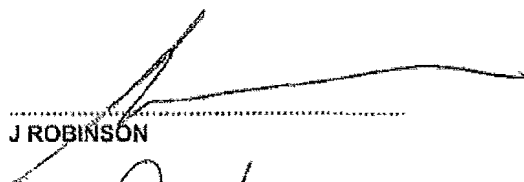
COMMITTEE OF MANAGEMENT STATEMENT


On 17 August 2007 the Committee of Management of the National Electrical Contractors Association – SA Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the entity for the financial year ended 30 June 2007.

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 gives 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; and
 - (ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the association; and
 - (iii) The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
 - (iv) No requests have been made from any member of the association or a Registrar 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


.....
J ROBINSON


.....
G MCDUGALL

Signed at ERSTWOOD this 17th day of AUGUST 2007


NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER

ACCOUNTING OFFICERS CERTIFICATE

I, LAURENCE JOHN MOORE, am the Officer responsible for keeping the accounting records of National Electrical Contractors Association – SA Chapter. I state that the number of members as at 30 June 2007 was 459.

In my opinion,

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2007.
- (ii) A record has been kept of all monies paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the association;
- (iii) Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the association.
- (iv) No payment was made out of a fund referred to in subparagraph 107(b)(xiii) or (xv) of the regulations of the Workplace Relations Act 1996 for a purpose other than the purpose for which the fund was operated;
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation;
- (vi) The register of members has been maintained in accordance with the Act.


.....
L J MOORE

Signed at Eastwood this 17th day of AUGUST 2007

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Revenue	3(a)	808,224	893,055
Employee benefits expense		336,932	322,086
Depreciation Expenses		15,148	18,073
Amortisation expenses - Building		62,500	18,250
Interest Expense		6,207	2,802
Accounting and Audit Fees		9,150	6,150
Bad debts		12,199	11,218
Excellence Awards		85,010	60,906
Industrial Services		23,697	-
National Subscriptions		81,034	63,586
Property Expenses		42,041	48,150
Recoverable expenses		598	3,889
Printing postage and general expenses		95,240	50,898
Telephone and power		16,162	16,128
Other Operating Expenses		107,122	91,453
Profit/(Loss) from operations		(84,816)	(20,534)

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	152,956	119,223
Trade and other receivables	5	36,088	37,653
TOTAL CURRENT ASSETS		<u>189,044</u>	<u>156,876</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,497,975	2,570,985
TOTAL NON-CURRENT ASSETS		<u>2,497,975</u>	<u>2,570,985</u>
TOTAL ASSETS		<u>2,687,019</u>	<u>2,727,861</u>
CURRENT LIABILITIES			
Trade and other payables	7	112,011	74,590
Financial Liabilities	8	7,556	7,024
Provisions	9	83,916	73,963
TOTAL CURRENT LIABILITIES		<u>203,483</u>	<u>155,577</u>
NON-CURRENT LIABILITIES			
Financial Liabilities	8	27,497	31,429
TOTAL NON-CURRENT LIABILITIES		<u>27,497</u>	<u>31,429</u>
TOTAL LIABILITIES		<u>230,980</u>	<u>187,006</u>
NET ASSETS		<u>2,456,039</u>	<u>2,540,855</u>
EQUITY			
Reserves	15	1,966,639	1,966,639
Retained earnings		489,400	574,216
TOTAL EQUITY		<u>2,456,039</u>	<u>2,540,855</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2005	594,750	583,639	594,750
Asset revaluation	-	1,383,000	-
Profit / (loss) attributable to members	<u>(20,534)</u>	-	<u>(20,534)</u>
Balance at 30 June 2006	<u>574,216</u>	<u>1,966,639</u>	<u>2,540,855</u>
Profit / (loss) attributable to members	<u>(84,816)</u>	-	<u>(84,816)</u>
Balance at 30 June 2007	<u>489,400</u>	<u>1,966,639</u>	<u>2,456,039</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members/non-members		797,815	697,254
Payments to suppliers and employees		(767,155)	(664,169)
Interest received		13,693	11,258
Interest paid		<u>(2,582)</u>	<u>(2,802)</u>
Net cash flow from operating activities	10	<u>41,771</u>	<u>41,541</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		-	10,000
Purchase of plant and equipment		<u>(4,638)</u>	<u>(60,065)</u>
Net cash flow from investing activities		<u>(4,638)</u>	<u>(50,065)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of lease liability			44,660
Repayment of lease liability		<u>(3,401)</u>	<u>(6,207)</u>
Net cash flow from financing activities		<u>(3,401)</u>	<u>38,453</u>
Net increase/(decrease) in cash held		33,732	29,929
Cash at the beginning of the financial year		<u>119,223</u>	<u>89,293</u>
Cash at the end of the financial period	4	<u><u>152,955</u></u>	<u><u>119,222</u></u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers The National Electrical Contractors Association - SA Chapter as an individual entity.

The financial report of The National Electrical Contractors Association - SA Chapter complies with all Australian Equivalents to International Financial Reporting Standards (AIFRS) 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.

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.

(a) Property Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(b) Property

The land and building are valued on the fair value basis, being the amount for which an asset could be exchanged between a knowledgeable willing parties in an arms length transaction. It is the policy of the Committee to have an independent valuation of the property every three years with annual appraisals being made by the Committee members.

An independent valuation was obtained in June 2006 of the fair market value based on existing use. Revaluations do not result in the carrying value of the land and building exceeding their recoverable amount.

Plant and Equipment

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 its 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.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset:

Office machines	18- 37.5%
Furniture and Fittings	7.5- 20%
Computer Equipment	40%
Motor Vehicles	22.5%

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER
ABN 63 173 936 711
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Revenue

Revenue is recognised in the period for which member subscriptions relate, all other income is recognised as income in the period that it is invoiced.

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

(d) Goods and Services Tax

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

(e) Impairment of Assets

At each reporting date, the association review the carrying values of its tangible 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 expenses to the income statement.

(f) Employee Benefits

Provision is made in the association's accounts for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of estimated future cash flows to be made for those benefits.

(g) Income Tax

No provision for income tax is necessary as "Registered Organisations" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act.

(h) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

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NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Leased Non-Current Assets

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the economic entity will obtain ownership of the asset. Lease assets held at the reporting date are being amortised over periods ranging from 5 to 15 years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

Other operating lease payments are charged to the profit and loss account in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(k) Comparative Figures

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

(l) New Accounting and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting period. The entity's assessment of the impact of these new standards and interpretations is that there would be no material impact on the reported results of the entity for the year ended 30 June 2007.

NOTE 2 - 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). Note: This subsection is a civil penalty provision (see section 305).
- (4) A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar, shall provide to a member information received because of an application made at the request of the member.
- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections. Note: This subsection is a civil penalty provision (see section 305).
- (6) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:
 - (a) the member taking the application for information; or
 - (b) the member at whose request the application was made

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	2007	2006
	\$	\$
NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions received	400,335	360,885
Interest received	13,693	11,258
Stationery and service fees	6,447	7,026
Petrol invoices recharges	22,140	22,608
Commission received	35,755	34,648
Rent received	145,214	145,640
Administration fees	5,211	9,110
Excellence Awards fees	70,867	65,955
Industrial services	38,287	1,318
Recoverable expenses	1,036	3,889
Advertising	6,802	7,291
Other Revenue	62,438	38,037
Loss on sale of fixed assets	-	(14,610)
TOTAL REVENUE	808,224	693,055
(b) EXPENSES FROM ORDINARY ACTIVITIES		
Interest	6,207	2,802
Depreciation and Amortisation	77,648	36,323
Salaries	284,845	270,175
Annual Leave	8,988	(9,096)
Long Service Leave	5,777	30,886
Superannuation	37,322	30,121
Accounting and Audit Fees	9,150	6,150
Bad debts	12,199	11,218
Excellence Awards	65,010	60,906
Industrial services costs	23,697	-
NECA National Subs	81,034	63,586
Property Expenses	42,041	48,150
Recoverable Expenses	598	3,889
Printing, postage and general expenses	95,240	50,898
Telephone and Power	16,162	16,128
Other Operating Expenses	107,122	91,453
TOTAL	893,041	713,589
NOTE 4 - CASH AND CASH EQUIVALENTS		
Westpac Bank - Current account	50,677	49,891
- Business Max-i Direct	102,079	69,132
Petty Cash	200	200
	152,956	119,223

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	2007	2006
	\$	\$
NOTE 5 - TRADE AND OTHER RECEIVABLES		
Trade Receivable	30,751	34,034
Provision for Impairment	(2,690)	(700)
Prepayments	7,927	4,319
	<u>36,088</u>	<u>37,653</u>

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Building - at independent valuation 30 June 2006	2,500,000	2,500,000
Less: accumulated amortisation	(62,500)	-
	<u>2,437,500</u>	<u>2,500,000</u>
Office machines - at cost	33,777	33,777
Less: accumulated depreciation	(24,570)	(22,175)
	<u>9,207</u>	<u>11,602</u>
Computer equipment - at cost	34,401	29,764
Less: accumulated depreciation	(25,549)	(21,733)
	<u>8,852</u>	<u>8,031</u>
Furniture & fittings - at cost	102,616	102,616
Less: accumulated depreciation	(93,921)	(92,767)
	<u>8,695</u>	<u>9,849</u>
Hire purchase - motor vehicle	51,081	51,081
Less: accumulated depreciation	(17,360)	(9,578)
	<u>33,721</u>	<u>41,503</u>
Total plant and equipment	<u><u>2,497,975</u></u>	<u><u>2,570,985</u></u>

(a) Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Building	Office	Computer	Furniture	Motor Vehicle	Total
	\$	\$	\$	\$	\$	
Balance at the beginning of year	2,500,000	11,602	8,031	9,850	41,503	2,570,986
Depreciation and amortisation	(62,500)	(2,396)	(3,816)	(1,154)	(7,782)	(77,648)
Addition	-	-	4,637	-	-	4,637
Disposals	-	-	-	-	-	-
Carrying Value at end of year	<u>2,437,500</u>	<u>9,206</u>	<u>8,852</u>	<u>8,695</u>	<u>33,721</u>	<u>2,497,975</u>

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	2007	2006
	\$	\$
NOTE 7 - TRADE AND OTHER PAYABLES		
Sundry creditors	7,697	6,125
Other creditors	52,916	16,036
Payroll liabilities	9,948	7,779
Bond monies payable	41,450	44,650
	<u>112,011</u>	<u>74,690</u>
NOTE 8 - FINANCIAL LIABILITIES		
CURRENT		
Hire purchase liability	<u>7,556</u>	<u>7,024</u>
	<u>7,556</u>	<u>7,024</u>
NON CURRENT		
Hire purchase liability	<u>27,497</u>	<u>31,429</u>
	<u>27,497</u>	<u>31,429</u>
NOTE 9 - PROVISIONS		
CURRENT		
Provision for long service leave	40,488	39,523
Provision for annual leave	43,428	34,440
	<u>83,916</u>	<u>73,963</u>
Total number of employees at the year end	<u>5</u>	<u>5</u>
NOTE 10 - RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS)		
Operating profit (loss)	(84,816)	(20,534)
Loss on sale of fixed assets	-	14,810
Depreciation expense	77,648	36,323
Increase/(decrease) in leave provisions	9,953	21,790
Increase/(decrease) in accounts payable	37,421	(11,495)
Decrease/(increase) in accounts receivable	1,565	847
Net cash flow from operating activities	<u>41,771</u>	<u>41,541</u>
Cash at the end of the financial year as shown on the statement of cash flows is represented by:		
Cash (Note 4)	<u>152,956</u>	<u>119,223</u>
Credit Standby Arrangements with banks: Bank overdraft facilities are arranged with Westpac Banking Corporation. The amount of unused credit facility as at 30 June 2007 was \$300,000 with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment. This limit exists in accordance with a registered all monies strata mortgage by National Electrical Contractors Association of SA Inc over Unit 1, 213 Greenhill Road, Eastwood.		

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
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NOTE 13 - FINANCIAL INSTRUMENTS

(a) 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 those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
					Within 1 Year		1 to 5 Years	
	2007	2006	2007	2006	2007	2006	2007	2006
Financial Assets	%	%	\$	\$	\$	\$	\$	\$
Cash	4.68	1.35	152,956	119,022	-	-	-	-
Total Financial Assets			152,956	119,022	-	-	-	-
Financial Liabilities								
Lease Liabilities	7.32	7.32	-	-	7,556	7,024	27,497	31,429
Total Financial Liabilities			-	-	7,556	7,024	27,497	31,429

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, 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 debtor or group of debtors under financial instruments entered into by the association.

(c) Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where their carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

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 accounts.

NOTE 14 - CAPITAL AND LEASING COMMITMENTS

	2007	2006
	\$	\$
Finance Lease Commitments		
Payable - minimum lease payments not later than 12 months between 12 months and 5 years	9,607	9,607
	<u>29,072</u>	<u>35,053</u>
Minimum lease payments	38,678	44,660
Less: future finance charges	<u>(3,625)</u>	<u>(6,207)</u>
	<u>35,053</u>	<u>38,453</u>

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NOTE 15 - RESERVES

- a. Asset revaluation reserve records valuations of non-current assets.

NOTE 16 - Association Details

The principal place of business of the association is:-

213 Greenhill Road
EASTWOOD SA 5063

