



FAIR WORK
AUSTRALIA

19 May 2011

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

By email: neca@necasa.asn.au

Dear Mr Moore,

Re: Financial Reports - Y/E 30 June 2009 & 2010 - FR2009/288 & FR2010/2583
s.268 Fair Work (Registered Organisations) Act 2009 (RO Act)

We refer to the financial reports for the SA Chapter of *The National Electrical Contractors Association* for years ended 30 June 2009 and 30 June 2010. The documents were lodged on 23 March 2011. The documents have been filed.

The financial report for year ending 30 June 2009 was lodged 14 months late.

In future, please ensure that the financial report is lodged with FWA within six and a half months of the end of the financial year - as required by sections 265, 266 and 268 of the RO Act.

In addition, future reports must refer to the *Fair Work (Registered Organisations) Act 2009* rather than Schedule 1B (RO Schedule) of the *Workplace Relations Act 1996*.

'Employee benefits' paid to elected officers

Item 11 of the Reporting Guidelines¹ requires the financial report to separately disclose:

- the amount expended on 'employee benefits to holders of office'; and
- the amount expended on 'employee benefits to employees (other than holders of office)'.

The financial report for each year did not appear to prove any figure for 'employee benefits to holders of office'.

It now appears that most NECA reporting units have taken a similar approach regarding this issue. Accordingly, on 19 May 2011 we wrote to the National Secretary seeking his response - see Attachment 1.

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

Yours faithfully,

Andrew Schultz
Tribunal Services and Organisations

¹ The Reporting Guidelines were issued by the Industrial Registrar under section 255 of Schedule 1B to the *Workplace Relations Act 1996* and continue to operate as though they were made by the General Manager of FWA by virtue of Schedule 22 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*.

FR2010/2583



national electrical and communications association
213 Greenhill Road Eastwood South Australia 5063 Australia
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telephone: (08) 8272 2966 facsimile: (08) 8373 1528
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22 March 2011

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 9th of September 2010; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 18th of October 2010, in accordance with the RAO Schedule

Signed _____
Laurence John Moore (Secretary)



n e c a

South Australian chapter

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

22 March 2011

Australian Industrial Registry
GPO Box 1994S
MELBOURNE Victoria 3001

Attention: Mr. Robert Pheiffer
Statutory Services Branch

**Re: The National Electrical Contractors Association - The South Australian
Chapter Financial Documents 2008 - Workplace Relations Act 1998**

Dear Robert

Please find attached copies of documentation for 2010 in accordance with the requirements of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996.

Yours faithfully



Larry Moore
Secretary



**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
SOUTH AUSTRALIAN CHAPTER**

Financial Statements

For Year Ending

30 June 2010

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

COMMITTEE REPORT

The committee members submit the financial statements for the National Electrical Contracting Association – South Australia Chapter ("the Association") for the financial year ending 30 June 2010.

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:

John Robinson	President
Alan Aitchison	Vice President
Gary McDougall	Treasurer (To 19 October 2009)
Andy Thorpe	Treasurer (From 19 October 2009)
Richard Lane	
Greg Hodby	
Jarrold Poulton	

There were no members of the Committee that were:

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme
- (ii) A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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 \$259,806 (2009: Loss \$53,552)

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 481.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

COMMITTEE REPORT (CONT)

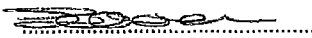
Rule 11 of the rules reads as follows:

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.


Laurence John Moore
Secretary

Signed at *Eastwood* this *7* day of *September* 2010

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

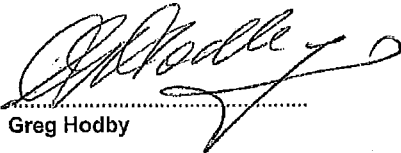
COMMITTEE OF MANAGEMENT STATEMENT

On 7th of September 2010 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 2010.

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


.....
Greg Hodby


.....
Andrew Thorpe

Signed at EASTWOOD this 7th day of September 2010

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
Revenue from ordinary activities	3(a)	888,902	973,131
Employee expenses	3(b)	(408,314)	(423,670)
Depreciation expenses		(81,770)	(77,187)
Finance costs		(2,829)	(1,478)
Accounting and audit expenses		(17,375)	(21,020)
Bad debts expenses		(54,868)	-
Excellence awards expenses		(104,170)	(47,714)
Industrial services expenses		(8,487)	(21,538)
National subscription expenses		(87,508)	(83,272)
Property expenses		(73,822)	(51,871)
Printing expenses		(35,181)	(76,716)
Telephone and power expenses		(20,362)	(15,390)
Loss on sale of property, plant and equipment		(786)	(1,080)
Other operating expenses	3(b)	<u>(253,236)</u>	<u>(205,747)</u>
		(259,806)	(53,552)
<i>Other comprehensive income for the year:</i>			
Increment in asset revaluation reserve		<u>470,000</u>	-
Total comprehensive income		<u><u>210,194</u></u>	<u><u>(53,552)</u></u>

The accompanying notes form part of these financial statements

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	74,533	149,151
Trade and other receivables	5	151,122	206,072
TOTAL CURRENT ASSETS		<u>225,655</u>	<u>355,223</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,837,714	2,372,009
TOTAL NON-CURRENT ASSETS		<u>2,837,714</u>	<u>2,372,009</u>
TOTAL ASSETS		<u>3,063,369</u>	<u>2,727,232</u>
CURRENT LIABILITIES			
Trade and other payables	7	328,410	245,741
Financial liabilities	8	8,302	15,744
Provisions	9	113,613	102,870
TOTAL CURRENT LIABILITIES		<u>450,325</u>	<u>364,355</u>
NON-CURRENT LIABILITIES			
Financial liabilities	8	39,973	-
TOTAL NON-CURRENT LIABILITIES		<u>39,973</u>	<u>-</u>
TOTAL LIABILITIES		<u>490,298</u>	<u>364,355</u>
NET ASSETS		<u>2,573,071</u>	<u>2,362,877</u>
EQUITY			
Reserves		2,436,639	1,966,639
Retained earnings		136,432	396,238
TOTAL EQUITY		<u>2,573,071</u>	<u>2,362,877</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2008	449,790	1,966,639	2,416,429
Total comprehensive income	(53,552)	-	(53,552)
Balance at 30 June 2009	396,238	1,966,639	2,362,877
Total comprehensive income	(259,806)	470,000	210,194
Balance at 30 June 2010	136,432	2,436,639	2,573,071

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members/non-members		2,154,706	2,231,119
Payments to suppliers and employees		(2,185,819)	(2,173,418)
Interest received		5,054	10,728
Interest and other costs of finance paid		(2,829)	(1,478)
Net cash flow from operating activities	10	<u>(28,888)</u>	<u>66,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		<u>(28,418)</u>	<u>(6,773)</u>
Net cash flow from investing activities		<u>(28,418)</u>	<u>(6,773)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase liability		<u>(17,312)</u>	<u>(8,128)</u>
Net cash flow from financing activities		<u>(17,312)</u>	<u>(8,128)</u>
Net increase/(decrease) in cash held		(74,618)	52,050
Cash at the beginning of the financial year		<u>149,151</u>	<u>97,101</u>
Cash at the end of the financial period	4	<u><u>74,533</u></u>	<u><u>149,151</u></u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

These financial statements cover National Electrical Contractors Association (NECA) - SA Chapter as an individual entity. NECA is an association incorporated in South Australia under the Association Incorporation Act SA (1985).

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose and have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Association Incorporation Act SA (1985).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements 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 and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Adoption of new and revised accounting standards

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The 2009 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 30 June 2009 as described below.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following note.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

NECA – SA Chapter have adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which have resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

Adoption of AASB 8 Operating Segments

NECA – SA Chapter has adopted AASB 8 Operating Segments in these financial statements which have resulted in the removal of the requirement for presentation of the segment reporting note.

Third statement of financial position

Two comparative periods are presented for the statement of financial position when the Association:

- i Applies an accounting policy retrospectively,
- ii Makes a retrospective restatement of items in its financial statements, or
- iii Reclassifies items in the financial statements

We have determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

(a) Property, Plant and Equipment

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

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 diminishing value basis, with the exception of buildings which is depreciated on a straight line basis, over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation rate
Buildings	2.5%
Office machines	7.5-40%
Computer Equipment	37.5-40%
Furniture and Fittings	7.5- 20%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) 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.

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.

(c) 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 are measured at the amounts expected to be paid when the liability is settled. 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. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(d) 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.

(e) 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 borrowings in current liabilities on the statement of financial position.

(f) 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.

The lease asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(h) Comparative Figures

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

(i) Key Estimates

(i) Impairment

The association assesses impairment at each reporting date by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. The committee evaluate estimates and judgements incorporated into the financial statements 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 externally and within the association.

(j) Key Judgements

(i) Provision for impairment of receivables

Provision for impairment is determined by management upon review of accounts past due.

(k) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Financial Instruments (Cont)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(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.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the association 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 the statement of comprehensive income.

(l) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Association follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Association has not yet determined the potential impact on the financial statements. The changes made to accounting requirement include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(i) New Accounting Standards for Application in Future Periods (Cont)

- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trade in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets;
 - b. the characteristics of the contractual cash flows.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Association.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Association.

AASB 2009-8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Association.

AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(i) New Accounting Standards for Application in Future Periods (Cont)

AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Association.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Association.

AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Association.

AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. These amendments are not expected to impact the Association.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Association.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010****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

	2010	2009
	\$	\$
NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions received	437,678	429,819
Interest received	5,054	10,728
Stationery and service fees	44,130	106,453
Petrol invoices recharges	15,534	20,754
Commission received	34,616	34,689
Rent received	164,451	160,239
Grant income	1,841	41,967
Excellence Awards fees	86,137	89,123
Industrial services	16,759	24,251
Recoverable expenses	9,341	7,412
Advertising and promotions revenue	65,227	57,353
Other Revenue	8,134	10,343
TOTAL REVENUE	888,902	973,131

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES		
Employee Expenses:		
Salaries	324,729	338,313
Annual Leave	(3,684)	13,102
Long Service Leave	14,428	11,799
Superannuation	72,841	60,456
	<u>408,314</u>	<u>423,670</u>
Other Expenses:		
RACCA expenses	6,329	6,940
Training and development	10,620	24,903
Motor vehicle expenses	9,354	5,519
Promotions	35,470	32,226
Office expenses	59,613	53,621
Legal Fees	29,112	(557)
Other Operating Expenses	102,738	83,095
	<u>253,236</u>	<u>205,747</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

Wespac Bank- Operating account	74,333	148,951
Petty Cash	200	200
	<u>74,533</u>	<u>149,151</u>
Total Cash	<u>74,533</u>	<u>149,151</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>74,533</u>	<u>149,151</u>
---------------------------	---------------	----------------

NOTE 5 - TRADE AND OTHER RECEIVABLES

Trade receivable and other assets	221,296	235,437
Provision for doubtful debts	(75,127)	(22,520)
GST recoverable/(payable)	4,953	(6,845)
	<u>151,122</u>	<u>206,072</u>

As of 30 June 2010, trade receivables of \$66,509 (2009: \$10,423) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

30-60 Days	9,888	10,423
61-90 Days	20,243	-
90+ Days	36,378	-
	<u>66,509</u>	<u>10,423</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2,010	2009
	\$	\$
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT		
Land and building - at independent valuation 30 June 2010	2,720,000	2,500,000
Less: accumulated depreciation	-	(187,500)
	<u>2,720,000</u>	<u>2,312,500</u>
Office machines - at cost	29,214	26,297
Less: accumulated depreciation	(16,001)	(12,287)
	<u>13,213</u>	<u>14,010</u>
Computer equipment - at cost	12,150	12,150
Less: accumulated depreciation	(8,499)	(6,309)
	<u>3,651</u>	<u>5,841</u>
Furniture & fittings - at cost	50,238	24,738
Less: accumulated depreciation	(10,794)	(7,341)
	<u>39,444</u>	<u>17,397</u>
Hire purchase - motor vehicle	69,844	51,081
Less: accumulated depreciation	(8,438)	(28,820)
	<u>61,406</u>	<u>22,261</u>
Total plant and equipment	<u><u>2,837,714</u></u>	<u><u>2,372,009</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 Machines	Computer Equipment	Furniture & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$	
Balance at the beginning of year	2,312,500	14,010	5,841	17,397	22,261	2,372,009
Depreciation and amortisation	(62,500)	(3,714)	(2,190)	(3,453)	(9,913)	(81,770)
Additions	-	2,917	-	25,500	69,844	98,261
Disposals/ scrapped	-	-	-	-	(20,786)	(20,786)
Valuation	470,000					470,000
Carrying Value at end of year	<u>2,720,000</u>	<u>13,213</u>	<u>3,651</u>	<u>39,444</u>	<u>61,406</u>	<u>2,837,714</u>

	2010	2009
	\$	\$
NOTE 7 - TRADE AND OTHER PAYABLES		
Sundry creditors	269,864	193,880
Payroll liabilities	6,705	5,461
Bond monies payable	51,841	46,400
	<u>328,410</u>	<u>245,741</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 8 - FINANCIAL LIABILITIES		
CURRENT		
Hire purchase liability	<u>8,302</u>	<u>15,744</u>
NON-CURRENT		
Hire purchase liability	<u>39,973</u>	-
A motor vehicle acts as security for this hire purchase liability.		
NOTE 9 - PROVISIONS		
CURRENT		
Provision for long service leave	65,682	51,254
Provision for annual leave	<u>47,931</u>	<u>51,616</u>
Total current provisions	<u>113,613</u>	<u>102,870</u>
NOTE 10 - RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS)		
Operating profit (loss)	(259,806)	(53,552)
Loss on sale of fixed assets	786	1,080
Depreciation and amortisation expense	<u>81,770</u>	<u>77,187</u>
	<u>(177,250)</u>	24,715
Increase/(decrease) in leave provisions	10,743	24,901
Increase/(decrease) in trade and other payables	82,669	18,387
Decrease/(Increase) in trade and other receivables	<u>54,950</u>	<u>(1,052)</u>
Net cash flow from operating activities	<u>(28,888)</u>	<u>66,951</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 2010 was \$300,000 (2009: \$296,268) with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
NOTE 11 - REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by the auditor of the Association for auditing the accounts of the chapter:		
- Audit fee	8,000	6,500
- Other services	500	495
	8,500	6,995

NOTE 12 - RELATED PARTIES

The names of persons who were committee members of the association at any time during the financial year are as follows:

J Robinson	President
G McDougall	Treasurer (To 19th October 2009)
A Aitchison	Vice President
R Lane	
G Hodby	
A Thorpe	Treasurer (From 19th October 2009)
J Poulton	

In addition to the committee Mr L Moore acts as Secretary
Their involvement with National Electrical Contractors Association - SA Chapter affiliated bodies are listed hereunder:

NAME	ORGANISATION	OFFICE HELD
J Robinson	NECA National	National Councillor/ National President/ National Executive Member
	VIP Electrical Services	Director
G McDougall	MIE Electrical	Director
A Aitchison	NECA National Communications Advisory Group	Member
	NECA National	National Councillor
	MIMP Computer Cable Pty Ltd.	Manager
R Lane	O'Donnell Griffin Pty Ltd.	State Manager
	PEER Veet Inc	Director
G Hodby	Nilsen Electric (SA) Pty Ltd.	Group General Manager

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12 - RELATED PARTIES (CONT)

NAME	ORGANISATION	OFFICE HELD
A Thorpe	Niramar Pty Ltd.	Director
	PEER Veet Inc	Director
L Moore	Connect Super (SPEC)	Director
	Industry Skills Board (EEEWSB)	Chair
	Australian Refrigeration Council (ARC)	Director
	National Industry Skills Council	Director
J Poulton	Leane Electrical Pty Ltd	Manager

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the National Electrical Contractors Association - SA Chapter received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was Nil (2009: Nil).

The National Electrical Contractors Association - SA Chapter remits subscriptions and other related expenses to the National Electrical Contractors Association on a regular basis. All dealings with this related entity are in the ordinary course of business and on normal terms and conditions. The total amount of monies remitted was \$86,947 for the year ended 30 June 2010 (2009: \$85,912).

NOTE 13 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The Association does not have any derivative financial instruments at 30 June 2010 (2009: Nil).

The Authority'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			
	2010	2009	Rate		Within 1 Year		1 to 5 Years	
			2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	2.80	4.04	74,533	149,151	-	-	-	-
Total Financial Assets			74,533	149,151				
Financial Liabilities								
Lease Liabilities	9.21	7.32	-	-	8,302	15,744	39,973	-
Total Financial					8,302	15,744	39,973	-

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 13 - FINANCIAL INSTRUMENTS (CONT)

(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 Authority does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Authority.

(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.

(d) Sensitivity Analysis

The association's cash levels would not change significantly through an increase of 2% of the interest rate on cash deposits. Therefore, no sensitivity analysis has been calculated and disclosed.

	2010	2009
	\$	\$
NOTE 14 - CAPITAL AND LEASING COMMITMENTS		
Hire purchase commitments		
Payable - minimum payments not later than 12 months	12,403	15,840
between 12 months and 5 years	46,440	-
Minimum payments	58,843	15,840
Less: future finance charges	(10,569)	(96)
	48,274	15,744

Capital and leasing commitments represents hire purchase agreement over motor vehicles. Hire purchase commitment from 2009 was paid out in full in July 2009. A new motor vehicle was purchased in November 2009 and new hire purchase commitment entered into.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 15 - RESERVES

Asset revaluation reserve records valuations of non-current assets.

NOTE 16 - CONTINGENT LIABILITIES

There were no contingencies facing NECA as at 30 June 2010 that have not been brought to account in the financial report.

NOTE 17 - EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature, likely in the opinion of the Committee to significantly affect the operations, the result of those operations or the state of affairs of the association in future years.

NOTE 18 - ASSOCIATION DETAILS

The principal place of business of the association is:

213 Greenhill Road
EASTWOOD SA 5063

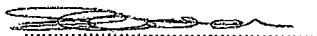
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

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 2010 was 481.

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2010;
- (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.
- (vii) These financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.



Laurence John Moore

Signed at *Eastwood* this *7* day of *September* 2010



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

We have audited the accompanying financial report of National Electrical Contractors Association South Australian Chapter., which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee for National Electrical Contractors Association South Australian Chapter.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Associations Incorporation Act SA 1985 and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls 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 and 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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

Auditor's responsibility Cont

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 committee members, 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 Australian professional ethical pronouncements.

Auditor's opinion

In our opinion,

- a the financial report of National Electrical Contractors Association South Australian Chapter is in accordance with:
 - i the requirements of the Associations Incorporation Act SA 1985;
 - ii giving a true and fair view of the Associations' financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - iii complying 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.

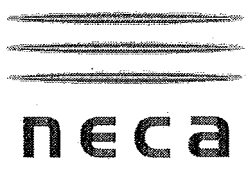
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink, appearing to read 'J.L. Humphrey', written over a rectangular stamp area.

J.L. Humphrey
Director – Audit & Assurance Services

Signed at Wayville on this 7th day of September 2010

FR2009/288



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

22 March 2011

Australian Industrial Registry
GPO Box 1994S
MELBOURNE Victoria 3001



Attention: Mr. Robert Pheiffer
Statutory Services Branch

Re: The National Electrical Contractors Association - The South Australian Chapter Financial Documents 2008 - Workplace Relations Act 1998

Dear Robert

Please find attached copies of documentation for 2009 in accordance with the requirements of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996.

Yours faithfully

Larry Moore
Secretary

FR 2009/288



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

22 March 2011

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 8th of September 2009; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 19th of October 2009, in accordance with the RAO Schedule

Signed _____
Laurence John Moore (Secretary)



**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
SOUTH AUSTRALIAN CHAPTER**

**Financial Statements
For Year Ending
30 June 2009**

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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 2009.

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:

J Robinson	President
G McDougall	Treasurer
L Moore	Secretary
A Aitchinson	Vice President
R Lane	
D Sims	Resigned November 2008
A Thorpe	
G Hodby	
J Poulton	Appointed November 2008

There were no members of the Committee that were:

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme
- (ii) A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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 \$53,552 (2008: Loss \$39,610)

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 481.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

COMMITTEE REPORT (CONT)


Rule 11 of the rules reads as follows:

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.


.....
Laurence John Moore
Secretary

Signed at *Eastwood* this *20th* day of *AUGUST* 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

COMMITTEE OF MANAGEMENT STATEMENT

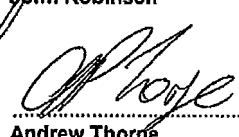
On 20 August 2009 the Committee of Management of the National Electrical Contractors Association – SA Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the entity for the financial year ended 30 June 2009.

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 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


.....
John Robinson


.....
Andrew Thorpe

Signed at *FASTWOOD* this *20th* day of *August* 2009

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 2009 was 481.

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2009;
- (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.


.....
Laurence John Moore

Signed at *Eastwood* this *20th* day of *August*. 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
Revenue from ordinary activities	3(a)	973,131	1,062,308
Employee expenses	3(b)	(423,670)	(347,916)
Depreciation expenses		(77,187)	(78,043)
Finance costs		(1,478)	(1,876)
Accounting and audit expenses		(21,020)	(17,605)
Bad debts expenses		-	(20,829)
Excellence awards expenses		(47,714)	(74,727)
Industrial services expenses		(21,538)	(19,332)
National subscription expenses		(83,272)	(81,084)
Property expenses		(51,871)	(64,749)
Printing expenses		(76,716)	(186,500)
Telephone and power expenses		(15,390)	(19,096)
Loss on sale of property, plant and equipment		(1,080)	-
Other operating expenses	3(b)	<u>(205,747)</u>	<u>(190,161)</u>
Profit/(Loss) from ordinary activities		<u>(53,552)</u>	<u>(39,610)</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	149,151	97,101
Trade and other receivables	5	206,072	205,020
TOTAL CURRENT ASSETS		<u>355,223</u>	<u>302,121</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>2,372,009</u>	<u>2,443,503</u>
TOTAL NON-CURRENT ASSETS		<u>2,372,009</u>	<u>2,443,503</u>
TOTAL ASSETS		<u>2,727,232</u>	<u>2,745,624</u>
CURRENT LIABILITIES			
Trade and other payables	7	245,741	227,354
Financial liabilities	8	15,744	8,128
Provisions	9	102,870	77,969
TOTAL CURRENT LIABILITIES		<u>364,355</u>	<u>313,451</u>
NON-CURRENT LIABILITIES			
Financial liabilities	8	-	15,744
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>15,744</u>
TOTAL LIABILITIES		<u>364,355</u>	<u>329,195</u>
NET ASSETS		<u>2,362,877</u>	<u>2,416,429</u>
EQUITY			
Reserves		1,966,639	1,966,639
Retained earnings		396,238	449,790
TOTAL EQUITY		<u>2,362,877</u>	<u>2,416,429</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2009**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2007	489,400	1,966,639	2,456,039
Profit / (loss) attributable to members	<u>(39,610)</u>	-	<u>(39,610)</u>
Balance at 30 June 2008	<u>449,790</u>	<u>1,966,639</u>	<u>2,416,429</u>
Profit / (loss) attributable to members	<u>(53,552)</u>	-	<u>(53,552)</u>
Balance at 30 June 2009	<u>396,238</u>	<u>1,966,639</u>	<u>2,362,877</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members/non-members		2,231,119	2,381,685
Payments to suppliers and employees		(2,173,418)	(2,418,414)
Interest received		10,728	17,502
Interest and other costs of finance paid		(1,478)	(1,876)
Net cash flow from operating activities	10	<u>66,951</u>	<u>(21,103)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(6,773)	(23,571)
Net cash flow from investing activities		<u>(6,773)</u>	<u>(23,571)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase liability		(8,128)	(11,181)
Net cash flow from financing activities		<u>(8,128)</u>	<u>(11,181)</u>
Net increase/(decrease) in cash held		52,050	(55,855)
Cash at the beginning of the financial year		97,101	152,956
Cash at the end of the financial period	4	<u>149,151</u>	<u>97,101</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

The financial report covers National Electrical Contractors Association (NECA) - SA Chapter as an individual entity. NECA is an association incorporated in South Australia under the Association Incorporation Act SA (1985).

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Association Incorporation Act SA (1985).

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 and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Property, Plant and Equipment

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

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 diminishing value basis, with the exception of buildings which is depreciated on a straight line basis, over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation rate
Buildings	2.5%
Office machines	15- 30%
Computer Equipment	37.5-40%
Furniture and Fittings	7.5- 13.5%
Motor Vehicles	18.75%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) 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.

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.

(c) 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 are measured at the amounts expected to be paid when the liability is settled. 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. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(d) 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.

(e) 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 borrowings in current liabilities on the balance sheet.

(f) 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.

The lease asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Comparative Figures

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

(i) Key Estimates

(i) Impairment

The association assesses impairment at each reporting date by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. The committee evaluate estimates and judgements 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 externally and within the association.

(j) Key Judgements

(i) Provision for impairment of receivables

Provision for impairment is determined by management upon review of accounts past due.

(k) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Financial Instruments (Cont)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(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.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the association 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.

(l) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:

— AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the group's board for the purposes of decision making. Whilst the impact of this Standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic level at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management presently do not believe impairment will result however.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(i) New Accounting Standards for Application In Future Periods (Cont)

— AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

— AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the association as a policy of capitalising qualifying borrowing costs has been maintained by the association.

— AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.

— AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value, less costs to distribute.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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

	2009	2008
	\$	\$
NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions received	429,819	408,940
Interest received	10,728	17,502
Stationery and service fees	106,453	263,379
Petrol invoices recharges	20,754	20,586
Commission received	34,689	38,373
Rent received	160,239	123,177
Grant income	41,967	-
Administration fees	-	3,547
Excellence Awards fees	69,123	71,173
Industrial services	24,251	17,741
Recoverable expenses	7,412	13,856
Advertising and promotions revenue	57,353	70,251
Other Revenue	10,343	13,783
TOTAL REVENUE	973,131	1,062,308

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES		
Employee Expenses:		
Salaries	338,313	298,331
Annual Leave	13,102	(4,914)
Long Service Leave	11,799	5,481
Superannuation	60,456	49,018
	<u>423,670</u>	<u>347,916</u>
Other Expenses:		
RACCA expenses	6,940	8,417
Training and development	24,903	11,613
Motor vehicle expenses	5,519	9,655
Promotions	32,226	30,168
Office expenses	53,064	49,142
Other Operating Expenses	83,095	81,166
	<u>205,747</u>	<u>190,161</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

Wespac Bank- Operating account	148,951	96,901
Petty Cash	200	200
Total Cash	<u>149,151</u>	<u>97,101</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>149,151</u>	<u>97,101</u>
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NOTE 5 - TRADE AND OTHER RECEIVABLES

Trade receivable and other assets	235,437	218,355
Provision for doubtful debts	(22,520)	(22,520)
GST recoverable/(payable)	(6,845)	9,185
	<u>206,072</u>	<u>205,020</u>

As of 30 June 2009, trade receivables of \$10,423 (2008: \$19,379) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

30-60 Days	10,423	2,613
61-90 Days	-	229
90+ Days	-	16,537
	<u>10,423</u>	<u>19,379</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT		
Land and building - at independent valuation 30 June 2006	2,500,000	2,500,000
Less: accumulated depreciation	(187,500)	(125,000)
	<u>2,312,500</u>	<u>2,375,000</u>
Office machines - at cost	26,297	40,387
Less: accumulated depreciation	(12,287)	(28,869)
	<u>14,010</u>	<u>11,518</u>
Computer equipment - at cost	12,150	35,237
Less: accumulated depreciation	(6,309)	(28,799)
	<u>5,841</u>	<u>6,438</u>
Furniture & fittings - at cost	24,738	118,741
Less: accumulated depreciation	(7,341)	(95,592)
	<u>17,397</u>	<u>23,149</u>
Hire purchase - motor vehicle	51,081	51,081
Less: accumulated depreciation	(28,820)	(23,683)
	<u>22,261</u>	<u>27,398</u>
Total plant and equipment	<u><u>2,372,009</u></u>	<u><u>2,443,503</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 Machines	Computer Equipment	Furniture & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$	
Balance at the beginning of year	2,375,000	11,518	6,438	23,149	27,398	2,443,503
Depreciation and amortisation	(62,500)	(3,766)	(1,489)	(4,295)	(5,137)	(77,187)
Additions	-	6,573	3,732	-	-	10,305
Disposals/ scrapped	-	(315)	(2,840)	(1,457)	-	(4,612)
Carrying Value at end of year	<u>2,312,500</u>	<u>14,010</u>	<u>5,841</u>	<u>17,397</u>	<u>22,261</u>	<u>2,372,009</u>

	2009	2008
	\$	\$
NOTE 7 - TRADE AND OTHER PAYABLES		
Sundry creditors	193,880	177,810
Payroll liabilities	5,461	5,894
Bond monies payable	46,400	43,650
	<u>245,741</u>	<u>227,354</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 8 - FINANCIAL LIABILITIES		
CURRENT		
Hire purchase liability	<u>15,744</u>	<u>8,128</u>
NON-CURRENT		
Hire purchase liability	<u>-</u>	<u>15,744</u>

A motor vehicle acts as security for this hire purchase liability.

NOTE 9 - PROVISIONS

CURRENT		
Provision for long service leave	51,254	39,455
Provision for annual leave	<u>51,616</u>	<u>38,514</u>
Total current provisions	<u>102,870</u>	<u>77,969</u>

**NOTE 10 - RECONCILIATION OF NET CASH INFLOW
FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS)**

Operating profit (loss)	(53,552)	(39,610)
Loss on sale of fixed assets	1,080	-
Depreciation and amortisation expense	<u>77,187</u>	<u>78,043</u>
	<u>24,715</u>	<u>38,433</u>
Increase/(decrease) in leave provisions	24,901	(5,947)
Increase/(decrease) in accounts payable	18,387	115,343
Decrease/(Increase) in accounts receivable	<u>(1,052)</u>	<u>(168,932)</u>
Net cash flow from operating activities	<u>66,951</u>	<u>(21,103)</u>
Cash at the end of the financial year as shown on the cash flow statement is represented by:		
Cash and cash equivalents (Note 4)	<u>149,151</u>	<u>97,101</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 2009 was \$296,268 (2008: \$297,346) with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 11 - REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by the auditor of the Association for auditing the accounts of the chapter:		
- Audit fee	6,500	7,200
- Other services	495	7,150
	<u>6,995</u>	<u>14,350</u>

NOTE 12 - RELATED PARTIES

The names of persons who were committee members of the association at any time during the financial year are as follows:

J Robinson	President
G McDougall	Treasurer
A Aitchison	Vice President
L Moore	Secretary
R Lane	
D Sims	(Resigned November 2008)
G Hodby	
A Thorpe	
J Poulton	(Appointed November 2008)

Their involvement with National Electrical Contractors Association - SA Chapter affiliated bodies are listed hereunder:

NAME	ORGANISATION	OFFICE HELD
J Robinson	NECA National	National Councillor/ National President/ National Executive Member
	VIP Electrical Services	Director
G McDougall	MIE Electrical	Director
A Aitchison	NECA National Communications Advisory Group	Member
	NECA National	National Councillor
	MIMP Computer Cable Pty Ltd.	Manager
R Lane	O'Donnell Griffin Pty Ltd.	State Manager
	PEER Veet Inc	Director
D Sims	Leane Electrical Pty Ltd.	Director
	PEER Veet Inc	Director (resigned)
G Hodby	Nilsen Electric (SA) Pty Ltd.	Group General Manager

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 12 - RELATED PARTIES (CONT)

NAME	ORGANISATION	OFFICE HELD
A Thorpe	Niramar Pty Ltd.	Director
	PEER Veet Inc	Director
L Moore	Connect Super (SPEC)	Director
	PEER Veet Inc	Director (resigned)
	Industry Skills Board (EEEWSB)	Chairman
	Australian Refrigeration Council (ARC)	Director
J Poulton	National Industry Skills Council	Alternate Director
	Leane Electrical Pty Ltd	Manager

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the National Electrical Contractors Association - SA Chapter received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was Nil (2008: Nil).

The National Electrical Contractors Association - SA Chapter remits subscriptions and other related expenses to the National Electrical Contractors Association on a regular basis. All dealings with this related entity are in the ordinary course of business and on normal terms and conditions. The total amount of monies remitted was \$85,912 for the year ended 30 June 2009 (2008: \$81,645).

NOTE 13 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The Association does not have any derivative financial instruments at 30 June 2009 (2008: Nil).

The Authority'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			
	2009	2008	2009	2008	Within 1 Year		1 to 5 Years	
					2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	4.04	3.2	149,151	97,101	-	-	-	-
Total Financial Assets			149,151	97,101	-	-	-	-
Financial Liabilities								
Lease Liabilities	7.32	7.32	-	-	15,744	8,128	-	15,744
Total Financial			-	-	15,744	8,128	-	15,744

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 13 - FINANCIAL INSTRUMENTS (CONT)

(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 Authority does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Authority.

(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.

(d) Sensitivity Analysis

The association's cash levels would not change significantly through an increase of 2% of the interest rate on cash deposits. Therefore, no sensitivity analysis has been calculated and disclosed.

	2009	2008
	\$	\$
NOTE 14 - CAPITAL AND LEASING COMMITMENTS		
Hire purchase commitments		
Payable - minimum payments not later than 12 months between 12 months and 5 years	15,840	9,607
	-	15,840
Minimum payments	15,840	25,447
Less: future finance charges	(96)	(1,575)
	15,744	23,872

Capital and leasing commitments represents hire purchase agreement over motor vehicles.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 15 - RESERVES

Asset revaluation reserve records valuations of non-current assets.

NOTE 16 - CONTINGENT LIABILITIES

There were no contingencies facing NECA as at 30 June 2009 that have not been brought to account in the financial report.

NOTE 17 - SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment being the representation of members in the electrical and communications industry in South Australia.

NOTE 18 - EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature, likely in the opinion of the Committee to significantly affect the operations, the result of those operations or the state of affairs of the association in future years.

NOTE 19 - ASSOCIATION DETAILS

The principal place of business of the association is:

213 Greenhill Road
EASTWOOD SA 5063



Level 1,
87 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info@getsa.com.au
W www.granthornton.com.au

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

We have audited the accompanying financial report of National Electrical Contractors Association South Australian Chapter, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee for National Electrical Contractors Association South Australian Chapter.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Associations Incorporation Act SA 1985 and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls 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 and 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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

Auditor's responsibility Cont

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 committee members, 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 Australian professional ethical pronouncements.

Auditor's opinion

In our opinion,

- a the financial report of National Electrical Contractors Association South Australian Chapter is in accordance with:
 - i the requirements of the Associations Incorporation Act SA 1985:
 - ii giving a true and fair view of the Associations' financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - iii complying 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.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink, appearing to read 'L. Humphrey', written over a printed name.

L. Humphrey
Director – Audit & Assurance Services

Signed at Wayville on this 20th day of August 2009

